HOLDINGS LIMITED

Delivering Comfort & Great Quality

ANNUAL REPORT 2020

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CORPORATE PROFILE

ABR Holdings Limited ("ABR" or the "Group") traces its roots to 1979 with the establishment of the 200-seater Swensen's at Thomson Plaza, the first full-service ice cream parlour in Singapore. Today, ABR operates more than 25 restaurant outlets and the Swensen's brand has become synonymous with fun, friendly family dining.

Over the past four decades, the Group has expanded our stable of brands to offer a variety of cuisines in multiple dining formats for customers. From Swensen's' San Franciscan sundaes, Tip Top's traditional handmade puffs, Season's freshly baked breads to Chilli Padi's Nonya delicacies. There is an offering in ABR's family of brands for everyone and for any occasion. At the heart of all we do is our mission to create memorable dining experiences that bring friends and families together.

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of ABR Holdings Limited ("ABR" or the "Group"), we present to you the Annual Report and Financial Statements for the financial year ended 31 December 2020 ("FY2020").

We are pleased to report a year of reasonable performance despite severe disruptions resulting from the Covid-19 pandemic. In FY2020, profit attributable to the owners of the company tripled to S$6.0 million, from S$2.0 million in FY2019.

Financial Review

Group revenue for FY2020 registered at S$86.0 million, a decrease of 29% as compared to S$121.1 million in FY2019. This is attributable to declines in F&B revenues due to Covid-19 regulatory restrictions in Singapore and Malaysia, particularly during the two countries' respective lockdown periods.

Group profit before tax registered at S$6.6 million for FY2020, an increase of 117.8% as compared to S$3.0 million in FY2019. This is attributable to swift and effective action taken by the Group to contain costs and preserve revenue streams at the onset of the pandemic in addition to government support and landlord rental rebates.

After deducting the share of profits attributable to non-controlling interests, the Group recorded a net profit attributable to owners of the Company of S$6.0 million in FY2020.

Business Review

Food & Beverage

Revenues for our F&B operations were substantially impacted in FY2020 due to virus containment measures in Singapore and Malaysia. We also experienced increase in costs as disruptions in global supply chains resulted in higher prices for food ingredients and packaging.

The pandemic necessitated a redefining of how we bring value to customers. A swift transition to e-commerce and delivery sales enabled our brick-and-mortar brands to preserve revenue streams during lockdown periods.

A thorough product review was also undertaken to ensure product offerings complied with safe distancing guidelines and new dining regulations, while still remaining attractive to customers.

Our brands responded to consumer trends which emerged during the pandemic. Tapping into the trend of food-gifting, new and refreshed product lines were introduced, such as Swensen's' 'Happiness in a Box' series and Tip Top Curry Puff's Moon Puffs, a mooncake and puff hybrid. With border closures and Singaporeans unable to travel to Malaysia to purchase festive goodies for Mid Autumn Festival, the Group launched a campaign to 'Bring Malaysia to Singapore', offering our range of Season Confectionary mooncakes for sale on e-commerce platforms.

Owing to these collective efforts, we were able to expand on our mission of delivering comfort and value to customers in spite of the unprecedented challenges arising due to the pandemic.

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Property
In Malaysia and Indonesia, the timeline of the development plans for several of our property projects have been delayed due to the implementation of restrictive measures by the respective governments to stem virus transmission. The Group will monitor the situation closely and keep Shareholders updated on any subsequent material developments.

The Group entered its first property development project in Singapore. In our announcement on 1 January 2021, we advised that our 50:50 joint venture company, Baywind Properties Pte Ltd, has been awarded the tender for 3 properties located at Lorong N Telok Kurau at a tendered price of $23.6 million. The plan is to develop apartments on the site.

Accolades
We are pleased to share that ABR was conferred the Champion of Good award in recognition of its exemplary giving in FY2020.

For the 12th consecutive year, Swensen's was conferred the Platinum Award in the Family Restaurant category by the Reader's Digest Trusted Brands Survey 2020 – an accolade awarded on the basis of public votes, taking into account the brand's quality and value among various criteria.

Giving Back
During the year, ABR sought to express our support for segments of the community most affected by the pandemic. Meals, snacks and sweet treats were donated to beneficiaries such as frontline healthcare staff, seniors and caregivers of aged homes, and dormitory residents.

Sustainability
Sustainability has become a guiding principle for the Group. Given the scale of our operations and the customer-facing nature of our core food businesses, we acknowledge that our business decisions have consequences for consumers and the environment.

Across all our Singaporean brands, we have incorporated plant-based meat alternatives and locally sourced produce. This reduces the carbon intensity of our meals and in turn the ecological footprint incurred by diners. These initiatives have been backed by strong marketing and PR efforts led by the Group, with the objective of influencing consumption habits for the better. In fact, Swensen's was the first mass market restaurant to champion Impossible™ Foods in Singapore, a collaboration that has carried into FY2021. Further up the supply chain, we have continued our efforts at minimising pre-consumer food waste through our oil recycling and composting initiatives.

Dividends
In view of the Group's performance this year, the Board is proposing a final tax exempt (1-tier) cash dividend of 1.75 Singapore cents per share for FY2020 to be approved by shareholders at the upcoming Annual General Meeting. With the interim dividend of 0.25 Singapore cents per share, the total dividend payout for the year amounts to 2.00 Singapore cents per share.

Outlook
At the time of writing, Singapore and Malaysia have begun their respective mass inoculation programmes. In Singapore, Job Support Scheme (JSS) wage subsidies for the F&B industry are due to end in June 2021. Across the causeway, the government has extended the duration of the Movement Control Order (MCO) in Johor where the core of our Malaysian operations is based. It is still uncertain what residual effects the Covid-19 pandemic will have on the economy in 2021 and beyond.

Nevertheless, the Group is confident of navigating the challenges to come. The pandemic has placed all industries through a severe stress test. We are heartened that our efforts over the past year have borne fruit and the Group has emerged through the crisis more resilient. We have faith that our continued focus on refining our products and operations, in service of our mission to offer comfort and quality to customers, will allow us to continue delivering results for shareholders.

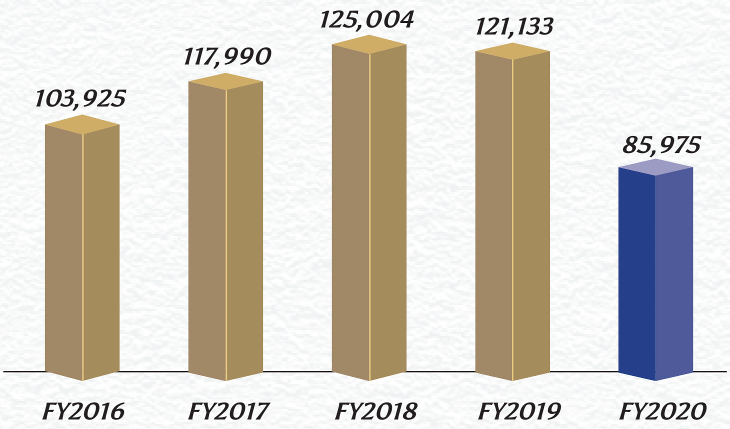
Acknowledgements
To our Board of Directors, we are grateful for your stewardship and counsel during these difficult times. To our customers, partners and shareholders, we thank you for your enduring support and faith in our mission. Last but not least, to our staff, we greatly appreciate your hard work and invaluable commitment towards the Group's success.

Chua Tiang Choon, Keith
Executive Chairman

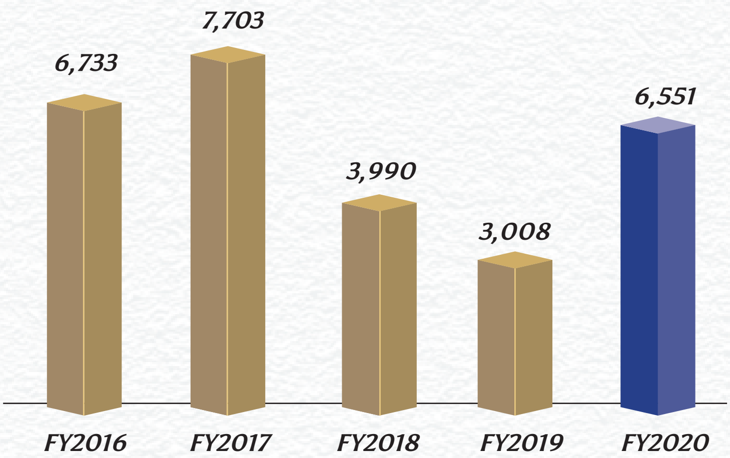
Ang Yee Lim
Managing Director

FINANCIAL HIGHLIGHTS

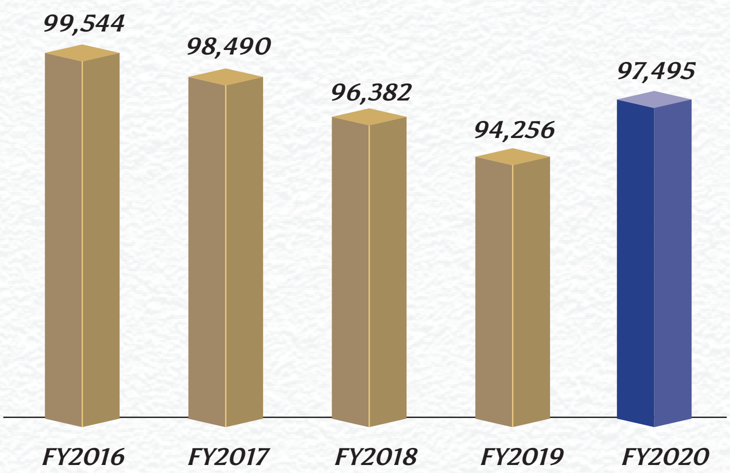
Revenue
($'000)



Profit
Before Tax
($'000)



Shareholders'
Equity
($'000)



FINANCIAL HIGHLIGHTS

For the Year ($'000)

	FY2020	FY2019	Change
Revenue	85,975	121,133	(29.0%)
Profit Before Tax	6,551	3,008	117.8%
Profit for the Year	6,138	2,405	155.2%
Profit Attributable to Owners of the Company	5,977	1,973	202.9%

At Year End ($'000)

	FY2020	FY2019	Change
Total Assets	155,999	157,679	(1.1%)
Equity Attributable to Owners of the Company	97,495	94,256	3.4%
Total Equity	101,864	98,466	3.5%
Total Liabilities	54,135	59,213	(8.6%)
Cash and Cash Equivalents	53,050	45,985	15.4%

Earnings per Share

FY2020	FY2019
Basic : 2.97 cents Diluted : 2.97 cents	Basic : 0.98 cents Diluted : 0.98 cents

Dividend per Share

FY2020	FY2019
Interim : 0.25 cents Final : 1.75 cents	Interim : 0.5 cents Final : 1.0 cent

Net Asset Value per Share

FY2020	FY2019
48.5 cents	46.9 cents

DELIVERING COMFORT & GREAT QUALITY
Our Brands

SWENSEN'S AND EARLE SWENSEN'S

Established in San Francisco in 1948, Swensen's made its way to Singapore in 1979 and won the hearts of many with its cosy ambiance and wide selection of ice creams and sundaes. Upmarket sister restaurant, Earle Swensen's, was launched in the early-2000s to cater to the evolving tastes of Singaporeans.

For the past four decades, friends and families have gathered at Swensen's to celebrate special occasions or simply to enjoy one another's company. With the change in circumstances over the unfolding of the Covid-19 pandemic, Swensen's has continued this tradition by repackaging our dishes into delivery and takeaway-friendly formats.

A lineup of novel products were launched over the year. Creations such as the 'Happiness-In-A-Box' range, customisable Valentine's Day ice cream cakes, and Christmas 'Giftmas Parcel' were crafted with the customer in mind and tapped into the gifting trend. During these difficult times, Swensen's sought to bring comfort, encourage family bonding, and spark joy for our customers.

DELIVERING COMFORT & GREAT QUALITY
Our Brands

CHILLI PADI

Chilli Padi was first established in 1997 as a simple thirty-seater eatery serving Peranakan fare. Over its twenty year history, Chilli Padi has grown to include operations in catering and cafeteria management.

When the pandemic broke out, catering operations were the most severely impacted. Buffet catering was no longer permitted. With a swift scaling up of bento products, Chilli Padi was able to preserve revenues. During Circuit Breaker, Chilli Padi was contracted by the Ministry of Manpower to serve daily bento meals to dormitory residents under isolation.

After Circuit Breaker, new dining restrictions also necessitated changes for the restaurant outlets. In particular, Chilli Padi Nonya Cafe's conversion from a self-service buffet to an à la carte buffet proved successful. Chilli Padi's affordable rates drew crowds and its hearty Peranakan cuisine and unique dining format attracted substantial media coverage.

DELIVERING COMFORT & GREAT QUALITY
Our Brands

TIP TOP

Heritage brand Tip Top has been serving its signature handmade puffs since 1979. Starting as a single snack stand in an Ang Mo Kio coffee shop, Tip Top now operates seven food kiosks across Singapore.

Over the course of the pandemic, revenues were supported by stronger delivery sales. However, the decrease in footfall due to work-from-home arrangements necessitated the closure of the Raffles City outlet.

Over the course of the year, the brand also sought to refresh its range of products. New flavours such as the Apple Puff, Mackerel Otah Puff and Cheesy Impossible™ Puff were launched via social media campaigns. It is hoped that the new product range and refreshed marketing will enable the Tip Top brand to appeal to the younger generation.

DELIVERING COMFORT & GREAT QUALITY
Our Brands

SEASON

Confectionary and bakery brand, Season, was established in Johor Bahru in 1975. With its selection of freshly baked breads, cakes and pastries, Season has established itself as a household brand in Malaysia.

The outbreak of the pandemic placed stress on both the sales and operations of Season and its associated brand, Season's Cafe. Compared to Singapore, our business operations in Malaysia received limited support from landlords and the government in terms of rental rebates and wage subsidies.

With border closures and Singaporeans unable to travel to Malaysia to purchase festive goodies, Season took the chance to introduce its products to a wider Singaporean audience. A campaign to 'Bring Malaysia to Singapore' launched in the lead up to Mid Autumn Festival was well received. Products were sold on popular e-commerce sites near their original Malaysian prices.

SUSTAINABILITY REPORT

Board Statement

Welcome to ABR's Sustainability Report for FY2020. At ABR, we believe that driving our business using sustainable methods and practices allows us to achieve resilient growth. This report provides information on the areas in which we believe we have the most environmental, social and governance ("ESG") impact, together with our performance and targets.

A core focus of our ESG practices is our commitment to making a difference in the community. Over the years, we have cultivated a culture of giving back and have expanded on our corporate social responsibility initiatives as well as our network of outreach partners. We are delighted to receive the Champion of Good award once again in 2020. The award recognises companies that are catalysts of change for corporate giving.

As the Board of Directors, we have been overseeing the development of this sustainability report, supported by our management team. This involved a materiality assessment to identify the key ESG factors for our business as well as developing performance indicators and targets.

We are pleased to share our sustainability journey with you through this report and would like to thank everyone who has been a part of our journey for your support through the years. With our sustainability goals in mind, we will continue to work towards strengthening our capabilities, creating meaningful value for stakeholders, and being a positive contributing member of our community.

About this Report

This report describes the sustainability performance of ABR for FY2020 and forms part of ABR's Annual Report 2020.

Reporting Period

1 January 2020 to 31 December 2020

Reporting Framework

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2016) and the GRI Reporting Principles were considered. This report references the following GRI Standards and topic-specific Disclosures:

- Disclosure 401-1: New employee hires and employee turnover
- Disclosure 403-2: Types of injury and rates of injury
- Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews
- Disclosure 413-1: Assessment and management of economic, social, cultural, and/or environmental impacts on local communities in the vicinity of operations
- Disclosure 416-2: Health, safety and/or quality considerations for the consumer, including the adherence to customer health and safety regulations and voluntary codes
- Disclosure 419-1: Compliance with various laws and regulations relevant to business activities

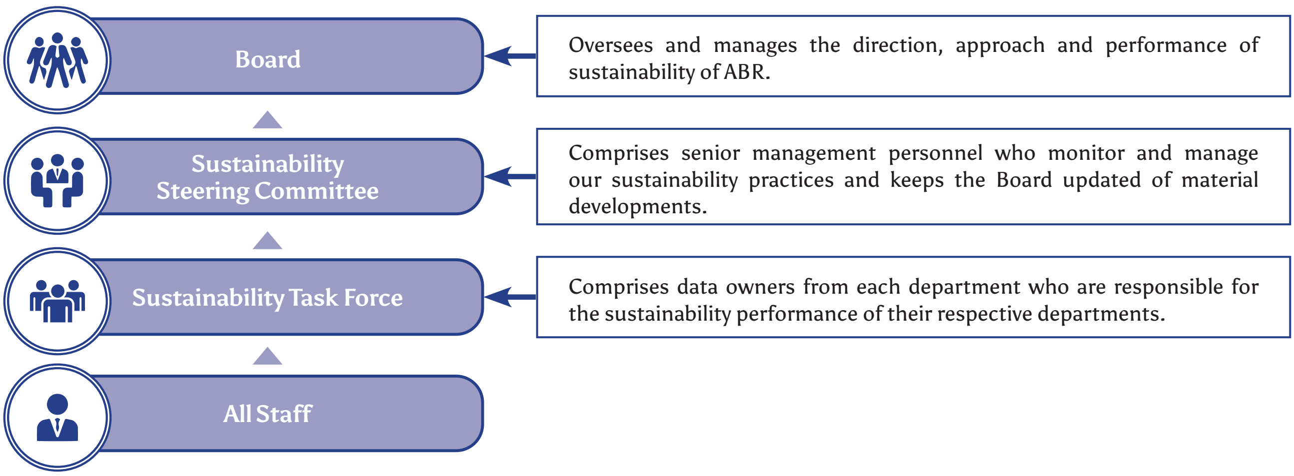
Scope of Report

Unless otherwise stated, this report is prepared in respect of our Swensen's and Earle Swensen's restaurants and ice cream manufacturing operations in Singapore. Our employee data includes employees within our Head Office, and Swensen's and Earle Swensen's outlets in Singapore.

Feedback

We welcome feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or our sustainability performance to enquiries@abr.com.sg.

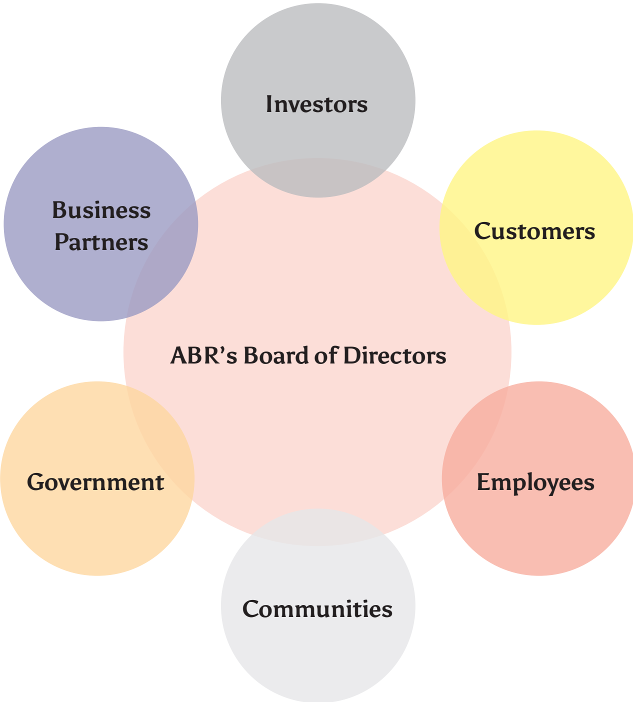
Sustainability Governance at ABR



SUSTAINABILITY REPORT

Stakeholder Communication

As a market leader in the casual dining category, we recognise that our business operations affect, and are affected by, the perceptions of a diverse group of stakeholders. Effective collaboration with stakeholders, both internal and external, is crucial to tackling sustainability issues and improving sustainability practices. Through proactive engagement with our stakeholders, we have identified our key ESG concerns and evaluated the risks and opportunities of sustainability strategies and sustainability action plans. Our approach towards stakeholder engagement is summarised in this section.



INVESTORS			
Communication Frequency	All the time	Annually	As required
Communication Channels	SGXNet	Annual General Meeting	Extraordinary General Meeting

CUSTOMERS		
Communication Frequency	All the time	All the time
Communication Channels	Guest satisfaction surveys	Open feedback channels

EMPLOYEES					
Communication Frequency	All the time	All the time	Annually	All the time	All the time
Communication Channels	Induction programme for new employees	Training and development programmes	Career development performance appraisals	Recreational and wellness activities	Regular e-mailers and meetings

COMMUNITIES			
Communication Frequency	All the time	All the time	All the time
Communication Channels	Corporate giving and philanthropy activities	Engagement with community projects and charities	Open feedback channels

GOVERNMENT		
Communication Frequency	All the time	All the time
Communication Channels	Meetings and dialogue sessions	Membership in industry associations such as Singapore Institute of Directors (SID), Singapore Business Federation (SBF) and Restaurant Association of Singapore (RAS)

BUSINESS PARTNERS		
Communication Frequency	All the time	All the time
Communication Channels	Regular dialogue sessions with key service providers	Established channels of communication

SUSTAINABILITY REPORT

Materiality Assessment

Guided by our independent sustainability consultant, we conducted a materiality assessment in 2017 to identify the key areas in which we have significant ESG impact. The assessment was undertaken in line with the GRI Standards to identify and validate material ESG factors.

STEP 1

IDENTIFICATION

Our independent sustainability consultant identified a non-exhaustive list of economic, environmental, social and governance topics through peer benchmarking.

STEP 2

SELECTION

Our senior management considered and rated these topics for their significance to and impact on our operations. Their perspective encapsulates input they have received from various stakeholders, both internal and external, whom they interact with in their roles.

STEP 3

VALIDATION

The topics selected from Step 2 were confirmed and validated by our Board.

Material ESG Factors

The six material ESG factors selected in 2017 were reviewed and considered to continue to be relevant in 2020. The factors selected for reporting are listed below.

Product Quality and Safety • Customer Health & Safety	Our People • Talent Retention and Development • Occupational Health and Safety	Responsible Sourcing
Environmental • Waste Management	Corporate Compliance • Socioeconomic Compliance	Community Engagement • Local Communities

Product Quality & Safety

As a restaurant operator and ice cream manufacturer, ensuring that our products are safe for consumption is a top priority. We maintain high food quality standards by implementing stringent food handling and processing practices in our daily operations. We closely monitor our food preparation process and conduct regular checks to ensure compliance.

Performance 2020	Target 2021
Obtained "A" grading from SFA for all outlets save for one outlet which obtained a "B" grading.	Obtain "A" grading from SFA for all outlets.
Other than for the outlet rated "B", there were no incidents of significant fines or non-monetary sanctions for non-compliance with applicable health and safety related regulations over the last year.	Zero incidents of significant fines or non-monetary sanctions for non-compliance with applicable health and safety related regulations.
Achieved and maintained Grade A for excellence in food hygiene, sanitation and processing from SFA for our ice cream manufacturing facility.	Maintain Grade A for SFA's annual grading assessment.

SUSTAINABILITY REPORT

We achieved our target of obtaining an "A" grading from SFA for all outlets, save for one outlet which received a "B" grading. We will strive to achieve an "A" grading for all outlets in the forthcoming year. Other than for the outlet rated B, there were no incidents of significant fines or non-monetary sanctions for non-compliance with applicable health and safety related regulations over the last year. We will continue to set the same target of zero incidents for the forthcoming year.

We are also pleased to report that we were able to achieve our target of maintaining Grade A for excellence in food hygiene, sanitation and processing from SFA for our ice cream manufacturing facility, and we will maintain the same target for the forthcoming year.

Restaurant Operations	
Singapore Food Agency ("SFA") Food Safety & Handling	<u>Grading System for Eating Establishments and Food Stalls</u> Retail food establishments are given a grade by SFA based on the overall hygiene, cleanliness and housekeeping standards of the premises. In 2020, all of our outlets obtained an "A" grading from SFA save for one outlet which obtained a "B" grading. Moving forward, we aim to obtain "A" grading from SFA for all outlets. <u>Food Hygiene Officer</u> We maintain a core team of certified Food Hygiene Officers comprising our management chefs who oversee our food hygiene systems and exercise close vigilance and supervision to enforce a high standard of food hygiene in our food preparation.
Majlis Ugama Islam Singapura ("MUIS") Halal Certification	All of our restaurants in Singapore are Halal-certified by MUIS, the Islamic Religious Council of Singapore. We undertake regular audits to ensure that we are in compliance and can maintain valid Halal certification at all times. We will continue to do so going forward.
Health Promotion Board ("HPB") Healthier Dining Programme	Customers have varying nutritional requirements and the demand for healthier and more nutritious alternatives has been increasing. To cater to this, we regularly review our product offerings and seek to provide a wide variety of food and beverage options. We are a participating partner under HPB's Healthier Dining Programme. In order to qualify, restaurants have to offer at least three dishes that are lower in calories, provide wholegrain options, serve complimentary water and use healthier cooking oil. Since July 2018, Swensen's has been offering a selection of ice creams which are lower in sugar and a source of dietary fibre as endorsed by HPB. Swensen's was the first restaurant chain in Singapore to produce and launch such a range of healthier ice cream.

Ice Cream Manufacturing	
Health Hazard Critical Control Point ("HACCP")	HACCP is a systematic preventive approach to food safety and is used in the food industry to identify potential food safety hazards, so that key actions can be created to reduce or eliminate the risks. We have implemented a food safety management system based on HACCP since 2002. We will continue to review and update the system where necessary and conduct regular audits to ensure that there are no lapses in the system. Microbiological level is a key food safety issue and will directly influence our product safety and shelf life. Therefore, we will continue to ensure our products meet the standard requirements set.
MUIS Halal Certification	We have received Halal certification from MUIS for our ice cream products since 2003. We undertake regular audits to ensure that we maintain valid Halal certification at all times and will continue to do so going forward.
Singapore Food Agency ("SFA") Annual Grading Assessment	In 2020, we achieved and maintained Grade A for excellence in food hygiene, sanitation and processing. Going forward, we target to continue maintaining Grade A for SFA's annual grading assessment.

SUSTAINABILITY REPORT

Our People

Talent Retention and Development

At ABR, our people play a crucial role in the growth of our business. Maintaining a skilled and passionate team is key to supporting our competitive advantage. It is our commitment to provide quality jobs with meaningful work supported by a healthy management system. We strive to create an environment where our employees feel valued and respected.

Our human resource strategies and policies are framed to enhance our company's and employees' productivity and effectiveness, and to encourage our employees' continuous contribution and growth. Our Employee Handbook sets out policies and procedures on employment hiring, learning and development, code of conduct and employment benefits.

During the year, 435 new employees joined us (2019: 653) and 463 employees left us (2019: 584). Our employee average monthly turnover rate was 2.62% (2019: 2.76%) meeting our target to maintain employee average monthly turnover rate below the national industry average monthly turnover rate. The national industry average was 3.80% in 2020.

In 2021, we will once again aim to maintain employee average monthly turnover rate below the national industry average monthly turnover rate.

Performance 2020	Target 2021
Employee average monthly turnover rate was 2.62%	Maintain employee average monthly turnover rate below the national industry average monthly turnover rate.

Recruitment

ABR recruits people with shared vision and values through various avenues, such as our Employee Referral Programme and participation in recruitment fairs with government agencies and educational institutions.

In 2020, we participated in seven recruitment fairs. Owing to the pandemic, the majority of these fairs were held virtually. The organisations we worked closely with include the Asian Culinary Institute, Skills Future, and The Yellow Ribbon Project.

Policies & Initiatives

At ABR, we strive to support the mental and physical wellbeing of our people. To this end, various initiatives were launched throughout the year with the aim of imparting knowledge and creating opportunities to lead healthy, balanced and fulfilling lives. Extra precautions were also taken to safeguard the wellbeing of our people, in view of the Covid-19 pandemic.

- During the onset of the pandemic, lunch was catered to the ABR Building. As the situation progressed —and in accordance with Ministry of Health advisories— staggered work hours and telecommuting arrangements were introduced. These initiatives were implemented to safeguard the wellbeing of our staff by minimising their contact with others.
- IT facilities were enhanced to ease the transition for telecommuting staff.
- Safe Management Officers (SMOs) were appointed within the office to assist in the implementation of Safe Management Measures. To empower our SMOs to undertake their duties, SOCOTEC Certification Singapore was brought in to conduct a workshop.
- Annual health and wellness programs were moved online.
- ABR continued our collaboration with social welfare organisation Metta Welfare Association. A year-end upcycling donation campaign was conducted. 284 pre-loved items were donated by ABR staff. Proceeds from the donated items were used by Metta to purchase groceries for marginalised families.

Awards

In 2020, ABR received the NS Mark (Gold) accreditation in recognition of our efforts and commitments in providing support to our staff for their National Service commitments. The NS Mark (Gold) is conferred upon companies that have implemented policies and human resource practices in support of National Service and Total Defence.

SUSTAINABILITY REPORT

Training and Development

In order to adapt to the changing environment and organisational growth needs, we invest in our people through training and development programmes which strengthen their commitment to the company and boost performance at both individual and organisation levels.

In 2020, all eligible employees received an annual performance appraisal. In 2021, we aim to continue to provide all eligible employees with an annual performance appraisal.

Performance Appraisal	All eligible employees receive an annual performance appraisal each year. The performance appraisal assesses each employee's training and development needs. Following assessment, ABR strives to give our employees access to the training they need.
Food Safety Training	We aim to equip our people with the necessary knowledge and understanding in food safety and hygiene through our training programme. Food safety and hygiene practices are continuously reviewed, implemented and maintained at all levels in our operations.
Service Recognition	Long Service Awards are issued annually to show our appreciation and to celebrate career milestones. A total of 51 employees received the awards in 2020. For the safety of our people, the award ceremony was scaled down this year with only staff members with 25, 30, 35 years of service receiving their awards in person.

Diversity and Equal Opportunity

At ABR, we believe that a diverse workforce contributes different perspectives and insights which leads to increased productivity and profitability. We strive to recruit across different demographics, irrespective of age, race, gender, religion and marital status.

As part of our efforts to create an inclusive workplace, we partner with various special needs schools and social agencies to offer training and job placements for their beneficiaries. We believe in equal opportunity employment and implement policies and practices to ensure fair and merit-based career progression. Throughout the year, ABR recruited five ex-offenders via our partnership with Yellow Ribbon Singapore and 8 graduates of Northlight School, Metta School and APSN's Delta Senior School.

Occupational Health and Safety

The nature of our industry means that some of our staff are in roles that pose health or safety risks. We are committed to address and mitigate these risks where possible to create a zero-accident workplace. This is achieved through a combination of the following measures:

Performance 2020	Target 2021
Zero workplace injuries result in a fatality or permanent disability.	Zero workplace injuries result in a fatality or permanent disability.

- Instilling a people-oriented safety culture.
- Developing and implementing policies and practices for day-to-day operations and undertaking periodic checks and inspections.
- Ensuring that requisite training and certification is received by relevant employees. As an example, selected employees attended the bizSAFE Level 2 course on Risk Management Implementation Plan which aims to reduce risk at source by managing the risk management process in the workplace.
- Forming and maintaining a Fire Committee to execute a systematic and orderly evacuation plan and conducting regular fire drills at Swensen's restaurants.

In 2020, there were no workplace injuries resulting in a fatality or permanent injury, allowing us to achieve our target. We will strive to achieve this target once again in the forthcoming year.

SUSTAINABILITY REPORT

Responsible Sourcing

Performance 2020	Target 2021
Major suppliers screened using our vendor evaluation form.	Continue screening major suppliers using our vendor evaluation form.

Supplier Assessment

The sustainability of our supply chain is a key part of ABR's sustainability performance. We believe that supply chain assessments are crucial to ensuring the quality and consistency of ingredients sourced.

Suppliers are selected after stringent assessments by our centralised procurement team. Assessments are conducted with the aid of our evaluation form. Suppliers are required to hold the relevant certifications (e.g. ISO 22000, HACCP) and provide official supporting documents for cross-checking by the procurement team. The team also oversees strategic cost management to drive long term sustainable savings.

Selected suppliers are monitored and assessed regularly to assure compliance with food safety and hygiene standards. Prior to the pandemic, the supply chain management team would also visit the factories of key suppliers periodically. Visits were to ensure that suppliers fulfil our responsible sourcing requirements and for the team to identify ways to enhance their operational performance. However, in light of the pandemic, site visits have been suspended and the team ensures compliance through frequent engagement with suppliers.

In 2020, we met our target to screen major suppliers using our vendor evaluation form. This remains our target in the forthcoming year. Should government guidelines on safe distancing be revised, the supply chain management team will also resume site visits to suppliers.

Halal Certification

Being a halal-certified business, it is important for us to ensure that products sourced from our suppliers comply with MUIS' halal certification requirements. All products received from our suppliers must be certified by a Halal Certifying Body recognised by MUIS, or certified by MUIS itself.

Sustainable Meal Options

Climate change and the sustainability of traditional agricultural methods has sparked debate on the national and global level. Here at ABR, we have taken practical steps to reduce the carbon footprint of our menu offerings.

Since 2019, Swensen's has been offering a selection of plant-based options such as our Impossible™ burgers and 'Go Green Lasagne'. The plant-based patties used to prepare our burgers require 96% less land, 87% less fresh water, and generate 89% less greenhouse gas emissions than traditional beef burgers[1]. These products were created after extensive R&D to ensure that they are as nutritious and tasty as their meat-based counterparts. By providing these products with a lower carbon footprint, we seek to empower consumers to make sustainable choices in their everyday lives.

[1] Rockefeller Foundation-Lancet Commission on Planetary Health, United Nations Framework Convention on Climate Change (2019)

Waste Management

Performance 2020	Target 2021
23.4% of total cooking oil was sent for recycling.	Maintain or exceed the percentage of cooking oil sent for recycling.

At ABR, we are conscious of our impact on the environment and strive toward efficient management of our resources. Our waste management approach is to reduce the amount of waste generated from our business operations and to encourage recycling efforts where possible.

Used cooking oil from Swensen's outlets is sold to an external contractor that processes the used oil into biodiesel and other commercial products. Doing so also prevents the improper disposal of used oil.

During the year, 34,130 kg of used cooking oil was sent for recycling, accounting for 23.4% of our total cooking oil (2019: 24.0%). We narrowly missed our target of maintaining the percentage of total cooking oil sent for recycling. In the forthcoming year, we will aim to meet or exceed 2020's percentage.

SUSTAINABILITY REPORT

Corporate Compliance

Performance 2020	Target 2021
Zero incidents of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations.	Zero incidents of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations.

Maintaining public trust is of utmost importance. ABR is committed to upholding high ethical standards in our operations and business dealings. This involves good corporate governance, responsible business practices, as well as an accountable and transparent management system in order to prevent non-compliance, misconduct or corrupt business practices. We take relevant steps to ensure all staff members comply with applicable laws and regulations such as the SGX Listing Rules, MOM Regulations and Personal Data Protection Act.

Regular review of relevant regulatory websites are conducted and updates are received from our secretarial firms and auditors. Applicable updates are sent to relevant employees to ensure that our operations remain in compliance with policies or laws which might impact our business or finances.

ABR believes that it is important to eliminate the risk of undesirable behaviour among employees in order to prevent reputational damage and establish stakeholder trust. All employees are required to adhere to the Employee Handbook which includes the Employee Code of Conduct and Conflicts of Interest Policy.

Violation of the Code is not tolerated. Every reported case and possible violation incident is handled seriously. To ensure that conflicts of interest are identified, declared and managed, all employees occupying a position of trust are required to make an annual declaration in respect of any potential or actual conflicts of interest. We also encourage open communication with employees. A whistle-blowing policy is in place to provide a safe channel for employees to report concerns about unethical or unlawful behaviour and matters related to organisational integrity. Any form of retaliation against an individual who in good faith reports a suspected violation is prohibited. In addition, we provide feedback channels and anonymous hotlines to further strengthen our zero tolerance approach towards corruption and fraud.

In 2020, there were no incidents of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations, allowing us to meet our target. For the forthcoming year, we target to maintain zero incidents of significant fines and non-monetary sanctions for non-compliance with laws and regulations.

Community Engagement

Performance 2020	Target 2021
Engaged with 31 community projects and charities.	Engage with 30 or more community projects and charities.

We recognise that our business operations bear impact on the communities within which we operate. Where possible, we try to anticipate and minimise any negative impact our operations may cause. At the same time, we continue to participate in and initiate projects which create tangible and meaningful outcomes for our community.

At ABR, we believe that giving back to the community contributes to our success. We partner with various organisations, including government bodies and registered charities, to address a variety of causes. Historically, our community engagement efforts have been based on three pillars: (1) Empowering Persons with Disabilities; (2) Supporting Children and the Youth; and (3) Championing Family Values.

1. Empowering Persons with Disabilities

Throughout the year, we continued our partnerships with special needs schools to provide vocational training and job placements. 8 graduates from Northlight School, Metta School and APSN's Delta Senior School were recruited.

2. Supporting Children and the Youth

Initiatives to improve end-of-life care for children with terminal illnesses were continued with the donation of Swensen's ice cream cakes to Club Rainbow and HCA Hospice Care's Star PALS service.

ABR also made a cash donation of $4,100 towards the Republic Polytechnic Education Fund to support students from low income families.

3. Championing Family Values

During the year, ABR expanded our partnership with Daughters Of Tomorrow ('DOT'), a charity with a mission to 'Empower Women, Enable Families'. It is hoped that by supporting underprivileged women towards gainful employment, they will in turn have the means to provide for their families and create a better future for themselves. Upon successful bridging into employment, DOT beneficiaries are invited to Swensen's for a celebratory meal with their families. Over Christmas, Swensen's launched a #PayItForward campaign to enable diners to make a contribution by purchasing a log cake for beneficiaries to enjoy during their meal at Swensen's.

In addition, in light of the Covid-19 pandemic, the Group sought to render assistance to segments of the community most badly affected. Warm meals, snacks and treats were provided to frontline workers, caregivers and seniors of aged homes and dormitory residents.

In sum, we engaged with 31 community projects in 2020 allowing us to achieve our target. In the forthcoming year, we target to engage with 30 or more community projects and charities.

CORPORATE SOCIAL RESPONSIBILITY

Community Care Engagements of ABR in 2020

Company Of Good
ABR is a founding member of the Company of Good ('COG'). Supported by the Ministry Of Culture, Community & Youth, COG was set up by the Singapore Business Federation Foundation and the National Volunteer & Philanthropy Centre. The organisation's vision is to drive corporate giving in Singapore.

ABR was conferred the Champion of Good award in 2020 recognition of its exemplary giving. This is the Group's third time receiving this award.

SUPPORTING EDUCATION, EMPLOYMENT & EMPOWERMENT

Daughters Of Tomorrow
Daughters Of Tomorrow's ('DOT') mission is to facilitate career opportunities for underprivileged women. DOT seeks to empower women to be financially independent and build resilient families.

ABR's collaboration with DOT started in 2019 with Swensen's' participation as a partner for DOT's Inclusive Table Program. Under the program, the beneficiaries who have been bridged into employment celebrate their success with a meal at Swensen's.

In 2020, the Group launched its #PayItForwardWithSwensens campaign which aimed to raise awareness of DOT's work and mission. The campaign offers customers the opportunity to make a contribution by purchasing a log cake for DOT beneficiaries. To complete the meal, Swensen's tops up the contribution with a full dining experience.

Delta Senior School
The Delta Senior School by APSN provides a platform for students with special needs to become socially responsible citizens who contribute to their families and community. In 2020, ABR was presented with a Certification of Appreciation by APSN Principal, Mr Subash Lazar, and Acting CEO, Mr Stanley Tang. This was in recognition of the Group's contributions as an employment partner since 2008.

From 2013, the Group has been rendering technical support and resources for an on-campus Swensen's training cafe. The objective of the cafe and our partnership is to equip students with vocational skills and enhance their employability. In 2020, the Group expanded these efforts with a collaboration between APSN and Tip Top's central manufacturing department to design an on-the-job training program.

The Group also provides employment opportunities for Delta Senior School graduates. During the year, two Delta Senior School students joined ABR, this is in addition to two existing APSN graduates who have been promoted to the role of supervisor during their time with us.

AWWA School
AWWA provides special education to children with multiple disabilities and children with autism to maximise their potential for independence and improve their quality of life.

ABR's partnership with AWWA seeks to reinforce students' lifelong learning skills. In 2018, ABR supported the renovation of their canteen to create an F&B training space with a Tip Top food kiosk as part of their School Based Attachment Training programme. ABR continues to support this programme with training and job placements for current students and graduates of AWWA.

Community Development Council
Community Development Councils (CDCs) administer a variety of local assistance schemes that complement the government's efforts to strengthen our social safety net. Since 2012, ABR has worked with various CDC Career Centres to offer job opportunities to the general public.

Yellow Ribbon Singapore
ABR has partnered with Yellow Ribbon Singapore (formerly known as 'SCORE') since 2010. The organisation is committed to rebuild lives of ex-offenders by helping them enhance their potential and employability.

CORPORATE SOCIAL RESPONSIBILITY

Community Care Engagements of ABR in 2020

ABR is involved in Yellow Ribbon's various programmes including the Direct Release and Residential Scheme, and participates in recruitment interviews held within prisons. Professional training and a clear career path is provided to motivate inmates. With greater opportunities, fair remuneration and performance based promotions, ex-offenders benefit from this initiative as part of efforts to facilitate their integration back into society.

SG Cares Giving Week
In support of SG Cares Giving Week, ABR collaborated with New Hope Community Services by providing baking and marketing skills training to beneficiaries from low income families that aspire to start home-based businesses. A half day workshop was conducted during the SG Cares Giving Week by staff volunteers from ABR in December 2020.

Republic Polytechnic Education Fund
ABR made a cash donation of $4,100 towards the Republic Polytechnic Education Fund in 2020 in support of students on financial assistance schemes.

Metta School
Metta School offers special education to students with mild intellectual disabilities and to children with autism. Since 2013, ABR has been a partner of Metta School for its Employment Pathway Program. A work attachment scheme, the programme provides real world training venues for students preparing to join the workforce.

GIVING BACK

HCA Hospice Care
HCA Hospice Care's Star PALS (Paediatric Advanced Life Support) service is dedicated to improving the quality of life for children and minors with life-threatening or life-limiting conditions. Since 2013, ABR has been donating ice cream birthday cakes for beneficiaries.

Club Rainbow
Club Rainbow supports and empowers children with chronic illnesses and their families by providing compassionate and relevant services in their journey towards an enriching life. Since 2005, ABR has donated more than 1,100 Swensen's ice cream cakes for Club Rainbow's beneficiaries.

EXTENDING SUPPORT DURING THE PANDEMIC

Geylang East Home For The Aged
Over four weeks in May 2020, ABR delivered warm snacks to the elderly residents and care givers at Geylang East Home. Since the start of Circuit Breaker, caregivers had been unable to leave the home to buy snacks for themselves and the elderly.

CapitaLand Hope Foundation #MealOnMe
CapitalLand initiated the #MealOnMe campaign during the Circuit Breaker period to provide meals to vulnerable groups and healthcare workers. As a partner, ABR delivered hot meals from Tip Top to the seniors and caregivers of Apex Harmony Lodge.

Kranji Loop and Senoko South Dormitories
In April 2020, the Group sponsored 600 Swensen's ice cream treats to dormitory residents at Kranji Loop and Senoko South where MOM assessments were being conducted.

National University Health Services
Frontline staff at the National University Healthcare System (NUHS) had been working according to intense schedules during the Circuit Breaker period.

In June 2020, ABR staff hand delivered 1,000 of Tip Top's signature Chicken Curry Puffs to frontline staff working at various NUHS facilities including Ng Teng Feng General Hospital, Alexandra Hospital, St Luke's Hospital and Jurong Polyclinic. The puffs were accompanied with thank you cards filled with words of appreciation, care and support penned by customers and ABR staff.

BOARD OF DIRECTORS

Front row from left to right:
ANG YEE LIM | CHUA TIANG CHOON, KEITH

Back row from left to right:
ANG LIAN SENG | LECK KIM SENG | LIM JEN HOWE | QUEK MONG HUA | ALLAN CHUA TIANG KWANG

BOARD OF DIRECTORS

CHUA TIANG CHOON, KEITH
Executive Chairman

Mr Keith Chua was appointed as the Non-Executive Chairman on 28 March 2002 and has served as the Executive Chairman of the Group since 1 August 2004. He is also a member of the Nominating Committee.

Mr Chua is presently the Managing Director and Company Secretary of Kechapi Pte Ltd, a substantial shareholder of the Company. He is also the Managing Director of the Alby group of companies in Singapore and Australia for the past 30 years. Mr Chua serves on the boards of a number of private and unlisted companies in Singapore.

He is a substantial shareholder of the Company through his deemed interests in Kechapi Pte Ltd and Alby (Private) Limited.

Mr Chua was last re-elected as a director on 12 June 2020.

ANG YEE LIM
Managing Director

Mr Ang Yee Lim was appointed to the Board as an Executive Director on 25 May 2004. He was subsequently appointed as the Managing Director on 1 July 2004.

Mr Ang has over 15 years of experience in the food and beverage business and more than 30 years of experience in property development and investment in Singapore, Malaysia, Indonesia and Thailand. Mr Ang also sits on the boards of some of the Group's subsidiaries. Mr Ang is a substantial shareholder of the Company.

Mr Ang was re-elected as a director on 25 April 2019.

ANG LIAN SENG
Executive Director

Mr Ang Lian Seng has served as an Executive Director on the Board since 4 May 2001. He also serves as a member on the Remuneration Committee.

In addition to his appointment, Mr Ang has been involved in the property development sector and serves on the boards of a number of property development and investment private companies in Singapore. Mr Ang also sits on the boards of the Group's subsidiaries and associated companies.

Mr Ang was last re-elected as a director on 27 April 2018.

LECK KIM SENG
Executive Director

Mr Leck Kim Seng has served as a Non-Executive Director on the Board since 18 February 2002 and as an Executive Director on the Board since 20 March 2002.

Mr Leck has over 30 years of experience in property and resort development in Singapore, Malaysia, Indonesia and the People's Republic of China. Mr Leck also sits on the boards of some of the Group's subsidiaries.

Mr Leck was last re-elected as a director on 12 June 2020.

ALLAN CHUA TIANG KWANG
Non-Executive Director

Mr Allan Chua has served as a Non-Executive Director on the Board since 18 February 2002. Mr Chua is also a member of the Audit Committee.

He is a Director of Kechapi Pte Ltd and serves on the boards of a number of private and unlisted public companies in Singapore.

Mr Chua is a substantial shareholder of the Company through his deemed interests in Kechapi Pte Ltd and Alby (Private) Limited.

Mr Chua was last re-elected as a director on 27 April 2018.

QUEK MONG HUA
Independent and Non-Executive Director

Mr Quek Mong Hua has served as an Independent Director on the Board since 21 August 2003. He is a member of the Audit, Remuneration and Nominating Committees. Mr Quek currently chairs the Remuneration and Nominating Committees.

Mr Quek is a senior partner of the law firm Messrs Lee & Lee. Mr Quek started his legal practice in 1980 with Messrs Lee & Lee. His working experience included an eight-year stint with the Singapore Legal Service as a District Judge of the Subordinate Courts of Singapore from 1992 to 1994 and thereafter as a Senior State Counsel with the Attorney-General's Chambers until he rejoined Messrs Lee & Lee in April 2000. When he left the legal service, he was holding the appointment of Deputy Head of the Civil Division. Mr Quek is also a member of the Military Court of Appeal under appointment of the Singapore Armed Forces Council.

Mr Quek was last re-elected as director on 25 April 2019.

LIM JEN HOWE
Independent and Non-Executive Director

Mr Lim Jen Howe has served as an Independent Director on the Board since 21 August 2003. He is a member of the Audit, Remuneration and Nominating Committees. Mr Lim currently chairs the Audit Committee.

Mr Lim has more than 40 years of experience in finance and accounting. He has been a practising Public Accountant for more than 30 years and is a founding partner of Messrs Thong & Lim, Chartered Accountants of Singapore. He is also an independent director of TalkMed Group Limited and Caregivers Alliance Limited.

Mr Lim was last re-elected as a director on 25 April 2019.

KEY MANAGEMENT

NG SOO NOI
Group Chief Financial Officer | ABR Holdings Limited

Ms Ng Soo Noi oversees the finance, accounting, tax and treasury functions of the Group.

Ms Ng has over 30 years of experience in accounting, finance and auditing. Having started her career as an auditor with an international accounting firm, she subsequently moved on to join a public listed industrial conglomerate where she held managerial positions in the financial and management accounting areas.

Prior to joining the Company in October 1999, she was the regional financial controller of a public listed company where she spent over 2 years in the People's Republic of China overseeing the finance function of the operations there.

Ms Ng is a Fellow member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

TEO TONG LOONG
Group Business Development Director | ABR Holdings Limited

Mr Teo Tong Loong oversees the business development functions of the Group.

Prior to joining the Company in March 2019, he was involved in consulting projects with focuses in strategy, IT transformation and data analytics.

Mr Teo holds a Bachelor of Science in Accountancy and Finance from the University of London.

NG CHENG WEE
General Manager, Swensen's | ABR Holdings Limited

Mr Ng Cheng Wee is responsible for the management and operations of Swensen's, Earle Swensen's and special projects in Singapore as well as overseeing franchisee auditing. Mr Ng first joined the Company in 1995 as Deputy Restaurant Manager cum Area Trainer and over the years, rose to the rank of Senior Area Manager in 2005.

He then pursued his career with an international franchise food chain, overseeing the new organisational set up in Singapore and Malaysia from 2006 to 2009 before rejoining ABR in 2009 as Operations Manager.

Mr Ng was promoted to General Manager, Swensen's in May 2014.

LIEW HOCK MENG
Executive Chef | ABR Holdings Limited

Mr Liew Hock Meng is responsible for menu creation, menu engineering, kitchen workflow design as well as overseeing franchisee auditing for the Group.

Mr Liew first joined the Company in 1982 as Assistant Outlet Chef and was promoted to Outlet Chef in 1984. He then pursued his career with a local hotel from 1988 to 1990 before rejoining the Company as Head Chef in 1990 and was subsequently promoted to Executive Chef in 2002.

Prior to joining the Company, Mr Liew had over 15 years of experience with various F&B chains.

LECK KIM SONG
Group General Manager | Season Group

Mr Leck Kim Song is responsible for the management and operations of Season Confectionary & Bakery Sdn Bhd. He has over 20 years of experience in building, civil engineering, recreation and resort development in Singapore, Australia and Indonesia.

Mr Leck holds a BSc in Building with Honours from Heriot-Watt University, Edinburgh, and an MSc in Project Management from the University of Melbourne. He is a Chartered member of the Royal Institution of Chartered Surveyors (UK), the Chartered Institute of Building (UK), the Chartered Management Institute (UK) and the Australian Institute of Building. He is also a corporate member of the Singapore Institute of Surveyors and Valuers.

LEE SIANG CHOO
CEO / Executive Director | Chilli Padi Group

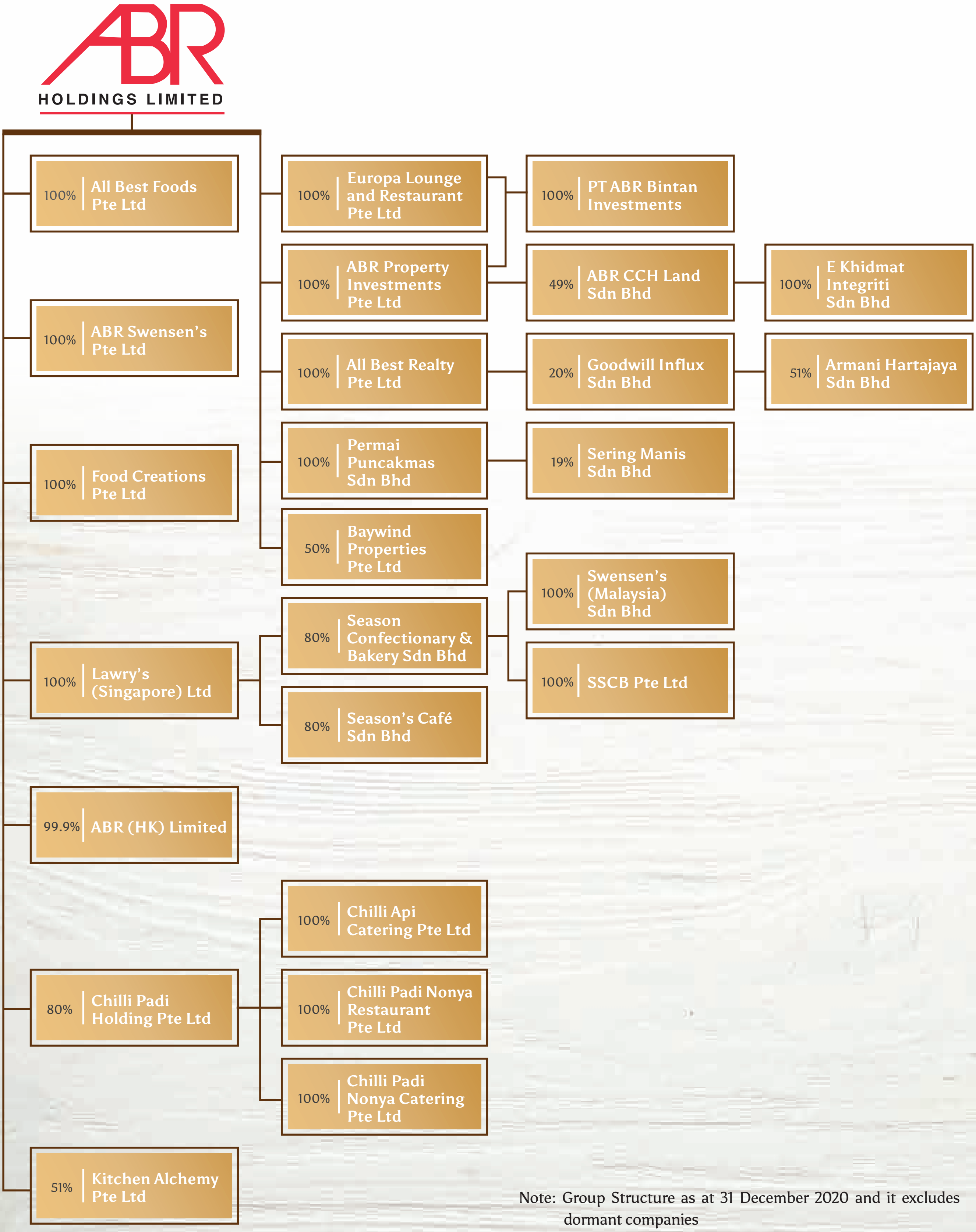
Ms Lee Siang Choo is responsible for the overall management and operation of the Chilli Padi Group. Ms Lee also oversees quality control, procurement and menu creation and innovation for the Chilli Padi Group. Her love for the intricacies of Peranakan culture and passion for cooking spurred her to establish the first Chilli Padi eatery in 1997. Since then, she has grown and expanded the business into event catering, confinement meal delivery and institutional cafeteria management.

ANG JUN HUNG
Group Investment Manager | ABR Holdings Limited

Mr Ang Jun Hung joined the Group in August 2019, and has since been supporting the Directors in the day-to-day management of the Group's operations. He oversees the Group's investments and the execution of the Group's strategies.

Mr Ang holds a Bachelor's Degree in Politics, Philosophy and Law with Honours from King's College London. Prior to joining the Company, Mr Ang trained with Rajah & Tann Singapore LLP's Restructuring and Insolvency Practice, and was called to the Singapore Bar in July 2019.

GROUP STRUCTURE



Note: Group Structure as at 31 December 2020 and it excludes dormant companies

CORPORATE INFORMATION

Directors
Chua Tiang Choon, Keith
Ang Yee Lim
Ang Lian Seng
Leck Kim Seng
Allan Chua Tiang Kwang
Quek Mong Hua
Lim Jen Howe

Company Secretary
Lee Bee Fong

Registered Office
41 Tampines Street 92
Singapore 528881
Tel: (65) 6786 2866
Fax: (65) 6782 1311
Company Registration No. 197803023H

Registrar
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

Auditor
Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Tay Guat Peng
(Appointed since financial year ended
31 December 2020)

Solicitors
Lee & Lee

Principal Bankers
Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Ltd
DBS Bank Ltd

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CORPORATE GOVERNANCE AND FINANCIAL REPORT

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of ABR Holdings Limited (the "Company" and together with its subsidiaries, the "Group") strongly support the principles of transparency, accountability and integrity as set out in the Code of Corporate Governance 2018 (the "Code"). This report describes the Company's corporate governance policies and practices which were in place during the financial year ended 31 December 2020 ("**FY2020**"), with specific reference to the Principles and Provisions of the Code and accompanying Practice Guidance.

The Code aims to promote high levels of corporate governance by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Board confirms that the Company and the Group, have for FY2020 complied with the Principles as set out in the Code. The Board also confirms that where there are deviations from the Provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below:

BOARD MATTERS
THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. Directors act in the best interests of the Company and through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance. The Board has put in place ethics policies within the Group, which set out a code of conduct and ethical standards for Directors and staff to adhere to.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions, taking into consideration sustainability issues;
- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
- overseeing the processes for risk management, financial reporting and compliance;
- reviewing and approving financial policies, investments and strategies to be implemented by the Management;
- setting the Group's values and standards and ensuring that obligations to shareholders and other stakeholders are understood and met;
- approving the Company's annual business plan including the annual budget, capital expenditure and operational plans;
- formulating procedures and strategies to ensure good corporate governance within the Group.

All directors recognize that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business.

REPORT ON CORPORATE GOVERNANCE

Each director is required to promptly disclose any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. Any director facing a conflict of interest will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter.

During the year in review, the Board scheduled five Board meetings to review among other things, the financial performance of the Group, approve the release of the half yearly and full year financial results, approve the annual budget as well as to consider and approve the Group's strategic direction and investment proposals.

To enable the Directors to remain updated with the law and corporate governance practices, the Company continues to provide a training budget for the Directors to fund their participation at industry conferences and seminars, and attendance at any training course, where required. Incoming Directors have full access to the minutes of all previous Board meetings to familiarise themselves with the Company's business and governance practices. They are further briefed by the Management on the business activities of the Company and the Group and its strategic directions. Upon appointment of each Director, the Company will provide a letter to the Director setting out the director's duties and obligations.

The Company Secretary provides regular updates on the latest governance and listing policies during Board meetings, as and when required. All Directors are updated regularly concerning any changes in the Company policies. During the year, the Board was briefed and/or received updates on regulatory changes, industry developments, business initiatives and changes to the accounting standards.

All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable.

Although the day-to-day management of the Company is delegated to the Executive Directors, the approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's results and announcement to shareholders, declaration of dividends and interested person transactions.

The Board has adopted a set of internal guidelines which sets out limits for capital expenditure, investments and divestments, bank borrowings, share issuance, dividends and cheque signatories' arrangements to be approved at Board level.

To assist the Board in discharging its duties and functions, the Board is assisted by three Board sub-committees, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each of the AC, NC and RC has been constituted with terms of reference setting out their composition, authorities and duties approved by the Board and may recommend or decide on matters within its terms of reference. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the Company's annual report.

The Board meets regularly on a quarterly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

REPORT ON CORPORATE GOVERNANCE

The number of Board and Board sub-committee meetings held in FY2020 and the attendance of each Director are as follows:

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Director's name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Chua Tiang Choon, Keith	5	5	NA	NA	NA	NA	2	2
Ang Yee Lim	5	5	NA	NA	NA	NA	NA	NA
Ang Lian Seng	5	5	NA	NA	2	2	NA	NA
Leck Kim Seng	5	5	NA	NA	NA	NA	NA	NA
Allan Chua Tiang Kwang	5	5	4	4	NA	NA	NA	NA
Quek Mong Hua	5	5	4	4	2	2	2	2
Lim Jen Howe	5	5	4	4	2	2	2	2

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

The Company's Constitution allows the Board to hold telephonic and videoconference meetings. If any of the Directors are not able to physically attend the Board meetings in Singapore, the Company adopts the policy of connecting them via the telephone, where necessary.

The Directors are provided with relevant Board papers and information prior to each Board meeting. The Company Secretary or representative from the Company Secretary's office administers, attends and prepares minutes of Board meetings, and assists the Executive Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with.

Board members are also provided with a monthly management report of the Group, comprising financial statements, sales and analysis reports, to apprise the Board regularly on the performance of the Group's business. Other information is also provided to the Board members as needed on an on-going basis.

The Directors have separate and independent access to the Company's senior management, external auditor and the Company Secretary at all times. Should the Directors, either individually or as a group, require independent professional advice, such professionals will be appointed at the Company's expense. The appointment and removal of the Company Secretary are decided by the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board comprises seven Directors – an Executive Chairman, a Managing Director, two Executive Directors, one Non-Executive Director and two Independent Non-Executive Directors. Profiles of the Directors are found in the "Board of Directors" section of this annual report.

REPORT ON CORPORATE GOVERNANCE

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code and the Listing Rules. The NC adopts the Code's definition of what constitutes an "independent" director in its review. The NC takes into account, among other things, whether a Director has business relationships with the Company, its related companies, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company.

The NC and the Board are of the view that all its Independent Directors have satisfied the criteria of independence in accordance to the Code, its Practice Guidance and Rules 210(5)(d)(i) and Rules 210(5)(d)(ii) of the Listing Rules as a result of its review.

Presently, Mr Lim Jen Howe and Mr Quek Mong Hua have served as independent directors of the Company for more than nine years since their initial appointment in 2003. The Board has subjected their independence to a particularly rigorous review.

After due consideration and careful assessment, the NC and the Board are of the view that Mr Lim Jen Howe and Mr Quek Mong Hua continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as directors of the Company. This view is reinforced by the track record of independence as demonstrated during their tenure. Based on the declaration of independence received from Mr Lim and Mr Quek, they have no association with the Management that could compromise their independence. After taking into account all these factors, the Board has determined Mr Lim and Mr Quek continue to be considered independent directors, notwithstanding they have served on the Board for more than nine years from the date of their first appointment.

Nevertheless, in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, they will be subjected to a re-election via a two-tier shareholders' vote, i.e. (i) by all shareholders and (ii) by all shareholders excluding directors, CEO and their associates, when the said Rule comes into effect from 1 January 2022. Accordingly, the NC has recommended that the approval of the shareholders be sought through a two-tier voting process at the forthcoming Annual General Meeting for the continuation of office of Mr Lim and Mr Quek, who have served as Independent Directors of the Company for an aggregate term of more than nine years, as Independent Directors of the Company and the Board has accepted the NC's recommendation. Should any of the above Independent Directors fail the two-tier shareholders' vote, he will be re-designated as a Non-Independent Director with effect from 1 January 2022. The Board will appoint new Independent Director(s), if required, to meet the minimum required number of Independent Directors to comply with Rule 210(5)(c) of the SGX-ST Listing Manual within the prescribed timeframe.

Two out of the seven Directors are independent and the Board recognises that this is not in accordance with the Code's guidelines that Independent Directors should make up at least one-third of the Board (Provision 2.2 of the Code), or half the Board as the Executive Chairman is part of the management team and is not an independent director (Provision 2.3 of the Code).

Although the Independent Directors do not make up a majority of the Board where the Chairman is not independent, the Board has always discussed important issues robustly and have always been able to reach a consensus on the decisions without having to rely on any majority votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process. All important and major decisions relating to the operations and Management of the Group made by the Executive Chairman and Executive Directors are reviewed by the Board. The Board is also satisfied that the Executive Chairman has always acted manifestly in the best interest of shareholders as a whole and has striven to protect and enhance the long-term shareholders' value and the financial performance of the Group.

REPORT ON CORPORATE GOVERNANCE

The two Independent Directors chair the 3 Board Committees. The Independent Directors have confirmed that they do not have any relationship with the other Directors, the Company or its related companies or its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company, and they are able to exercise objective judgement on corporate affairs independently from the Management and its substantial shareholders.

The Board had considered the background and core competencies of each member of the current Board. This includes backgrounds in finance, accounting, legal, business and industry knowledge. The Board is of the conviction that the true value of its diversity is in having diverse perspectives and independent thought, where all directors are able to speak and participate freely and constructively in decision-making. Each director has been appointed on the strength of his calibre, experience and stature and has been able to bring a valuable range of experiences and expertise to contribute to the thought processes in the development of the Group's strategies and the performance of its business.

The NC, with the concurrence of the Board, is of the opinion that the current Board size and composition comprises an appropriate balance and diversity of skills, experience and knowledge of the Company, which provides broad diversity of expertise such as finance, accounting, legal, business management, industry knowledge and strategic planning experience, and is appropriate and effective to ensure the balance of power and authority to facilitate effective decision making, having taken into consideration the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and the Board committees. This is especially pertinent under an economic climate where cost considerations and agility of the Board in decision-making are more constructive and critical to the Company.

In view of the foregoing, the Board is of the view that the Board's composition has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the Code. Nevertheless, the Board remains aware of the fact that Board composition is dynamic and not static and is open to change and adaptation whenever needed to improve materially the corporate governance and performance of the Company.

The Company does not have any gender diversity policy and all appointments and employment are based strictly on merit and not driven by any gender bias.

The Independent and Non-Executive Directors communicate without the presence of the Management as and when the need arises. The Company also benefits from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of meetings of the Board and Board committees.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Mr Chua Tiang Choon, Keith has been the Chairman of the Group since 28 March 2002. On 1 August 2004, he became the Executive Chairman. Since 1 July 2004, the Board has appointed Mr Ang Yee Lim as the Managing Director of the Company. Mr Chua and Mr Ang are both substantial shareholders of the Company.

As Executive Chairman, Mr Chua is responsible for the overall management and strategic decision making of the Group jointly with Mr Ang, the Managing Director of the Company. In addition, Mr Chua ensures that Board meetings are held on a regular basis and sets the agenda for each meeting in consultation with the Directors, the Management and the Company Secretary as necessary. Where matters arise which require the Board's deliberation and decision, he ensures that ad-hoc meetings are held. The Executive Chairman is instrumental in steering the Board in setting policies for its corporate governance compliance and internal controls and also in formulating strategies for the Group's business and direction.

REPORT ON CORPORATE GOVERNANCE

Mr Ang Yee Lim, who is the Managing Director of the Company, assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the Management team; and leads the development of the Group's strategic direction including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses. The Executive Chairman and Managing Director are accountable to the Board and they assume responsibilities for the Group's overall direction and running the day-to-day business of the Group with clear division of responsibilities agreed by the Board.

The Executive Chairman, the Managing Director and the two other Executive Directors form the Executive Committee ("Exco") appointed by the Board. The Exco is responsible for the oversight of the Group's businesses and performance.

The Executive Chairman and the Managing Director, while both being part of the Exco, are two unrelated individuals. Taking into account the relatively small size of the Board and that the Company has two Independent Non-Executive Directors, the Board is of the view that there is currently no need to appoint one of them as the lead Independent Director. Shareholders can channel any concerns they may have to either one of the Independent Non-Executive Directors. Thereafter, the Independent Non-Executive Directors will provide feedback to the Executive Chairman after such meetings.

At Annual General Meeting ("AGM") and other general meetings, the Executive Chairman ensures constructive dialogue between the Board, management and shareholders, and maintains good standards of corporate governance.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises the following three Directors, the majority of whom, including the Chairman of the NC, are independent:

- Mr Quek Mong Hua (Chairman and Independent Non-Executive Director)
- Mr Lim Jen Howe (Member and Independent Non-Executive Director)
- Mr Chua Tiang Choon, Keith (Member and Executive Chairman of the Group)

The NC has specific written Terms of Reference setting out their duties and responsibilities. The NC's principal functions are as follows:

- to make recommendations to the Board on all Board appointments having regard to the Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation, candour and any other salient factors);
- to make recommendations to the Board on all new Board appointments, having regard to his/her experience and background;
- to determine annually whether a Director is independent, bearing in mind the guidelines set out in the Code;
- deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board;
- assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board;
- reviewing of structure, composition and size of the Board;
- reviewing board succession plans for Directors, in particular, the Chairman, the Chief Executive Officer and key management personnel; and
- reviewing training and professional development programs for the Board.

REPORT ON CORPORATE GOVERNANCE

Where a vacancy arises, the NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his/her ability to enhance the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives, the NC will recommend the candidate to the Board for approval. Under the Company's Constitution, a newly appointed Director shall retire at the AGM following his/her appointment and he/she shall be eligible for re-election.

The NC has in place a process for the selection of new Directors and re-appointment of Directors as follows:

- the NC evaluates the balance and mix of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- if required, the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board;
- the NC meets with short-listed candidates to assess their suitability and ensure that the candidates are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

The Company's Constitution provides that one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third, shall retire by rotation at every AGM. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The following Directors will retire and seek re-election at the forthcoming AGM:

- Ang Lian Seng
- Allan Chua Tiang Kwang
- Quek Mong Hua
- Lim Jen Howe

The NC makes recommendations to the Board on re-appointments of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current Board members, and the needs of the Board.

The NC ensures that all new directors are aware of their duties and obligation. The NC has considered and taken the view that it would not, at this time, be appropriate to set a limit on the number of listed directorships that a Director may hold because directors have different capabilities, the nature of the organisation in which they hold appointments and the committees on which they serve are of different complexities. Accordingly, each Director will personally determine the demands of his competing directorships and obligations and assess the number of listed directorships he can hold and serve effectively. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties to the Company.

The NC is satisfied that sufficient time and attention are being devoted by the Directors to the affairs of the Company and the Group during FY2020. The NC will continue to review from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Key information regarding Directors such as academic and professional qualifications, shareholding in the Company and its subsidiaries, Board committees served, date of first appointment as Director and date of last re-election as Director are set out in the "Board of Directors" section of this annual report.

As for the succession planning for the Directors, NC is of the view that the duties and functions of the Executive Directors can be sufficiently covered by the existing management infrastructure in the event of any unforeseen circumstances.

REPORT ON CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for setting the performance criteria to assess the effectiveness of the Board as a whole, and the contributions by the Executive Chairman and each individual Director to the effectiveness of the Board. In the assessment, the NC takes into consideration a number of factors, namely the size and composition of the Board, the Board's access to information, Board proceedings, the discharge of the Board's functions and the communications and guidance given by the Board to the Management.

A formal review of the Board's performance and its Board Committees will be undertaken collectively by the Board annually. The Board's performance will also be reviewed by the NC with inputs from the other Board members. The Chairman of the Board will act on the results of the performance evaluation and recommendation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of the Directors, in consultation with the NC.

Upon reviewing the assessment, the NC is of the view that the performance of the Board as a whole and its Board Committees is satisfactory. The NC is satisfied that each member of the Board has been effective and efficiently contributed to the Board and the Group during the year. No external facilitator has been engaged to conduct the Board performance evaluation.

Each member of the NC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-nomination as a Director.

PROCEDURES FOR DEVELOPMENT REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

<u>Remuneration Committee ("RC")</u>

The RC's objective is to make recommendations to the Board on the Group's framework of executive remuneration as well as to review the adequacy and form of the compensation of Executive Directors (members of the Board who are employees of the Company, whether full time or part-time) to ensure that the compensation realistically commensurate with the responsibilities and risks involved in being an effective Executive Director. No Director is involved in deciding his or her own remuneration.

The RC comprises the following three members, the majority of whom, including the Chairman of the RC, are Independent Non-Executive Directors:

- Mr Quek Mong Hua (Chairman and Independent Non-Executive Director)
- Mr Lim Jen Howe (Member and Independent Non-Executive Director)
- Mr Ang Lian Seng (Member and Executive Director)

The Board recognises that the composition of the RC is not in accordance with the Code's guidelines that the RC should be made up of entirely Non-Executive Directors. However, the Board is of the view that the current composition of the RC is able to provide the necessary objective inputs to the various decisions made by the Board. Mr Ang Lian Seng, a Board member and Executive Director, also abstains from all discussions, deliberations and decision of his own remuneration.

The RC has specific written Terms of Reference setting out their duties and responsibilities. The RC will meet at least once a year.

REPORT ON CORPORATE GOVERNANCE

The RC's principal functions are as follows:

- review and to recommend to the Board a framework of remuneration for the Directors and key management personnel;
- determine specific remuneration packages for each Executive Director as well as for the key management personnel;
- review annually the remuneration of employees related to the Directors and Substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- oversee the administration of the employees' share option scheme and such other similar share plans as may be implemented by the Company from time to time; and
- other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of Executive Directors and key management personnel. All aspects of remuneration, including but not limited to, Directors' fees, salaries, bonuses and allowances are reviewed by the RC. The annual variable bonus and performance-related component of Executive Directors' remuneration takes into account the Group's financial performance.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company and the Group. The Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The RC considers and reviews the disclosure of Directors' remuneration in the annual report. The RC also ensures that the Independent Directors are fairly compensated so that their independence will not be compromised. The RC's recommendations are submitted to and endorsed by the Board. Though none of the RC members specialises in the area of executive compensation, the RC has access to the Company's Human Resource Manager as well as to external human resource professionals' expert advice where necessary.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Non-Executive Directors are paid a fixed fee appropriate to the level of contribution, taking into account factors such as effort, time spent and the increasingly onerous responsibilities. The Board concurred with the RC's proposal for Non-Executive Directors' fees for FY2020.

Directors do not decide on their remuneration package and abstain from voting at RC meetings when their own remuneration is being deliberated.

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

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A significant and appropriate proportion of executive directors' and key management personnel remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The remuneration framework for Directors, CEO and key management personnel is aligned with the interest of shareholders and relevant stakeholders and appropriate to attract, retain and motivate them for the long term success of the Group.

DISCLOSURE OF REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration of the Directors and the top 6 key management personnel, who are not Directors of the Company, for FY2020, are disclosed below. The disclosure is to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The remuneration of each Director and the top 6 key management personnel has been disclosed in the respective bands. The remuneration for the Executive Directors and the top 6 key management personnel comprises fixed and variable components. The fixed component is in the form of monthly salary whereas the variable component is linked to the performance of the Group and individual. The Board is of the opinion that given the confidentiality of and commercial sensitivity attached to remuneration matters and to be in line with the interest of the Company, the remuneration will not be disclosed in dollar terms.

The Board, with the concurrence of the RC, is of the opinion that the remuneration of the Independent Directors is appropriate to the level of contribution, taking into consideration the effort and time spent and responsibilities, the prevailing market conditions and referencing Directors' fees against comparable benchmarks, such that Independent Directors are not over-compensated to the extent that their independence may be compromised.

The breakdown (in percentage terms) of each Director and the top 6 key management personnel's remuneration for FY2020, are as follows:

Directors	**Salary[1]** %	**Bonus[1]** %	**Fees[2]** %	**Allowances and other benefits** %	**Total** %
$250,000 to $500,000					
Chua Tiang Choon, Keith	87	9	–	4	100
Ang Yee Lim	87	9	–	4	100
Ang Lian Seng	85	15	–	–	100
Below $250,000					
Leck Kim Seng	89	11	–	–	100
Allan Chua Tiang Kwang	–	–	100	–	100
Quek Mong Hua	–	–	100	–	100
Lim Jen Howe	–	–	100	–	100

REPORT ON CORPORATE GOVERNANCE

Key Management Personnel	Salary[1] %	Bonus[1] %	Fees[2] %	Allowances and other benefits %	Total %
$500,001 to $750,000					
Lee Siang Choo	54	–	–	46[Note A]	100
$250,000 to $500,000					
Lee Boon Hwa[Note B]	37	–	–	63[Note A]	100
Below $250,000					
Ng Soo Noi	92	8	–	–	100
Teo Tong Loong[Note C]	85	15	–	–	100
Ang Jun Hung[Note D]	95	4	–	1	–
Leck Kim Song[Note E]	89	4	–	7	100

Note A *Relates to incentive payout pursuant to the terms of the Sale and Purchase Agreement made with the Company in relation to the acquisition of Chilli Padi Holding Pte Ltd.*

Note B *Mr Lee Boon Hwa resigned as Director of Chilli Padi Holding Pte Ltd with effect from 30 November 2020.*

Note C *Mr Teo Tong Loong is the son-in-law of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith; and nephew-in-law of the Non-Executive Director and Substantial Shareholder, Mr Allan Chua Tiang Kwang.*

Note D *Mr Ang Jun Hung is the son of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; cousin of the Executive Director, Mr Ang Lian Seng; and nephew of the Executive Director, Mr Leck Kim Seng.*

Note E *Mr Leck Kim Song is the brother of the Executive Director, Mr Leck Kim Seng; uncle of the Executive Director, Mr Ang Lian Seng; and cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim.*

In aggregate, the total remuneration paid to the top 6 key management personnel in FY2020 is $1,587,000.

Employees who are the immediate family members of the Directors with remuneration exceeding $100,000 (other than employees under key management personnel) during FY2020 are as follows:

Executives	Salary[1] %	Bonus[1] %	Fees[2] %	Allowances and other benefits %	Total %
From $100,000 to $150,000					
Ang Lian Tiong	95	4	–	1	100
Ang Pheck Choo	93	4	–	3	100

Mr Ang Lian Tiong is the brother of the Executive Director, Mr Ang Lian Seng; nephew of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; and nephew of the Executive Director, Mr Leck Kim Seng.

Ms Ang Pheck Choo is the sister of the Executive Director, Mr Ang Lian Seng; niece of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; and niece of the Executive Director, Mr Leck Kim Seng.

Notes:
1 *The salary and bonus percentages shown are inclusive of CPF.*
2 *Fees for FY2020 are subject to shareholders' approval at the forthcoming AGM.*

REPORT ON CORPORATE GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible for the governance of risk. It ensures that the Management maintains a sound system of risk management and internal controls to safeguard the Company's shareholders' interests and the Group's assets and to determine the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.

The Group has carried out an enterprise risk assessment to identify key risks within the business as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. With the results of the enterprise risk assessment, Management considered and instituted controls to mitigate any significant exposure to the Group. The effectiveness of the controls is assessed regularly through the Group's ongoing internal audit reviews as well as the annual Control Self-Assessment ("CSA") exercise. The CSA is established to assist Management and the Board in obtaining assurance on the adequacy and effectiveness of the system of internal controls. On a yearly basis, the respective department and business unit heads are required to review, assess and report on the adequacy and effectiveness of key mitigating internal controls under their responsibilities.

The internal auditors ("IA") performed two internal audit reviews for the financial year ended 31 December 2020 in accordance with the internal audit plan approved by the AC. There were no significant internal control or risk management systems weaknesses highlighted by the IA during its course of audit. The related internal audit reports were endorsed by the AC and provided to the relevant department or business unit to implement the required improvement measures. Implementation of the required improvement measures is monitored.

In addition, no major control and risk weaknesses on financial reporting were highlighted by the external auditor in the course of the statutory audit.

The Board is of the view that the system of internal control of the Group provides reasonable, but not absolute, assurance against material financial misstatements or loss. The system also ensures the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and containment of business risks. However, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls and risk management framework established and maintained by the Group, work performed by the IA and external auditor and reviews performed by the Management, the Board with the concurrence of the AC, is satisfied that the risk management and internal control systems which address the Group's financial, operational, compliance and information technology controls risks, during the financial year are adequate and effective.

The Board has received assurance from:

(a) the Executive Directors and the Group Chief Financial Officer that the financial records have been properly maintained and the financial statements for FY2020 give a true and fair view of the Company's operations and finances; and

(b) the Executive Directors and other key management personnel that the Group's risk management and internal control systems are adequate and effective.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises the following three members, all of whom are Non-Executive Directors and the majority, including the Chairman of the AC, are independent:

- Mr Lim Jen Howe (Chairman and Independent Non-Executive Director)
- Mr Quek Mong Hua (Member and Independent Non-Executive Director)
- Mr Allan Chua Tiang Kwang (Member and Non-Executive Director)

The Chairman of the AC, Mr Lim Jen Howe, is by profession a practicing Public Accountant and is a founding partner of Messrs Thong & Lim, Chartered Accountants of Singapore. He has more than 35 years of experience in finance and accounting. The other members of the AC are experienced in law, business and financial management.

The AC met four times (4) during the year. The AC met with the internal and external auditors without the presence of Management during FY2020.

The AC is guided by its own written terms of reference setting out its authority and duties. During the financial year, the AC has performs the functions as set out in the Code including the following:

- reviewed the scope of work of the external auditor;
- reviewed the scope of work of the IA;
- reviewed the audit plans and discussed the results of the findings and evaluation of the Group's system of internal controls;
- reviewed interested party transactions of the Group and the procedures set up to monitor and report on such transactions;
- met with the Company's external auditor and IA without the presence of Management once;
- reviewed the independence of external auditor;
- reviewed the half year and full year financial results announcements, as well as the annual financial statements of the Group before submission to the Board for approval;
- reviewed the Company's procedures for detecting fraud and whistle-blowing matters; and
- reviewed the major acquisitions and disposals of the Company.

The AC makes recommendation to the Board on (i) the proposal to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors. The AC has also conducted a review of the cost effectiveness and the non-audit services provided by the auditor to the Group during the year and are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditor before recommending the auditor's re-appointment.

The AC has recommended to the Board the nomination of Messrs Baker Tilly TFW LLP for re-appointment as external auditor of the Company at the forthcoming AGM. The audit partner of the external auditor is rotated every five years, in accordance with the requirements of the Listing Manual. In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Listing Rules 712 and 715. In addition, the AC is satisfied that the Company has complied with Rule 717 of the Listing Manual regarding the audit of the foreign subsidiaries.

The aggregate amount of fees paid and/or payable to the external auditor amounted to approximately $160,000 for audit services and $27,000 for non-audit services rendered by the external auditor.

The AC has full access to and co-operation from Management and has full discretion to invite any Director or officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements.

REPORT ON CORPORATE GOVERNANCE

The Company has implemented a whistle-blowing policy, whereby employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

The Board recognises the importance of providing accurate and relevant information to shareholders on a timely basis to ensure that the shareholders have a balanced and understandable assessment of the Group's performance.

In discharging its responsibility of providing accurate relevant information on a timely basis to shareholders in compliance with statutory and regulatory requirements, the Board provides timely release of the Group's financial results, which discloses a balanced and understandable assessment of the Group's performance, position and prospects.

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Rules, where appropriate.

On a monthly basis, the Management will update the Board on the Group's financial performance of each business unit. Such reports compared the Group's actual performance against the budget and results of the previous year. The Group's financial performance will also be discussed during the board meetings on a quarterly basis. They also highlight key business indicators and major issues that are relevant to the Group's performance from time to time, in order for the Board to make balanced and informed assessments of the Group's performance, position and prospects.

The AC does not comprise former partners or directors of the Company's existing audit firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Internal audit

The Group has outsourced its internal audit function to Yang Lee & Associates ("YLA"). YLA, the outsourced internal auditor, is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains an outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, retail and property development industries.

The Engagement Team for the internal audit reviews performed for FY2020 comprised two Directors, a Manager, an Assistant Manager and supported by two Associates. Each of the two Directors has more than 20 years of relevant experience whilst the Manager has approximately 14 years of relevant experience. The team members of the Engagement Team are suitably qualified with relevant qualifications such as Certified Internal Auditor, Chartered Accountant and Practising Management Consultant, thereby ensuring that the internal audit function is adequately resourced and has the appropriate standing.

The key objectives of the internal audit function are as follows:

- review the Group's key business segments in the different territories in which they operate, on a risk-oriented process based audit;
- appraise Management and report to the AC concerning the adequacy and effectiveness of the system of internal controls; and
- assist the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

REPORT ON CORPORATE GOVERNANCE

The IA reports directly to the Chairman of the AC. An internal audit plan is submitted to the AC for approval prior to the commencement of the audit work and the IA plans its internal audit schedules in consultation with the Management.

YLA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out the internal audit review. YLA is also a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors.

The AC ensures that the Management provides good support to the IA and provides it with access to documents, records, properties and personnel when requested in order for the IA to carry out its function accordingly. The IA also has unrestricted access to the AC on internal audit matters. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal controls and recommendations for improvements are reported to the AC. The AC will review the adequacy and effectiveness of the internal audit function annually.

Based on the review of IA, the AC believes that the IA has adequate resources to perform its function effectively and objectively and to meet the needs of the Group in its current business environment.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are given the opportunity to participate actively during the AGM. The Group believes in effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns. The Company's Constitution allows all shareholders to vote at any general meeting of the Company either personally or by proxy or by attorney or in the case of a corporation, by a representative. The Company's Constitution does not allow a shareholder to vote in absentia such as via mail, electronic mail or facsimile.

Shareholders are also informed of the rules and voting procedures governing general meeting during the AGM.

The Company attends to the queries of the shareholders promptly. All shareholders receive the annual report and Notice of AGMs. The Notice is also advertised in the newspapers and published on the SGXNET. Separate resolutions are tabled for each distinct issue during the AGMs.

All directors attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report.

Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders at SGXNet as soon as practicable.

The Company does not have a dividend policy, however the Board takes into various factors including the following when recommending or declaring the dividend in respect of any particular year or period:

- The level of the Group's cash and retained earnings
- The Group's actual and projected financial performance
- The Group's projected levels of capital expenditure and other investment plans
- The Group's working capital requirements and general financing condition

The Company has proposed a one-tier tax exempt final dividend of 1.75 Singapore cents per ordinary share in respect of FY2020, subject to shareholders' approval at the forthcoming AGM.

REPORT ON CORPORATE GOVERNANCE

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Group has followed closely the requirements in the Listing Manual in disclosing material information through SGXNET relating to its business and operations. The Group recognises the importance of maintaining transparency and accountability to its shareholders. In line with the continuing disclosure obligations of the Company pursuant to the Listing Rules and the Companies Act, Cap. 50 of Singapore, the Group is committed to providing shareholders with adequate, timely and relevant information pertaining to the Group's business developments, financial performance and other factors which could have a material impact on the Company's share price. The Company does not practice selective disclosure of information. The Company communicates with shareholders and the investing community through the timely release of announcements via SGXNET.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. At these meetings, shareholders are given the opportunity to voice their views and raise issues either formally or informally. These meetings provide excellent opportunity for the Board to engage with shareholders to solicit their feedback. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notice is also released via SGXNET and published in local newspapers.

In view of the current COVID-19 situation in Singapore, the forthcoming AGM to be held in respect of FY2020 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, will be put in place for the AGM to be held on 28 April 2021.

While safeguarding its commercial interests, the Company discloses price sensitive information on an immediate basis where required under the Listing Rules. Material information on the Group is released to the public through the Company's announcements via the SGXNET.

The Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

The Company makes timely disclosure of material and price sensitive information to help investors make informed decisions.

If shareholders have any query on investor relations, they may send the query to enquiries@abr.com.sg

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Stakeholders who wish to know more about the Group such as our business, industry, performance or sustainability practices can visit our website at www.abr.com.sg

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ang Lian Seng, Mr Allan Chua Tiang Kwang, Mr Quek Mong Hua and Mr Lim Jen Howe are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2021 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:–

	MR ANG LIAN SENG	MR ALLAN CHUA TIANG KWANG	MR QUEK MONG HUA	MR LIM JEN HOWE
Date of Appointment	4 May 2001	18 February 2002	21 August 2003	21 August 2003
Date of last re-appointment	27 April 2018	27 April 2018	25 April 2019	25 April 2019
Age	56	65	68	68
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ang Lian Seng for re-appointment as Executive Director of the Company. The Board have reviewed and concluded that Mr Ang Lian Seng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Allan Chua Tiang Kwang for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Allan Chua Tiang Kwang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Quek Mong Hua for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Quek Mong Hua possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Jen Howe for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Lim Jen Howe possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Overseeing the Company's operations	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and a member of Remuneration Committee	Non-Executive Director and a member of Audit Committee	Independent Non-Executive Director, Chairman of Nominating and Remuneration Committees and a member of Audit Committee	Independent Non-Executive Director, Chairman of Audit Committee and a member of Nominating and Remuneration Committees
Professional qualifications	Bachelor of Business Administration	Master of Business Administration	Bachelor of Laws (Hons)	Fellow of the Institute of Chartered Accountants in England and Wales Member of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Executive Director in ABR Holdings Limited	Director of The Alby Group Businessman	Advocate and Solicitor of the Supreme Count of Singapore since 1980 Senior Partner of Lee & Lee	Partner, Thong & Lim, Chartered Accountants of Singapore

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG LIAN SENG	MR ALLAN CHUA TIANG KWANG	MR QUEK MONG HUA	MR LIM JEN HOWE
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 2,300,000 ordinary shares	Direct interest: 300,000 ordinary shares Deemed interest: 56,925,858 ordinary shares	Direct interest: 300,000 ordinary shares Deemed interest: 40,000 ordinary shares	Direct interest: 300,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nephew of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim Nephew of the Executive Director, Mr Leck Kim Seng Nephew of the General Manager, Mr Leck Kim Song Cousin of the Group Investment Manager, Mr Ang Jun Hung	Brother of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith Brother of the Substantial Shareholder, Mr Chua Tiang Chuan Uncle-in-law of the Group Business Development Director, Mr Teo Tong Loong	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#				
Past (for the last 5 years)	1. Season Confectionary & Bakery (KL) Sdn Bhd 2. KJ Coffees Singapore Pte Ltd 3. Food Glossary Pte. Ltd. 4. Xuansheng Food & Beverage Management (Chengdu) Co., Ltd.	Nil	Nil	The Anglo-Chinese School Foundation Limited
Present	• Alpha Lion Pte Ltd • Bistro Europa Pte Ltd • Cine Art Pictures Pte Ltd • Europa Entertainment Pte Ltd • Europa Lounge and Restaurant Pte Ltd • Hippopotamus Restaurants Pte Ltd • Europa Ridley's (1992) Pte Ltd • Europa Specialty Restaurants (S) Pte Ltd • Food Creations Pte Ltd • ABR Property Investments Pte Ltd • Lawry's PRC Investment Pte Ltd • Lawry's (Singapore) Limited • Orchard 501 Café Pub Pte Ltd • Oishi Japanese Pizza Pte Ltd • ABR Swensen's Pte Ltd	• Kechapi Pte Ltd • Alby (Private) Limited • Alby Commercial Enterprises Pte Ltd • T.T.N. Holdings (Pte) Ltd • T.T.N. Realty (Pte) Ltd • Christian Literature Crusade (Singapore) Ltd	• Senior Partner of Lee & Lee • Member of the Management Committee of Lee & Lee • Executive Elder of Bethesda Frankel Estate Church Ltd	• Thong & Lim Consultants Private Limited • Period Properties Pte Ltd • Arbour Fine Art Pte Ltd • T&L Support Services Pte Ltd • Caregivers Alliance Limited • TalkMed Group Limited • Anglo-Chinese School Board of Governors

* "Principal Commitments" has the same meaning as defined in the Code

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG LIAN SENG	MR ALLAN CHUA TIANG KWANG	MR QUEK MONG HUA	MR LIM JEN HOWE
Other Principal Commitments* Including Directorships#				
Present (cont'd)	• Seng Cheng Development Pte Ltd • SSCB Pte Ltd • Swensen's of Singapore (1996) Pte Ltd • Willman Pte Ltd • ABR (HK) Limited • Season's Café Sdn Bhd • Season Confectionary & Bakery Sdn Bhd • Swensen's Ice Cream Company (Australia) Pty Ltd • Swensen's (Malaysia) Sdn Bhd • Team-Up Investments (HK) Limited • Win Win Food (Shenzhen) Co. Ltd. • E.Y.F (S) Pte Ltd • Kitchen Alchemy Pte Ltd • EY. Food (SH) Pte. Ltd. • EY. Food (BJ) Pte. Ltd. • TT Hara Food Pte Ltd • All Best Foods Pte Ltd • ABR Land Sdn Bhd • Chinoiserie Wine Bar and Discotheque Pte Ltd • ABR Land (S) Pte Ltd • ABR Land Australia Pty Ltd • Permai Puncakmas Sdn Bhd • ABR CCH Land Sdn Bhd • Chilli Padi Holding Pte. Ltd. • Chilli Api Catering Pte. Ltd. • Chilli Padi Nonya Catering Pte. Ltd. • Chilli Padi Nonya Restaurant Pte. Ltd. • E. Khidmat Integriti Sdn Bhd • All Best Realty Pte Ltd • PT ABR Bintan Investments • North Street 5 Private Limited • Baywind Properties Pte. Ltd.			

* "Principal Commitments" has the same meaning as defined in the Code
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG LIAN SENG	MR ALLAN CHUA TIANG KWANG	MR QUEK MONG HUA	MR LIM JEN HOWE
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
c) Whether there is any unsatisfied judgement against him?	No	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

REPORT ON CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transaction is conducted on an arm's length basis and is not prejudicial to the interests of the shareholders.

During FY2020, there were no interested person transactions amounting to more than $100,000.

DEALINGS IN SECURITIES

The Board has adopted Rule 1207(19) of the Listing Manual applicable to the Directors as well as executives in relation to dealings in the Company's securities. Directors and executives are also expected to observe insider trading laws at all times when dealing in the Company's securities. Directors and relevant employees of the Company are reminded at the appropriate time, that dealings in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial results, and ending on the date of announcement of the results, are prohibited. An officer should also not deal in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

There were no material contracts of the Group and of the Company involving the interests of the Executive Chairman, the Managing Director (both of whom are deemed to be in the position of the Chief Executive Officer), each other Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 57 to 137 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Chua Tiang Choon, Keith	(Executive Chairman)
Ang Yee Lim	(Managing Director)
Ang Lian Seng	(Executive)
Leck Kim Seng	(Executive)
Allan Chua Tiang Kwang	(Non-executive)
Quek Mong Hua	(Independent and non-executive)
Lim Jen Howe	(Independent and non-executive)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Number of ordinary shares					
	Direct interest			Deemed interest		
Name of directors	**At 1.1.2020**	**At 31.12.2020**	**At 21.1.2021**	**At 1.1.2020**	**At 31.12.2020**	**At 21.1.2021**
The Company						
Chua Tiang Choon, Keith	300,000	300,000	300,000	56,925,858	56,925,858	56,925,858
Allan Chua Tiang Kwang	300,000	300,000	300,000	56,925,858	56,925,858	56,925,858
Ang Yee Lim	101,159,501	101,580,201	101,639,201	–	–	–
Ang Lian Seng	2,300,000	2,300,000	2,300,000	–	–	–
Leck Kim Seng	300,000	300,000	300,000	–	–	–
Lim Jen Howe	300,000	300,000	300,000	–	–	–
Quek Mong Hua	300,000	300,000	300,000	40,000	40,000	40,000

DIRECTORS' STATEMENT

Directors' interest in shares or debentures (cont'd)

The deemed interests of Mr Chua Tiang Choon, Keith and Mr Allan Chua Tiang Kwang in the shares of the Company are by virtue of their shareholdings in Alby (Private) Limited, which in turn holds shares in Kechapi Pte Ltd. At 31 December 2020, Kechapi Pte Ltd holds 56,925,858 shares in the Company.

Mr Chua Tiang Choon, Keith, Mr Allan Chua Tiang Kwang and Mr Ang Yee Lim, by virtue of their interests of not less than 20% of the issued share capital of the Company, are deemed to have an interest in the whole of the share capital of the Company's wholly-owned subsidiary corporations, and in the shares of the following subsidiary corporations that are not wholly-owned by the Group:

	Number of ordinary shares	
	At 1.1.2020	At 31.12.2020
ABR (HK) Limited	8,001	8,001
Cine Art Pictures Pte Ltd	55,000	55,000
Kitchen Alchemy Pte Ltd	255,000	255,000
Oishi Japanese Pizza Pte Ltd	925,000	925,000
Team-Up Overseas Investment Pte Ltd	70,000	70,000
Chilli Padi Holding Pte Ltd	2,768,848	2,768,848

Material contracts

There are no material contracts of the Group and of the Company involving the interests of the Executive Chairman, the Managing Director (both of whom are deemed to be in the position of the Chief Executive Officer), each other director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Share options

No options to take up unissued shares of the Company or its subsidiary corporations were granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

DIRECTORS' STATEMENT

Audit Committee

The Audit Committee comprises three members, two of whom are independent directors. The members of the Audit Committee during the year and at the date of this statement are:

Lim Jen Howe (Chairman)
Quek Mong Hua
Allan Chua Tiang Kwang

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act and performed the following functions:

(a) reviewed the independence and objectivity of the external auditor;

(b) reviewed the financial statements of the Company and of the Group for the financial year ended 31 December 2020 and the independent external auditor's report thereon;

(c) reviewed the overall scope of the audit work carried out by the independent external auditor and also met with the independent external auditor to discuss the results of their audit and their evaluation of the internal accounting control system and internal control procedures;

(d) reviewed the overall scope and timing of the work to be carried out by the internal auditors and also met with the internal auditors to discuss the results of their internal audit procedures; and

(e) reviewed interested person transactions.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chua Tiang Choon, Keith Director	Ang Yee Lim Director

31 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABR HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ABR Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 57 to 137, which comprise the statements of financial position of the Group and of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill and trademarks

Description of key audit matter:

Management performs an annual impairment assessment of goodwill and trademarks. Valuation model based on discounted cash flow analysis of the cash-generating unit ("CGU") is used by management to determine the value in use for the purposes of the impairment assessment.

At 31 December 2020, the carrying values of goodwill and trademarks totalled $13,684,000 (2019: $13,684,000) on the Group's consolidated statement of financial position. We consider this area to be a key audit matter because of the significance of these assets and the element of judgement and estimates applied by management in forecasting and discounting future cash flows for the impairment assessment as disclosed in Note 3 to the financial statements. Details of the impairment assessment of goodwill and trademarks are disclosed in Note 14 to the financial statements.

Our audit procedures and response:

We have obtained the value in use assessment prepared by management and assessed the reasonableness of key inputs and assumptions applied by management with a focus on forecast revenue and appropriateness of discount rate and growth rate. We cross-checked and compared management's cash flow forecast to current and past years' financial performance of the CGU including the impact arising from COVID-19 pandemic and the anticipated changes in the business and economic environment for the next five years. We involved our valuation specialists in assessing the reasonableness of the discount rate used. We have also considered the sensitivity of key estimates on the impairment assessment. We have reviewed the Group's disclosures of the application of judgement and key assumptions applied in estimating the CGU's cash flows and the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABR HOLDINGS LIMITED

Report on the Audit of the Financial Statements (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2020 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABR HOLDINGS LIMITED

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tay Guat Peng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group	
	Note	**2020 $'000**	2019 $'000
Revenue	4	**85,975**	121,133
Cost of sales		**(50,026)**	(69,424)
Gross profit		**35,949**	51,709
Other income	5a	**13,857**	1,822
Interest income	5b	**528**	852
Expenses			
Selling, distribution and outlet expenses		**(27,063)**	(32,958)
Administrative expenses		**(14,086)**	(16,135)
Other expenses		**(919)**	(622)
Finance costs	6	**(1,242)**	(1,377)
Share of results of equity-accounted investees, net of tax		**(473)**	(283)
Profit before tax	7	**6,551**	3,008
Income tax expense	9	**(413)**	(603)
Profit for the year		**6,138**	2,405
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		**(228)**	(81)
Other comprehensive loss for the year, net of tax		**(228)**	(81)
Total comprehensive income for the year		**5,910**	2,324
Profit attributable to:			
Owners of the Company		**5,977**	1,973
Non-controlling interests		**161**	432
Profit for the year		**6,138**	2,405
Total comprehensive income attributable to:			
Owners of the Company		**5,751**	1,894
Non-controlling interests		**159**	430
Total comprehensive income for the year		**5,910**	2,324
Earnings per share for the year attributable to owners of the Company			
Basic (cents)	10	**2.97**	0.98
Diluted (cents)	10	**2.97**	0.98

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2020

		Group		Company	
		2020	2019	**2020**	2019
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**17,370**	20,329	**5,696**	6,707
Right-of-use assets	12	**25,856**	35,181	**23,144**	31,060
Investment properties	13	**4,080**	4,310	**890**	927
Intangible assets	14	**15,816**	16,121	**–**	–
Investments in subsidiaries	15	**–**	–	**50,698**	49,098
Interests in equity-accounted investees	16	**19,615**	18,482	**–**	–
Financial asset at FVOCI	17	**35**	35	**35**	35
Financial assets at FVTPL	18	**3,223**	–	**3,223**	–
Loans to subsidiaries	19	**–**	–	**10,594**	11,066
Loans to equity-accounted investees	20	**4,541**	4,748	**–**	–
Other asset	21	**1,237**	809	**1,237**	809
Total non-current assets		**91,773**	100,015	**95,517**	99,702
Current assets					
Inventories	22	**2,382**	2,683	**1,526**	1,512
Trade and other receivables	23	**8,794**	8,996	**5,226**	5,672
Cash and cash equivalents	24	**53,050**	45,985	**23,270**	17,328
Total current assets		**64,226**	57,664	**30,022**	24,512
Total assets		**155,999**	157,679	**125,539**	124,214

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	Note	Group		Company	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
EQUITY AND LIABILITIES					
Equity					
Share capital	25	**43,299**	43,299	**43,299**	43,299
Other reserves	26	**(1,843)**	(1,617)	**–**	–
Accumulated profits		**56,039**	52,574	**41,080**	36,715
Equity attributable to owners of the Company		**97,495**	94,256	**84,379**	80,014
Non-controlling interests		**4,369**	4,210	**–**	–
Total equity		**101,864**	98,466	**84,379**	80,014
Non-current liabilities					
Borrowings	30	**5,000**	–	**5,000**	–
Lease liabilities	31	**13,822**	19,375	**12,115**	17,792
Deferred tax liabilities	27	**2,389**	2,603	**44**	194
Provision	29	**1,122**	1,077	**817**	705
Other liabilities	32	**–**	3,979	**–**	1,267
Total non-current liabilities		**22,333**	27,034	**17,976**	19,958
Current liabilities					
Trade and other payables	28	**12,229**	13,514	**10,248**	9,433
Provisions	29	**1,526**	1,618	**949**	1,124
Borrowings	30	**84**	276	**–**	–
Lease liabilities	31	**12,905**	16,006	**11,759**	13,596
Other liabilities	32	**4,145**	–	**127**	–
Tax payable		**913**	765	**101**	89
Total current liabilities		**31,802**	32,179	**23,184**	24,242
Total liabilities		**54,135**	59,213	**41,160**	44,200
Total equity and liabilities		**155,999**	157,679	**125,539**	124,214

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Group						
Balance at 1.1.2020	98,466	94,256	43,299	(1,617)	52,574	4,210
Profit for the year	6,138	5,977	–	–	5,977	161
Other comprehensive (loss)/income						
Currency translation differences	(271)	(269)	–	(269)	–	(2)
Share of other comprehensive income of equity-accounted investees	43	43	–	43	–	–
Other comprehensive loss for the year, net of tax	(228)	(226)	–	(226)	–	(2)
Total comprehensive income/(loss) for the year	5,910	5,751	–	(226)	5,977	159
Distributions to owners of the Company						
Tax exempt final dividend of 1.0 cent per share for the financial year ended 31.12.2019	(2,010)	(2,010)	–	–	(2,010)	–
Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2020	(502)	(502)	–	–	(502)	–
Total distributions to owners of the Company	(2,512)	(2,512)	–	–	(2,512)	–
Balance at 31.12.2020	**101,864**	**97,495**	**43,299**	**(1,843)**	**56,039**	**4,369**

* An analysis of "Other reserves" is presented in Note 26.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Group						
Balance at 1.1.2019	100,171	96,382	43,299	(1,538)	54,621	3,789
Profit for the year	2,405	1,973	–	–	1,973	432
Other comprehensive loss						
Currency translation differences	(66)	(64)	–	(64)	–	(2)
Share of other comprehensive loss of equity-accounted investees	(15)	(15)	–	(15)	–	–
Other comprehensive loss for the year, net of tax	(81)	(79)	–	(79)	–	(2)
Total comprehensive income/(loss) for the year	2,324	1,894	–	(79)	1,973	430
Distributions to owners of the Company						
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2018	(3,015)	(3,015)	–	–	(3,015)	–
Tax exempt interim dividend of 0.5 cents per share for the financial year ended 31.12.2019	(1,005)	(1,005)	–	–	(1,005)	–
Dividend paid to non-controlling interests	(9)	–	–	–	–	(9)
Total distributions to owners of the Company	(4,029)	(4,020)	–	–	(4,020)	(9)
Balance at 31.12.2019	98,466	94,256	43,299	(1,617)	52,574	4,210

* An analysis of "Other reserves" is presented in Note 26.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Total equity $'000	Share capital $'000	Accumulated profits $'000
Company			
Balance at 1.1.2020	80,014	43,299	36,715
Net profit and total comprehensive income for the year	6,877	–	6,877
Tax exempt final dividend of 1.0 cent per share for the financial year ended 31.12.2019	(2,010)	–	(2,010)
Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2020	(502)	–	(502)
	(2,512)	–	(2,512)
Balance at 31.12.2020	**84,379**	**43,299**	**41,080**
Balance at 1.1.2019	83,419	43,299	40,120
Net profit and total comprehensive income for the year	615	–	615
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2018	(3,015)	–	(3,015)
Tax exempt interim dividend of 0.5 cents per share for the financial year ended 31.12.2019	(1,005)	–	(1,005)
	(4,020)	–	(4,020)
Balance at 31.12.2019	80,014	43,299	36,715

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000
Cash flows from operating activities			
Profit before tax		**6,551**	3,008
Adjustments for:			
Depreciation and amortisation		**19,775**	22,221
Allowance for impairment on loans to a joint venture		**207**	–
Property, plant and equipment written off		**436**	220
Impairment loss on property, plant and equipment		**173**	103
Loss/(gain) on disposal of property, plant and equipment, net		**90**	(1)
Share of results of equity-accounted investees, net of tax		**473**	283
Fair value gain on call option	21	**(428)**	(428)
Fair value gain on financial assets at fair value through profit or loss		**(88)**	–
Modification gain on derecognition of right-of-use assets		**(51)**	–
Modification loss on put liability	32	**–**	139
Deemed finance costs		**166**	229
Interest portion on lease liabilities		**1,065**	1,142
Interest expenses on borrowings		**11**	6
Interest income		**(528)**	(852)
Dividend income		**(13)**	–
Operating cash flows before movements in working capital		**27,839**	26,070
Changes in working capital:			
Inventories		**301**	96
Trade and other receivables		**566**	288
Trade and other payables		**(1,288)**	(1,400)
Provisions		**(272)**	(130)
Currency translation differences		**(235)**	141
Cash generated from operations		**26,911**	25,065
Income tax paid		**(576)**	(836)
Net cash generated from operating activities		**26,335**	24,229
Cash flows from investing activities			
Interest received		**247**	584
Dividend received		**13**	–
Purchase of intangible assets	14	**–**	(223)
Purchase of property, plant and equipment	11	**(1,056)**	(2,892)
Proceeds from disposal of property, plant and equipment		**25**	21
Payment for acquisition of a land plot	13	**–**	(1,166)
Purchase of financial assets at fair value through profit or loss		**(3,136)**	–
Loans to equity-accounted investees		**(1,552)**	(1,750)
Net cash used in investing activities		**(5,459)**	(5,426)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group	
	Note	**2020 $'000**	2019 $'000
Cash flows from financing activities			
Interest expenses on borrowings paid		**(11)**	(6)
Interest portion on lease liabilities paid		**(1,065)**	(1,142)
Payment of lease liabilities		**(15,037)**	(16,746)
Proceeds from/(repayment of) borrowings		**4,808**	(22)
Funds (placed in)/withdrew from non-liquid deposits		**(3)**	3
Dividends paid to shareholders		**(2,512)**	(4,020)
Dividend paid to non-controlling interests		**–**	(9)
Net cash used in financing activities		**(13,820)**	(21,942)
Net increase/(decrease) in cash and cash equivalents		**7,056**	(3,139)
Cash and cash equivalents at beginning of financial year		**45,861**	49,183
Effect of exchange rate fluctuations on cash and cash equivalents		**6**	(183)
Cash and cash equivalents at end of financial year	24	**52,923**	45,861

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 197803023H) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 41 Tampines Street 92, Singapore 528881.

The principal activities of the Company are the manufacture of ice cream, the operation of Swensen's ice cream parlours cum restaurants, operation of other specialty restaurants and investment holding.

The principal activities of the subsidiaries are shown in Note 15.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are expressed in Singapore dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ("$'000") except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. In addition, the Group has also early adopted the Amendment to SFRS(I) 16 COVID-19 – Related Rent Concessions. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except as disclosed below.

During the financial year, the Group has elected to early adopt the amendment to SFRS(I) 16: COVID-19 – Related Rent Concessions which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $2,858,000 was recognised as other income in the profit or loss during the year. The amendment has no impact on accumulated profits at 1 January 2020.

New or revised SFRS(I) and SFRS(I) INT issued at the reporting date but not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2.2 Revenue recognition

Revenue from sale of food and beverage and service charges

The Group sells food and beverage and also provides servers in its full-service restaurants. Revenue is recognised at the point when the food and beverage have been served or upon delivery to customers. The amount of revenue recognised is based on the food and beverage listed prices, net of sales discounts. Service charge is recognised based on a fixed predetermined percentage over the net sales amount. Payment of the transaction price is either due immediately at the point the customer purchases the food and beverage, or on credit terms where upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional and only the passage of time is required before the payment is due. No element of financing is deemed present as the consideration is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

Royalty income

The Group licenses its trademark and grants franchise rights/licences and in exchange receives royalty income. The Group grants its customer the right to use the trade name and in return, receives sales-based royalty based on the customer's sales. No element of financing is deemed present as the consideration is repayable on demand. Upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional because only the passage of time is required before the payment is due.

Interest income

Interest income is recognised using the effective interest method.

Rental income

Lease payments from operating leases are recognised on a straight-line basis over the lease term.

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Management fee income

The Group provides management services to cafeterias in Singapore. Such services are recognised over time as performance obligations are satisfied based on the period in the contracts. Payment of the transaction is either due immediately, or on credit terms where upon initial recognition of revenue, a receivable is recognised as the consideration is unconditional and only the passage of time is required before the payment is due. No element of financing is deemed present as the consideration is repayable on demand.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.3 Basis of consolidation (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.4. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests ("NCI") are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

2.4 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.4 Goodwill (cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combinations. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, associated company or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate or joint venture is described in Note 2.9.

2.5 Property, plant and equipment and depreciation

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, restaurant supplies, crockery and cutlery that are not subject to depreciation. The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. When restaurant supplies, crockery and cutlery are replaced, the costs of replacement are expensed off.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Leasehold property	50
Building and structural improvements	15 – 50
Leasehold improvements	1 – 10
Furniture, fixtures and fittings	3 – 10
Plant and equipment	1 – 12
Motor vehicles	5 – 12

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.6 Investment properties

Investment properties comprise buildings and land that are held to earn rental income and/or for capital appreciation or for a currently indeterminate use and land held by the lessee as a right-of-use asset that is held to earn rental income, for long-term capital appreciation or for a currently indeterminate use. Investment properties comprise land, completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life as follows:

	Years
Buildings	40 – 50
Land	30
Outdoor refreshment area	1.5

The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at the end of the reporting period. The effects of any revision are included in profit or loss when the changes arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On the disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.7 Intangible assets

(i) Goodwill (see Note 2.4)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.7 Intangible assets (cont'd)

(ii) Other intangible assets (cont'd)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. The Group's intangible assets with indefinite useful lives are trademarks and knowhow.

Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

	Years
Customer relationships	10
Customer contracts	2.5
Favourable leases	2
Franchise rights/licence	20

2.8 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Associated companies and joint ventures

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associated companies and joint ventures ("equity-accounted investees") are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in equity-accounted investees are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.9 Associated companies and joint ventures (cont'd)

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Distributions received from equity-accounted investees are adjusted against the carrying amount of the investment. When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the equity-accounted investee, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the equity-accounted investee.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity-accounted investee recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an equity-accounted investee of the Group, unrealised gains are eliminated to the extent of the Group's interest in the equity-accounted investee. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investments in equity-accounted investees are carried at cost less accumulated impairment loss. On disposal of investments in equity-accounted investees, the differences between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

2 Summary of significant accounting policies (cont'd)

2.10 Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets) (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

Classification and measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i) Debt instruments

Debt instruments include fixed deposits, cash and bank balances, loans receivables, trade receivables and other receivables (excluding prepayments, tax recoverable and grant receivable). The Group's debt instruments are measured as follows:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

ii) Derivatives

Derivatives are classified and measured as financial assets at fair value through profit or loss. Movements in fair values are recognised in profit or loss in the period in which it arises and presented in "other income".

iii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income".

For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

Classification and measurement (cont'd)

iii) Equity instruments (cont'd)

The Group has designated certain of its equity investments that are not held for trading as FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss except for equity investment designated at FVOCI which would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVOCI are not subject to impairment assessment.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, other direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.13 Cash and cash equivalents in the statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.15 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2.16 Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.17 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 *Financial Instruments*.

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

When a Group entity is the lessee (cont'd)

Lease liabilities (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset as follows:

	Years
Food and beverage outlets	1 to 4
Plant and machinery	12.5
Office spaces, production rooms, store rooms and warehouses	2 to 3
Leasehold land	4.5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

Right-of-use asset which meets the definition of an investment property are presented within "Investment properties" and is accounted in accordance with Note 2.6.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.10.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

When a Group entity is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2.19 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies and interests in joint arrangements, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.20 Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

The Group recognises the estimated costs of dismantlement, removal or restoration of assets arising from the acquisition or use of assets (Note 2.18). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related assets unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.21 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

2.22 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.22 Foreign currencies (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies (cont'd)

2.24 Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

2.25 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Alternatively, the grant may be presented in the statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

3 Critical accounting judgement and key sources of estimation uncertainty

Critical judgement in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of food and beverage outlets, plant and machinery, office space, production rooms, store rooms, warehouses and leasehold land, the following factors are considered to be most relevant:

- If there are significant penalties to terminate the lease, the Group will typically reasonably certain not to terminate the lease;
- Otherwise, the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

As at 31 December 2020, potential future cash outflows of $16,083,000 (2019: $20,631,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the lease will be extended.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Critical accounting judgement and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment assessment of goodwill and intangible assets with indefinite useful life

Management performs an annual impairment assessment of goodwill and intangible assets with indefinite life. Valuation model based on discounted cash flow analysis of the cash-generating unit is used by management to determine the value in use for the purposes of the impairment assessment.

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. Details of the impairment assessment and the carrying values of the Group's goodwill and intangible assets at the end of the reporting period are disclosed in Note 14. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets)

At each reporting date, the Group and Company assess whether there are any indications of impairment for all non-financial assets. The Group and Company also assess whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group and Company estimate the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's and Company's property, plant and equipment and right-of-use assets are disclosed in Notes 11 and 12. The carrying values of the Group's intangible assets with finite lives are disclosed in Note 14. The carrying amounts of the investments in subsidiaries are disclosed in Note 15. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

Calculation of allowance for impairment for financial assets at amortised cost

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Critical accounting judgement and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Calculation of allowance for impairment for financial assets at amortised cost (cont'd)

As the calculation of loss allowance on receivables and loans is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables and loans. Details of ECL measurement and carrying values of trade receivables, other receivables and loans at reporting date are disclosed in Note 36.

Fair value estimation of call and put options

The fair values of call and put options are determined using the Black-Scholes option valuation model and are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of the options. Details of the valuation model are disclosed in Note 37(b).

Estimating the incremental borrowing rate for leases

The Group uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs such as market interest rates, where available and made certain entity-specific estimates, such as the Company and the subsidiaries' stand-alone credit rating. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use assets at the commencement date of new leasing transactions. The carrying amount of lease liabilities and right-of-use assets are disclosed in Notes 31 and 12.

4 Revenue

	Group	
	2020	2019
	$'000	$'000
At a point in time		
Sales and service charges – Food and beverage	**85,796**	120,861
Over time		
Royalty income	**179**	272
	85,975	121,133

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5a Other income

	Group	
	2020	2019
	$'000	$'000
Rental income	**272**	286
Dividend income	**13**	–
Special Employment Credit and Wage Credit Scheme	**652**	615
Management fee income	**348**	324
Fair value gain on call option	**428**	428
Fair value gain on financial assets at fair value through profit or loss	**88**	–
Modification gain on derecognition of right-of-use assets	**51**	–
Jobs Support Scheme ("JSS") *	**6,137**	–
Other government grant income **	**2,487**	–
Foreign exchange gain	**192**	–
Rent concessions (Note 2.1)	**2,858**	–
Others	**331**	169
	13,857	1,822

* JSS grant income of $6,137,000 (2019: nil) was recognised during the financial year. Under the JSS, the Singapore Government will cofund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

** Included within other government grant income are property tax rebates and cash grant of $1,881,000 (2019: nil) received from the Singapore Government to help businesses deal with the impact from COVID-19 pandemic.

5b Interest income

	Group	
	2020	2019
	$'000	$'000
Interest from deposits with banks	**247**	584
Interest on loans to a joint venture (Note 20)	**281**	268
	528	852

6 Finance costs

	Group	
	2020	2019
	$'000	$'000
Deemed finance costs	**166**	229
Banker's acceptance interests (Note 30)	**3**	6
Interest expense on bank loan (Note 30)	**8**	–
Interest expense on lease liabilities (Note 31)	**1,065**	1,142
	1,242	1,377

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Profit before tax

Profit before tax is arrived at after charging/(crediting):

		Group	
	Note	**2020 $'000**	2019 $'000
Expenses			
Audit fees payable to:			
– auditor of the Company		**160**	182
– other auditors**		**27**	28
Fees for non-audit services payable to:			
– auditor of the Company		**27**	56
– other auditors**		**–***	9
Amortisation of intangible assets	14	**305**	467
Cost of inventories included in cost of sales		**23,416**	34,411
Depreciation of property, plant and equipment	11	**3,288**	3,979
Depreciation of right-of-use assets	12	**15,997**	17,566
Depreciation of investment properties	13	**185**	209
Government grant expense ***		**86**	–
Remuneration of the directors of the Company:	8		
– salaries, fees and benefits-in-kind		**1,322**	1,473
– contribution to defined contribution plans		**31**	38
Remuneration of the directors of the subsidiaries:			
– salaries, fees and benefits-in-kind		**402**	547
– contribution to defined contribution plans		**36**	42
Remuneration of key management personnel (non-directors):			
– salaries and related costs		**1,098**	1,124
– contribution to defined contribution plans		**92**	94
Remuneration of staff:			
– salaries and related costs		**27,467**	37,137
– contribution to defined contribution plans		**2,371**	2,965
Loss/(gain) on disposal of property, plant and equipment, net		**90**	(1)
Impairment loss of property, plant and equipment	11	**173**	103
Allowances for impairment on non-trade receivables	20	**–**	3
Bad debts written off		**–**	2
Rental expenses	12	**1,305**	2,902
Allowance for inventory obsolescene		**8**	–
Write-offs:			
– property, plant and equipment		**436**	220
– inventories		**38**	66
Allowance for impairment on trade receivables	23, 36	**60**	–
Modification loss on put liability	32	**–**	139
Net foreign exchange losses		**–**	122
Allowance for impairment on loans to a joint venture	20	**207**	–

* Amount less than $1,000

** Include independent member firms of the Baker Tilly International network.

*** Government grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the financial year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 Remuneration bands of directors of the Company

Number of directors of the Company in remuneration bands:

	Group 2020	Group 2019
$250,000 to below $500,000	**3**	3
Below $250,000	**4**	4
	7	7

9 Income tax expense

	Group 2020 $'000	Group 2019 $'000
Tax expense attributable to profits is made up of:		
– current income tax provision	**608**	910
– deferred tax (Note 27)	**(205)**	(275)
	403	635
Under/(over) provision in respect of previous financial years		
– current income tax	**18**	(27)
– deferred tax (Note 27)	**(8)**	(5)
	413	603

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax to profit before tax due to the following factors:

	Group 2020 $'000	Group 2019 $'000
Profit before tax	**6,551**	3,008
Income tax expense at statutory rate of the respective entities	**919**	510
Statutory stepped income exemption	**(99)**	(84)
Income not subject to tax	**(1,195)**	(152)
Expenses not deductible for tax purposes	**704**	303
Effect of tax incentive and tax rebate	**(115)**	(124)
Under/(over) provision in preceding financial years	**10**	(32)
Deferred tax asset not recognised	**105**	79
Effect of results of equity-accounted investees presented net of tax	**113**	68
Others	**(29)**	35
	413	603

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Income tax expense (cont'd)

The statutory income tax rate applicable is 17% (2019: 17%) for companies incorporated in Singapore and 24% (2019: 24%) for companies incorporated in Malaysia.

Subject to the satisfaction of the conditions for group relief, tax losses of $860,000 (2019: $350,000) and capital allowances of $140,000 (2019: $281,000) arising in the current year are transferred within entities in the Group under the group relief system. These tax losses and capital allowances are transferred at no consideration.

At the end of the reporting period, the Group has potential tax benefits arising from unabsorbed tax losses of approximately $8,194,000 (2019: $8,200,000), and unabsorbed capital allowances of approximately $2,286,000 (2019: $1,771,000), that are available for carry-forward to offset against future taxable income of the companies in which the tax losses and capital allowances arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Deferred tax assets on the following temporary differences have not been recognised in the financial statements at the end of the reporting period:

	Group	
	2020	2019
	$'000	$'000
Unabsorbed tax losses	**8,194**	8,200
Unabsorbed capital allowances	**1,893**	1,345
	10,087	9,545

Deferred tax assets are not recognised because it is not probable that future taxable profits will be available against which those tax losses and capital allowances can be utilised.

10 Earnings per share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2020	2019
	$'000	$'000
Profit for the year attributable to owners of the Company	**5,977**	1,973

	2020	2019
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**200,996**	200,996
Basic earnings per share (cents)	**2.97**	0.98
Diluted earnings per share (cents)	**2.97**	0.98

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

As at 31 December 2020 and 2019, diluted earnings per share is similar to basic earnings per share as there were no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment

	Freehold land $'000	Buildings and structural improvements $'000	Leasehold property $'000	Leasehold improvements $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
Group									
2020									
Cost									
At 1.1.2020	365	12,416	2,300	15,855	6,911	17,665	2,856	716	59,084
Additions	–	–	–	518	67	413	47	11	1,056
Disposals/write-off	–	–	–	(1,161)	(452)	(469)	(103)	(42)	(2,227)
Translation	–	–	–	–*	–*	–*	(1)	–	(1)
At 31.12.2020	**365**	**12,416**	**2,300**	**15,212**	**6,526**	**17,609**	**2,799**	**685**	**57,912**
Accumulated depreciation and impairment losses									
At 1.1.2020	–	6,348	1,357	12,032	4,282	12,764	1,972	–	38,755
Depreciation charge	–	201	46	1,014	504	1,228	295	–	3,288
Disposals/write-off	–	–	–	(933)	(286)	(360)	(97)	–	(1,676)
Impairment loss	–	–	–	68	52	46	–	7	173
Translation	–	–*	–	–*	1	1	–*	–	2
At 31.12.2020	**–**	**6,549**	**1,403**	**12,181**	**4,553**	**13,679**	**2,170**	**7**	**40,542**
Net carrying value									
At 31.12.2020	**365**	**5,867**	**897**	**3,031**	**1,973**	**3,930**	**629**	**678**	**17,370**

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment (cont'd)

	Freehold land $'000	Buildings and structural improvements $'000	Leasehold property $'000	Leasehold improvements $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
Group									
2019									
Cost									
At 1.1.2019	366	12,420	2,300	17,595	7,185	18,229	2,602	854	61,551
Additions	–	–	–	1,239	454	786	336	25	2,840
Disposals/write-off	–	–	–	(1,455)	(724)	(871)	(81)	(163)	(3,294)
Reclassification to right-of-use assets on initial application of SFRS(I) 16	–	–	–	(1,520)	–	(468)	–	–	(1,988)
Translation	(1)	(4)	–	(4)	(4)	(11)	(1)	–	(25)
At 31.12.2019	365	12,416	2,300	15,855	6,911	17,665	2,856	716	59,084
Accumulated depreciation and impairment losses									
At 1.1.2019	–	6,148	1,311	13,267	4,275	12,135	1,689	120	38,945
Depreciation charge	–	202	46	1,266	617	1,498	350	–	3,979
Disposals/write-off	–	–	–	(1,430)	(630)	(808)	(66)	(120)	(3,054)
Impairment loss	–	–	–	81	21	1	–	–	103
Reclassification to right-of-use assets on initial application of SFRS(I) 16	–	–	–	(1,150)	–	(56)	–	–	(1,206)
Translation	–	(2)	–	(2)	(1)	(6)	(1)	–	(12)
At 31.12.2019	–	6,348	1,357	12,032	4,282	12,764	1,972	–	38,755
Net carrying value									
At 31.12.2019	365	6,068	943	3,823	2,629	4,901	884	716	20,329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment (cont'd)

	Leasehold property $'000	Leasehold improve-ments $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
Company							
2020							
Cost							
At 1.1.2020	2,300	7,492	3,841	9,021	254	674	23,582
Additions	–	257	46	299	–	11	613
Disposals/write-off	–	(502)	(100)	(250)	(103)	(33)	(988)
At 31.12.2020	**2,300**	**7,247**	**3,787**	**9,070**	**151**	**652**	**23,207**
Accumulated depreciation and impairment losses							
At 1.1.2020	1,357	5,762	2,653	6,871	232	–	16,875
Depreciation charge	46	536	238	602	11	–	1,433
Disposals/write-off	–	(419)	(62)	(220)	(96)	–	(797)
At 31.12.2020	**1,403**	**5,879**	**2,829**	**7,253**	**147**	**–**	**17,511**
Net carrying value							
At 31.12.2020	**897**	**1,368**	**958**	**1,817**	**4**	**652**	**5,696**
2019							
Cost							
At 1.1.2019	2,300	9,038	4,140	9,424	254	728	25,884
Additions	–	446	206	245	–	25	922
Disposals/write-off	–	(1,005)	(505)	(648)	–	(79)	(2,237)
Reclassification to right-of-use assets on initial application of SFRS(I) 16	–	(987)	–	–	–	–	(987)
At 31.12.2019	2,300	7,492	3,841	9,021	254	674	23,582
Accumulated depreciation and impairment losses							
At 1.1.2019	1,311	6,771	2,782	6,738	219	57	17,878
Depreciation charge	46	784	285	735	13	–	1,863
Disposals/write-off	–	(1,005)	(414)	(602)	–	(57)	(2,078)
Reclassification to right-of-use assets on initial application of SFRS(I) 16	–	(788)	–	–	–	–	(788)
At 31.12.2019	1,357	5,762	2,653	6,871	232	–	16,875
Net carrying value							
At 31.12.2019	943	1,730	1,188	2,150	22	674	6,707

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment (cont'd)

At the end of the reporting period, the following property, plant and equipment with net carrying values set out below were pledged to certain financial institutions for banking facilities.

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Freehold land	**365**	365	**–**	–
Buildings and structural improvements	**5,867**	6,068	**–**	–
Leasehold property	**897**	943	**897**	943
Leasehold improvements	**245**	100	**–**	–
	7,374	7,476	**897**	943

Reconciliation of property, plant and equipment additions to cash flows arising from investing activities:

	Group	
	2020	2019
	$'000	$'000
Aggregate cost of property, plant and equipment acquired	**1,056**	2,840
Add: Purchases unpaid	**–**	(61)
Add: Purchases made in prior financial year paid	**61**	113
Less: Deposit paid in prior financial year	**(61)**	–
Cash payments to acquire property, plant and equipment	**1,056**	2,892

The impairment loss of property, plant and equipment is included in other expenses in the consolidated statement of profit or loss and other comprehensive income.

12 Right-of-use assets and lease liabilities

(a) The Group and the Company as a lessee

Nature of the Group's and the Company's leasing activities

The Group's and the Company's leasing activities comprise the following:

i) The Group and the Company lease various food and beverage outlets, plant and machinery, office spaces, production rooms, store rooms and warehouses. The leases have an average tenure of up to five years. These leases are with non-related parties except that the Company leases office space, production and store rooms from a subsidiary;

ii) The Group makes annual lease payments for a leasehold land; and

iii) In addition, the Group and the Company lease certain equipment with contractual terms of up to two years. These leases are short-term and/or low value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Right-of-use assets and lease liabilities (cont'd)

(a) The Group and the Company as a lessee (cont'd)

Nature of the Group's and the Company's leasing activities (cont'd)

The Group and the Company have options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's and the Company's obligations are secured by the lessors' title to the leased assets for such leases. No restrictions are imposed on dividends or further leasing.

The maturity analysis of the lease liabilities is disclosed in Note 36(b).

Information about leases for which the Group and the Company are a lessee is presented below:

Amounts recognised in Statements of Financial Position

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Carrying amount of right-of-use assets				
Food and beverage outlets	**24,157**	33,214	**21,457**	28,024
Plant and machinery	**337**	376	**–**	–
Office spaces, production rooms, store rooms and warehouses	**783**	780	**1,687**	3,036
Leasehold land	**579**	811	**–**	–
	25,856	35,181	**23,144**	31,060

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Additions to right-of-use assets	**9,461**	21,608	**7,958**	22,265

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Right-of-use assets and lease liabilities (cont'd)

(a) The Group and the Company as a lessee (cont'd)

Information about leases for which the Group and the Company are a lessee is presented below: (cont'd)

Amounts recognised in Statement of Profit or Loss and Other Comprehensive Income

	Group	
	2020	2019
	$'000	$'000
Depreciation charge for the year		
Food and beverage outlets	**15,163**	16,770
Plant and machinery	**37**	37
Office spaces, production rooms, store rooms and warehouses	**565**	527
Leasehold land	**232**	232
Total (Note 7)	**15,997**	17,566
Lease expense not included in the measurement of lease liabilities		
Lease expense – short-term leases	**498**	1,054
Lease expense – low value assets leases	**–**	4
Variable lease payments which do not depend on an index or rate	**807**	1,844
Total (Note 7)	**1,305**	2,902
Rent concessions from lessors (Note 2.1)	**2,858**	–
Interest expense on lease liabilities (Note 31)	**1,065**	1,142

Total Group's and Company's cash flow for leases amounted to $17,407,000 (2019: $20,813,000) and $14,873,000 (2019: $16,501,000) respectively.

As at 31 December 2020, the Group is committed to $132,000 (2019: nil) for short-term leases.

Future cash outflow which are not capitalised in lease liabilities

Variable lease payments

The leases for food and beverage outlets contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 0.5% to 32% (2019: 1% to 32%), on top of the fixed lease payments. Overall, the variable lease payments constitute up to 5% and 4% (2019: 9% and 7%) of the Group's and the Company's entire lease payments respectively. These variable lease payments are recognised to profit or loss when incurred. Such variable lease payments amounted to $807,000 and $647,000 (2019: $1,844,000 and $1,077,000) for the Group and the Company respectively for the financial year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Right-of-use assets and lease liabilities (cont'd)

(a) The Group and the Company as a lessee (cont'd)

<u>Future cash outflow which are not capitalised in lease liabilities (cont'd)</u>

Extension options

The leases of certain food and beverage outlets contain extension options, for which the related lease payments had not been included in the lease liabilities as the Group and the Company are not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's and the Company's operations. The majority of extension and termination options held are exercisable only by the Group and the Company.

(b) The Group and the Company as a lessor

<u>Nature of the Group's and the Company's leasing activities</u>

The Group and the Company leased out its investment properties to third parties for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 13.

13 Investment properties

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cost				
At beginning of financial year	**7,109**	5,597	**1,863**	1,863
Additions	**–**	1,440	**–**	–
Derecognition of right-of-use assets	**(71)**	–	**–**	–
Recognition of right-of-use assets on initial application of SFRS(I) 16	**–**	72	**–**	–
Translation	**(45)**	–	**–**	–
At end of financial year	**6,993**	7,109	**1,863**	1,863
Accumulated depreciation				
At beginning of financial year	**2,799**	2,590	**936**	899
Depreciation charge (Note 7)	**185**	209	**37**	37
Derecognition of right-of-use assets	**(71)**	–	**–**	–
At end of financial year	**2,913**	2,799	**973**	936
Net carrying value				
At end of financial year	**4,080**	4,310	**890**	927

Included in investment properties are right-of-use assets of nil (2019: $24,000). Depreciation charge on the right-of-use asset classified as investment properties amounted to $24,000 (2019: $47,000).

At the end of the reporting period, the following investment properties with net carrying values set out below were pledged to certain financial institutions for banking facilities.

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Investment properties	**890**	927	**890**	927

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Investment properties (cont'd)

The following amounts are recognised in the consolidated statement of profit or loss and other comprehensive income:

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Rental and other income from investment properties	**327**	283	**62**	67
Direct operating expenses arising from investment properties that generated rental income (including depreciation charge)	**(274)**	(189)	**(66)**	(52)
Direct operating expenses arising from investment properties that did not generate rental income (including depreciation charge)	**(76)**	–	–	–

Based on valuations carried out by external professional valuers, the fair values of the investment properties of the Group and Company on 31 December 2020 are $10,502,000 (2019: $10,775,000) and $3,000,000 (2019: $3,400,000) respectively (Note 37(e)).

Details of investment properties are as follows:

Description	Location	Floor area (Sqm)	Tenure of Lease (Use)
Singapore			
A shop unit located on the first storey of a shopping-cum-residential development known as City Plaza	810 Geylang Road #01-103 City Plaza Singapore 409286	25	Freehold (Rental)
A shop unit located on the second storey of Far East Plaza	14 Scotts Road #02-22 Far East Plaza Singapore 228213	39	Freehold (Rental)
A HDB shop unit with living quarters located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	358	85 years from 1 July 1994 (Rental)
A HDB outdoor refreshment area located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	196	1 year from 1 July 2020 (Rental)
Indonesia			
An apartment unit in Ascott Towers Indonesia	Unit 06-23 Jalan Kebon Kacang Raya No.2 Jakarta 10230	159	20 years and is renewable for a further term of 20 years (Rental)
A land plot located at Bintan, Indonesia	Jalan Trikora Kilometer. 52 RT.04 RW.02 Kelurahan Malang Rapat Kecamatan Gunung Kijang Kabupaten Bintan Provinsi Kepulauan Riau	19,603	Leasehold 30 years from 18 January 2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Investment properties (cont'd)

Reconciliation of investment properties additions to cash flows arising from investing activities:

	Group	
	2020	2019
	$'000	$'000
Aggregate cost of investment properties acquired	–	1,440
Less: Deposit paid in prior financial year	–	(274)
Cash payments to acquire investment properties	–	1,166

14 Intangible assets

	Goodwill $'000	Trade-marks $'000	Customer relationships $'000	Others $'000	Total $'000
Group					
2020					
Cost					
At 1.1.2020 and 31.12.2020	**8,303**	**5,381**	**2,797**	**2,217**	**18,698**
Accumulated amortisation					
At 1.1.2020	–	–	700	1,877	2,577
Amortisation charge	–	–	280	25	305
At 31.12.2020	**–**	**–**	**980**	**1,902**	**2,882**
Net carrying value					
At 31.12.2020	**8,303**	**5,381**	**1,817**	**315**	**15,816**
2019					
Cost					
At 1.1.2019	8,303	5,381	2,797	2,607	19,088
Additions	–	–	–	223	223
Write-off	–	–	–	(613)	(613)
At 31.12.2019	8,303	5,381	2,797	2,217	18,698
Accumulated amortisation					
At 1.1.2019	–	–	420	2,303	2,723
Amortisation charge	–	–	280	187	467
Write-off	–	–	–	(613)	(613)
At 31.12.2019	–	–	700	1,877	2,577
Net carrying value					
At 31.12.2019	8,303	5,381	2,097	340	16,121

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Intangible assets (cont'd)

	Franchise rights/licence	
	2020	2019
	$'000	$'000
Company		
Cost		
At beginning of financial year	–	406
Write-off	–	(406)
At end of financial year	–	–
Accumulated amortisation		
At beginning of financial year	–	406
Write-off	–	(406)
At end of financial year	–	–
Net carrying value		
At end of financial year	–	–

Composition of intangible assets

(i) Goodwill arising on the acquisition of Chilli Padi Holding Pte Ltd and subsidiaries ("Chilli Padi group").

(ii) Trademarks represent brand names "Chilli Api" and "Chilli Padi" which are registered under the Chilli Padi group entities.

(iii) Customer relationships refer to the economic benefits that are expected to be derived from non-contractual existing and recurring relationships between Chilli Padi group entity and its existing customers. These are acquired as part of the acquisition of Chilli Padi group and past transactions provide evidence that the Group is able to benefit from the future recurring revenue from such relationships.

(iv) "Others" comprise customer contracts and favourable lease agreements with respect to Chilli Padi group, knowhow and trade name of "Tip Top" curry puff and exclusive franchise rights of "Swensen's" and "Yogen Fruz".

The franchise rights of "Swensen's" for the People's Republic of China is for a period of 20 years from 13 August 2001 to 12 August 2021. The Group's franchise rights of "Yogen Fruz" in Singapore is for a period of 20 years from 28 September 2004 to 27 September 2024.

The Group's franchise rights of "Swensen's" in Singapore, Malaysia and Brunei is for a period of 20 years from 1 November 2019 to 31 October 2039.

Amortisation

The amortisation of intangible assets is included in cost of sales and administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Intangible assets (cont'd)

Impairment assessment for goodwill and indefinite-life intangible assets

For the purposes of impairment assessment, the Group's goodwill and trademarks acquired in a business combination have been allocated to the cash-generating unit ("CGU") identified as the Chilli Padi group.

The recoverable amount of this CGU is based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of value in use were as follows:

	Group	
	2020	2019
	%	%
Forecast revenue growth (average over next five years)	**3.2**	9
Terminal value growth rate	**0.5**	–
Discount rate	**13.8**	12

The Group's value in use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five years period. Forecast revenue for the next five years was projected taking into account the average growth levels experienced over the past years including the impact arising from COVID-19 pandemic and the anticipated changes in the business and economic environment for the next five years.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGU.

At 31 December 2020, the estimated recoverable amount of the CGU is higher than its carrying amount. Management has assessed that the change in the estimated recoverable amount arising from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of the CGU.

15 Investments in subsidiaries

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost		
At beginning of financial year	**47,433**	47,433
Less: Allowance for impairment in value	**(8,045)**	(8,045)
At end of financial year	**39,388**	39,388
Non-current receivables		
Loan to a subsidiary as at beginning of financial year	**9,710**	8,600
Advances during the financial year	**1,600**	1,110
At end of financial year	**11,310**	9,710
Total	**50,698**	49,098

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

There is no movement in allowance for impairment in value during the current and prior financial year.

(i) Details of the Company's subsidiaries at 31 December 2020 are as follows:

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the Company					
(a)	Lawry's (Singapore) Ltd	Investment holding and provision of processing, supply, warehousing and distribution activities	Singapore	**100**	100
(b)	ABR (HK) Limited	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream, fast food and restaurant business	Hong Kong	**99.99**	99.99
(d)	Swensen's of Singapore (1996) Pte Ltd	Dormant	Singapore	**100**	100
(a)	Food Creations Pte Ltd	Provision of services for the manufacture and production of ice cream and related products	Singapore	**100**	100
(a)	Europa Lounge and Restaurant Pte Ltd	Investment holding	Singapore	**100**	100
(d)	Hippopotamus Restaurants Pte Ltd	Dormant	Singapore	**100**	100
(d)	Orchard 501 Café Pub Pte Ltd	Dormant	Singapore	**100**	100
(d)	Europa Entertainment Pte Ltd	Dormant	Singapore	**100**	100
(a)	ABR Swensen's Pte Ltd	Investment holding	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2020 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the Company (cont'd)					
(d)	Europa Ridley's (1992) Pte Ltd	Dormant	Singapore	**100**	100
(d)	Cine Art Pictures Pte Ltd	Dormant	Singapore	**55**	55
(b)	Team-Up Investments (HK) Limited	Dormant	Hong Kong	**50**	50
(d)	Bistro Europa Pte Ltd	Dormant	Singapore	**100**	100
(d)	Europa Specialty Restaurants (S) Pte Ltd	Dormant	Singapore	**100**	100
(a)	ABR Property Investments Pte Ltd	Investment holding	Singapore	**100**	100
(d)	Team-Up Overseas Investment Pte Ltd	Dormant	Singapore	**70**	70
(d)	Oishi Japanese Pizza Pte Ltd	Dormant	Singapore	**84.1**	84.1
(d)	E.Y.F. (S) Pte Ltd	Dormant	Singapore	**100**	100
(a)	Kitchen Alchemy Pte Ltd	Investment holding	Singapore	**51**	51
(a)	All Best Foods Pte Ltd	Manufacturing, retailing of food products and operator of café and snack bars	Singapore	**100**	100
(a)	ABR Land (S) Pte Ltd	Investment holding	Singapore	**100**	100
(c)	ABR Land Australia Pty Ltd	Dormant	Australia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2020 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the Company (cont'd)					
(a)	Chilli Padi Holding Pte Ltd	Investment holding	Singapore	**80**	80
(b)	Permai Puncakmas Sdn. Bhd.	Investment holding	Malaysia	**100**	100
(a)	All Best Realty Pte Ltd	Investment holding	Singapore	**100**	100
Held by the subsidiaries					
Held by Swensen's of Singapore (1996) Pte Ltd					
(b)	Team-Up Investments (HK) Limited	Dormant	Hong Kong	**50**	50
Held by ABR (HK) Limited					
(c)	E.D. Swensen's B.V.	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream business	The Netherlands	**100**	100
Held by Europa Entertainment Pte Ltd					
(c)	Europa (Beijing) Food & Beverage Management Co., Ltd	Dormant	People's Republic of China	**100**	100
Held by Team-Up Investments (HK) Limited					
(c)	Win Win Food (Shenzhen) Co., Ltd	Dormant	People's Republic of China	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2020 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the subsidiaries (cont'd)					
Held by Lawry's (Singapore) Ltd					
(d)	Lawry's PRC Investment Pte Ltd	Dormant	Singapore	**100**	100
(b)	Season Confectionary & Bakery Sdn. Bhd.	Manufacturing and retailing of bread, cakes and confectionery	Malaysia	**80**	80
(b)	Season's Café Sdn. Bhd.	Operation of a chain of cafeteria	Malaysia	**80**	80
Held by Season Confectionary & Bakery Sdn. Bhd.					
(e)	Season Confectionary & Bakery (KL) Sdn. Bhd.	Inactive	Malaysia	**–**	40.8
(b)	Swensen's (Malaysia) Sdn. Bhd.	Ice cream manufacturing and franchising and operator of restaurants	Malaysia	**80**	80
(a)	SSCB Pte Ltd	Commission agents	Singapore	**80**	80
Held by E.Y.F. (S) Pte Ltd					
(c)	EY. Food (SH) Pte Ltd	Dormant	People's Republic of China	**100**	100
(c)	EY. Food (BJ) Pte Ltd	Dormant	People's Republic of China	**100**	100
Held by Kitchen Alchemy Pte Ltd					
(d)	TT Hara Food Pte Ltd	Dormant	Singapore	**12.75**	12.75
Held by All Best Foods Pte Ltd					
(d)	TT Hara Food Pte Ltd	Dormant	Singapore	**75**	75

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2020 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
	Held by the subsidiaries (cont'd)				
	Held by Chilli Padi Holding Pte Ltd				
(a)	Chilli Api Catering Pte Ltd	Catering service and foodstuff manufacturing	Singapore	**80**	80
(a)	Chilli Padi Nonya Restaurant Pte Ltd	Operation of food and beverage outlets	Singapore	**80**	80
(a)	Chilli Padi Nonya Catering Pte Ltd	Operation of food and beverage outlets	Singapore	**80**	80
(a)	North Street 5 Private Limited	Catering service and foodstuff manufacturing	Singapore	**80**	80
	Held by Europa Lounge and Restaurant Pte Ltd				
(c)	PT ABR Bintan Investments	Investment holding	Indonesia	**1**	1
	Held by ABR Property Investments Pte Ltd				
(c)	PT ABR Bintan Investments	Investment holding	Indonesia	**99**	99

(a) Audited by Baker Tilly TFW LLP.
(b) Audited by overseas independent member firms of Baker Tilly International.
(c) Not required to be audited in the country of incorporation.
(d) Exempted from audit in 2020 as company is dormant during the financial year.
(e) The subsidiary has been struck off during the financial year.

(ii) Non-current loans to a subsidiary

During the financial year, the Company advanced non-current interest-free equity loan totalling $1,600,000 (2019: $1,100,000) to a subsidiary to finance the subsidiary's investment in an associated company. The loans are repayable upon occurrence of certain events as stipulated in the loan agreements. The Company has assessed that the settlement of the loans are neither planned nor likely to occur in the foreseeable future as the loans are intended to be a long-term source of additional capital for the subsidiary. As a result, management considers the loan to be in substance part of the Company's net investment in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Investments in subsidiaries (cont'd)

(iii) Summarised financial information of subsidiary with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership held by NCI
Chilli Padi Holding Pte Ltd ("Chilli Padi group")	Singapore	20%

The following are the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. The financial information includes consolidation adjustments but before inter-company eliminations.

	Chilli Padi group	
	2020	2019
	$'000	$'000
Summarised Statement of Financial Position		
Non-current assets	**9,709**	10,634
Current assets	**14,864**	11,389
Non-current liabilities	**(1,801)**	(1,910)
Current liabilities	**(3,476)**	(3,896)
Net assets	**19,296**	16,217
Net assets attributable to NCI	**3,859**	3,243
Summarised Income Statement		
Revenue	**19,610**	22,326
Profit before tax	**3,404**	2,506
Income tax expense	**(325)**	(399)
Profit after tax and total comprehensive income	**3,079**	2,107
Profit allocated to NCI	**616**	421
Summarised Cash Flows		
Cash flows from operating activities	**4,658**	4,475
Cash flows from investing activities	**(200)**	(983)
Cash flows from financing activities	**(704)**	(770)
Net increase in cash and cash equivalents	**3,754**	2,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16 Interests in equity-accounted investees

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Interests in associated companies	**19,615**	18,397	**–**	–
Interests in joint venture	**–**	85	**–**	–
	19,615	18,482	**–**	–

(a) Interests in associated companies

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**9,472**	9,472	**97**	97
Less: Allowance for impairment in value	**–**	–	**(97)**	(97)
At end of financial year	**9,472**	9,472	**–**	–
Group's share of post-acquisition reserves	**(987)**	(642)	**–**	–
	8,485	8,830	**–**	–
Non-current receivables				
Loan to an associate as at beginning of financial year	**9,567**	8,334	**–**	–
Advances during the financial year	**1,552**	1,247	**–**	–
Translation	**11**	(14)	**–**	–
At end of financial year	**11,130**	9,567	**–**	–
Total	**19,615**	18,397	**–**	–

During the financial year, the Group has advanced non-current interest-free equity loan totalling $1,552,000 (2019: $1,247,000) through a subsidiary to finance an associated company. The loans are repayable upon occurrence of certain events as stipulated in the loan agreements. The Group has assessed that the settlement of the loans is neither planned nor likely to occur in the foreseeable future as the loans are intended to be a long-term source of additional capital for the associated company. As a result, management considers the loans to be in substance part of the Group's net investment in the associated company.

There is no movement in allowance for impairment in value during the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16 Interests in equity-accounted investees (cont'd)

(a) Interests in associated companies (cont'd)

The following information relates to associated companies:

Name of associated company	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the Company				
Swensen's Ice Cream Company (Australia) Pty Ltd	Dormant	Australia	**50**	50
Chinoiserie Wine Bar and Discotheque Pte Ltd	Dormant	Singapore	**30**	30
Held by All Best Realty Pte Ltd				
Goodwill Influx Sdn. Bhd. ("Goodwill Influx")	Investment holding	Malaysia	**20**[(1)]	20[(1)]
Held by Permai Puncakmas Sdn. Bhd.				
Sering Manis Sdn. Bhd. ("Sering Manis")	Property developer	Malaysia	**19**[(2)]	19[(2)]

The associated companies are measured using the equity method of accounting.

(1) The investment is part of the Group's corporate strategy to expand into selective property development business.
(2) Management has considered the Group's representation in the board of Sering Manis and terms in the shareholders agreement, and has determined that it has significant influence on Sering Manis even though the Group's shareholding is 19%. The investment is part of the Group's corporate strategy to expand into selective property development business.

The Group's investments in associated companies are summarised below:

	Group 2020 $'000	2019 $'000
Carrying amount:		
Goodwill Influx	**8,843**	8,956
Sering Manis	**10,772**	9,441
	19,615	18,397

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16 Interests in equity-accounted investees (cont'd)

(a) Interests in associated companies (cont'd)

Summarised financial information for the material associates based on its FRS financial statements (not adjusted for the Group's share of these amounts) and a reconciliation to the carrying amount of the investment in the consolidated financial statements are as follows:

	Sering Manis		Goodwill Influx	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Loss after tax	**(1,276)**	(335)	**(726)**	(210)
Other comprehensive income/(loss)	**62**	(35)	**159**	(50)
Total comprehensive loss	**(1,214)**	(370)	**(567)**	(260)

	Sering Manis		Goodwill Influx	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current assets	**82,046**	72,201	**112,610**	97,502
Current assets	**5,778**	6,794	**8,271**	18,110
Non-current liabilities	**(87,315)**	(79,456)	**(26,328)**	(26,328)
Current liabilities	**(2,903)**	(719)	**(7,861)**	(1,185)
Net (liabilities)/assets	**(2,394)**	(1,180)	**86,692**	88,099
Less: Non-controlling interest	**–**	–	**(42,479)**	(43,319)
	(2,394)	(1,180)	**44,213**	44,780
Group's share of net (liabilities)/ assets based on proportion of ownership interest	**(455)**	(223)	**8,843**	8,956
Goodwill on acquisition	**97**	97	**–**	–
Loans to an associate	**11,130**	9,567	**–**	–
	10,772	9,441	**8,843**	8,956

(b) Interests in joint venture

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Unquoted equity shares, at cost				
At beginning and end of financial year	**331**	331	**–**	–
Group's share of post-acquisition reserves	**(331)**	(246)	**–**	–
	–	85	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16 Interests in equity-accounted investees (cont'd)

(b) Interests in joint venture (cont'd)

The following information relates to the joint venture:

Name of joint venture company	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by the Company				
Baywind Properties Pte. Ltd. *	Property developer	Singapore	**50**	–
Held by ABR Property Investments Pte Ltd				
ABR CCH Land Sdn. Bhd.	Property developer	Malaysia	**49**	49

* Incorporated during the financial year

The joint venture companies are measured using the equity method of accounting. The activities of the joint venture provide the Group access into the property investment and development business.

Financial information of the joint venture (based on the Group's share of those results) are as follows:

	Group 2020 $'000	2019 $'000
Loss after tax from continuing operations, representing total comprehensive loss	**85**	176

The Group has not recognised its share of losses of ABR CCH Land Sdn. Bhd. amounting to $82,000 (2019: nil) during the current financial year because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses at the end of the reporting period in respect of this joint venture not recognised were $82,000 (2019: nil).

17 Financial asset at fair value through other comprehensive income ("FVOCI")

	Group and Company 2020 $'000	2019 $'000
Equity investments designated at FVOCI		
Unquoted equity investment	**35**	35

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Financial asset at fair value through other comprehensive income ("FVOCI") (cont'd)

Unquoted equity investment represents interest in a company in Singapore, which is engaged in pharmaceutical research and development company. This investment is not held for trading. Accordingly, management has elected to designate this investment at fair value through other comprehensive income. It is the Group's strategy to hold this investment for long-term purposes.

The fair value of the unquoted equity investment is determined by reference to recent internal and external changes in the business and market environment that the investee operates in. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

18 Financial assets at fair value through profit or loss ("FVTPL")

	Group and Company	
	2020	2019
	$'000	$'000
Equity investments measured at FVTPL		
Quoted equity investments in Singapore	**3,223**	–

The above equity investments are held for returns through dividend income and fair value gains.

19 Due from subsidiaries

(i) Loans to subsidiaries, non-current

	Company	
	2020	2019
	$'000	$'000
Loans to subsidiaries	**16,261**	16,733
Less: Allowance for impairment	**(5,667)**	(5,667)
	10,594	11,066

There is no movement in allowance for impairment during the current and prior financial year.

The non-current loans to subsidiaries are interest-free and unsecured, except for an advance to a subsidiary of $110,000 (2019: $110,000) with an interest of 5% (2019: 5%) per annum. The advance is not expected to be repaid within the next twelve months.

The non-current loans to subsidiaries of $10,484,000 (2019: $10,956,000) have no fixed repayment terms and they are not expected to be repaid within the next twelve months. The loans are carried at cost as the timing of the future cash flows cannot be estimated reliably and as such, it is not practicable to determine the fair values of the loans with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19 Due from subsidiaries (cont'd)

(ii) Due from subsidiaries, current

	Company	
	2020	2019
	$'000	$'000
Trade	**4,098**	4,091
Less: Allowance for impairment	**(4,066)**	(4,066)
Note 23	**32**	25
Non-trade	**4,651**	5,062
Less: Allowance for impairment	**(4,503)**	(4,503)
Note 23	**148**	559
	180	584

There is no movement in allowance for impairment (trade) during the current and prior financial year.

Movements in allowance for impairment (non-trade) during the financial year are as follows:

	Company	
	2020	2019
	$'000	$'000
Non-trade		
At beginning of financial year	**4,503**	4,320
Allowance made	**–**	183
At end of financial year	**4,503**	4,503

20 Due from equity-accounted investees

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current				
Loans to a joint venture	**4,748**	4,748	**–**	–
Less: Allowance for impairment	**(207)**	–	**–**	–
	4,541	4,748	**–**	–
Current				
Due from equity-accounted investees (non-trade)	**769**	486	**211**	208
Less: Allowance for impairment	**(208)**	(208)	**(208)**	(208)
Note 23	**561**	278	**3**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 Due from equity-accounted investees (cont'd)

The non-current loans receivable from a joint venture (excluding a non-interest bearing loan of $567,000 (2019: $567,000)) bear interest at 6.72% (2019: 6.72%) per annum, are unsecured and not expected to be repayable within the next twelve months.

Interest income on the loans receivable from a joint venture totalled $281,000 (2019: $268,000) during the financial year. This related party transaction is based on terms agreed between the parties concerned.

Movements in allowance for impairment during the financial year are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current				
At beginning of financial year	**–**	–	**–**	–
Allowance made (Note 7)	**207**	–	**–**	–
At end of financial year	**207**	–	**–**	–
Current				
At beginning of financial year	**208**	205	**208**	205
Allowance made (Note 7)	**–**	3	**–**	3
At end of financial year	**208**	208	**208**	208

The current amounts due from associated companies are non-trade in nature, unsecured, interest-free and repayable on demand.

21 Other asset

Other asset comprises a call option over the remaining 20% interest in Chilli Padi group. The call option is recognised at its fair value.

In accordance with the sale and purchase agreement for the acquisition of the Chilli Padi group, the non-controlling shareholder of the Chilli Padi group granted to the Company a call option and the Company granted the non-controlling shareholder a put option, in respect of the balance ordinary shares held by the non-controlling shareholder representing 20% interest in the Chilli Padi group.

The call option may be exercised from 13 July 2019 while the put option may be exercised from 12 July 2021 to 17 July 2021.

NOTES TO THE FINANCIAL STATEMENTS

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22 Inventories

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Ice cream and ingredients	**747**	834	**736**	813
Confectionery and ingredients	**522**	776	**–**	–
Food and beverages	**539**	675	**447**	470
Packaging materials, consumables and merchandise	**574**	398	**343**	229
	2,382	2,683	**1,526**	1,512

Cost of inventories included in cost of sales of the Group and the Company amounted to $23,416,000 (2019: $34,411,000) and $12,969,000 (2019: $17,180,000) respectively.

The Group and the Company wrote off inventories amounted to $38,000 (2019: $66,000) and $18,000 (2019: $9,000) respectively.

23 Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade receivables	**1,962**	2,832	**819**	850
Less: Allowance for impairment	**(82)**	(22)	**–**	–
Due from subsidiaries (Note 19(ii))	**–**	–	**32**	25
	1,880	2,810	**851**	875
Rental and sundry deposits	**4,067**	4,998	**3,205**	3,956
Prepayments	**613**	797	**126**	270
Sundry receivables	**3,292**	1,831	**2,661**	1,780
Tax recoverable	**149**	50	**–**	–
	8,121	7,676	**5,992**	6,006
Less: Allowance for impairment	**(1,768)**	(1,768)	**(1,768)**	(1,768)
	6,353	5,908	**4,224**	4,238
Due from subsidiaries (Note 19(ii))	**–**	–	**148**	559
Due from associated companies (Note 20)	**561**	278	**3**	–
	6,914	6,186	**4,375**	4,797
Total	**8,794**	8,996	**5,226**	5,672

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23 Trade and other receivables (cont'd)

(i) Movements in allowance for impairment for trade receivables during the financial year are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**22**	22	**–**	–
Less: Allowance for impairment (Notes 7 and 36)	**60**	–	**–**	–
At end of financial year	**82**	22	**–**	–

(ii) There is no movement in allowance for impairment for sundry receivables during the current and prior financial year.

Sundry receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

24 Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**33,230**	19,999	**15,489**	4,630
Fixed deposits	**19,820**	25,986	**7,781**	12,698
Cash and cash equivalents as per statements of financial position	**53,050**	45,985	**23,270**	17,328
Fixed deposits (pledged)	**(106)**	(103)	**–**	–
Non-liquid bank balance	**(21)**	(21)	**(21)**	(21)
As per consolidated statement of cash flows	**52,923**	45,861	**23,249**	17,307

The fixed deposits of the Group and Company are placed with banks and mature on varying dates within 12 months (2019: 12 months) from the end of the reporting period. The interest rates of these deposits at the end of the reporting period range from 0.03% to 3.9% (2019: 0.79% to 3.9%) per annum.

The Group's fixed deposits of $106,000 (2019: $103,000) are pledged to banks for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

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25 Share capital

	Group and Company			
	2020	2019	**2020**	2019
	Number of shares		**$'000**	$'000
Issued and fully paid ordinary shares				
At beginning and end of financial year	**200,995,734**	200,995,734	**43,299**	43,299

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

26 Other reserves

	Group	
	2020	2019
	$'000	$'000
Foreign currency translation reserve	**(769)**	(543)
Capital reserve	**826**	826
Option reserve	**(1,900)**	(1,900)
	(1,843)	(1,617)

Movements in other reserves are as follows:

	Group	
	2020	2019
	$'000	$'000
Foreign currency translation reserve		
At beginning of financial year	**(543)**	(464)
Net exchange differences on translation of financial statements of foreign subsidiaries	**(263)**	(43)
Translation loss of loan that forms part of net investment in foreign subsidiary	**(6)**	(21)
Share of other comprehensive income/(loss) of equity-accounted investees	**43**	(15)
At end of financial year	**(769)**	(543)
Capital reserve		
At beginning and end of financial year	**826**	826
Option reserve		
At beginning and end of financial year	**(1,900)**	(1,900)

Option reserve balance arose from the initial recognition of the NCI put liability in the consolidated financial statements. The option reserve will be presented in other reserves until the put option is exercised or expired (Note 21 and 32).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At beginning of financial year	**2,603**	2,884	**194**	394
Tax credit to				
– Profit or loss (Note 9)	**(213)**	(280)	**(150)**	(200)
– Translation difference	**(1)**	(1)	**–**	–
At end of financial year	**2,389**	2,603	**44**	194

Representing:

Deferred tax liability/(asset) arising from:

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Accelerated tax depreciation	**1,606**	1,811	**464**	580
Intangible assets	**1,223**	1,271	**–**	–
Leases	**(148)**	(97)	**(151)**	(94)
Provisions	**(360)**	(431)	**(296)**	(308)
Others	**68**	49	**27**	16
	2,389	2,603	**44**	194

At the end of the reporting period, the Group has undistributed earnings amount of $10,837,000 (2019: $11,138,000) of a subsidiary for which deferred tax liabilities have not been recognised. No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax liabilities of $97,000 (2019: $49,000) have not been recognised for withholding and other taxes that will be payable on a subsidiary's earnings from an overseas joint venture when remitted to the subsidiary as the Group has determined that the earnings will not be remitted in the foreseeable future. These unremitted earnings are permanently reinvested and amount to $571,000 (2019: $290,000) at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 Trade and other payables

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade payables	**4,481**	5,741	**2,641**	3,059
Due to subsidiaries, trade	**–**	–	**345**	195
	4,481	5,741	**2,986**	3,254
Other payables	**1,544**	2,021	**678**	678
Accrued operating expenses	**3,120**	4,795	**2,173**	2,660
Deferred income	**2,828**	701	**2,145**	638
Due to subsidiaries, non-trade	**–**	–	**2,266**	2,203
Payable for acquisition of trademarks, and related knowhow and goodwill	**256**	256	**–**	–
	7,748	7,773	**7,262**	6,179
Total	**12,229**	13,514	**10,248**	9,433

The non-trade amounts due to subsidiaries are interest-free, unsecured and are repayable on demand.

29 Provisions

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Provision for restoration costs	**1,600**	1,567	**956**	964
Provision for unutilised annual leave	**1,048**	1,128	**810**	865
	2,648	2,695	**1,766**	1,829
Represented by:				
Non-current liabilities	**1,122**	1,077	**817**	705
Current liabilities	**1,526**	1,618	**949**	1,124
	2,648	2,695	**1,766**	1,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 Provisions (cont'd)

Movements in provision for restoration costs during the financial year are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,567**	1,582	**964**	987
Provision during the financial year	**234**	116	**62**	47
Utilised during the financial year	**(187)**	(118)	**(70)**	(60)
Unused amounts reversed during the financial year	**(14)**	(13)	**–**	(10)
At end of financial year	**1,600**	1,567	**956**	964

The provision for restoration costs represents the present value of management's best estimate of the future outflow of economic benefits that will be required to remove leasehold improvements from leased properties. The estimate has been made on the basis of quotes obtained from external contractors. The unexpired term of the leases ranges from less than 1 year to 5 years.

Movements in provision for unutilised annual leave during the financial year are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,128**	1,127	**865**	845
(Reversal)/provision during the financial year	**(80)**	1	**(55)**	20
At end of financial year	**1,048**	1,128	**810**	865

30 Borrowings

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current				
Unsecured				
Bank loan	**5,000**	–	**5,000**	–
Current				
Secured				
Banker's acceptance	**84**	276	**–**	–
	5,084	276	**5,000**	–

Bank loan

The bank loan of the Group and the Company is unsecured, bears fixed interest rate of 2% (2019: nil) per annum and repayable in 5 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30 Borrowings (cont'd)

Banker's acceptance

The banker's acceptance of $84,000 (2019: $276,000) of a subsidiary is secured by way of fixed charges over the subsidiary's properties with net carrying value of $1,241,000 (2019: $1,275,000), pledge on the subsidiary's fixed deposits, and corporate guarantees from a wholly-owned subsidiary of the Company together with the Company.

The banker's acceptance bears interest at 2.75% (2019: 4%) per annum at the end of the reporting period.

The carrying amount of the bank loan and banker's acceptance approximate their fair value at the end of the reporting period.

Reconciliation of movements of liabilities to cash flows arising from financing activities

		Group	
	Banker's acceptance $'000	**Bank loan $'000**	**Total $'000**
2020			
At beginning of financial year	276	–	276
Changes from financing cash flows:			
– (Repayments)/proceeds	(192)	5,000	4,808
– Interest paid	(3)	(8)	(11)
Non-cash changes:			
– Interest expense (Note 6)	3	8	11
Effect of changes in foreign exchange rates	–*	–	–
At end of financial year	**84**	**5,000**	**5,084**

* amount less than $1,000

	Group
	Banker's acceptance $'000
2019	
At beginning of financial year	299
Changes from financing cash flows:	
– Repayments	(22)
– Interest paid	(6)
Non-cash changes:	
– Interest expense	6
Effect of changes in foreign exchange rates	(1)
At end of financial year	276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Lease liabilities

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Represented by:				
Non-current	**13,822**	19,375	**12,115**	17,792
Current	**12,905**	16,006	**11,759**	13,596
	26,727	35,381	**23,874**	31,388

Reconciliation of movements of lease liabilities to cash flows arising from financing activities

	Group	
	2020	2019
	$'000	$'000
At beginning of financial year	**35,381**	–
Reclassification from finance lease liabilities on adoption of SFRS(I) 16	–	402
Adoption of SFRS(I) 16	–	30,258
Changes from financing cash flows:		
– Payments	**(15,037)**	(16,746)
– Interest paid	**(1,065)**	(1,142)
Non-cash changes:		
– Interest expense (Note 6)	**1,065**	1,142
– Additions of new leases	**9,064**	21,467
– Derecognition of leases	**(2,681)**	–
At end of financial year	**26,727**	35,381

32 Other liabilities

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Put liability/option	**4,145**	3,979	**127**	1,267
Represented by:				
Non-current liabilities	**–**	3,979	**–**	1,267
Current liabilities	**4,145**	–	**127**	–
	4,145	3,979	**127**	1,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32 Other liabilities (cont'd)

Group

The carrying value of the NCI put liability for the Group at 31 December 2020 represents the present value of the estimated option consideration payable by the Group for the potential future acquisition of the remaining 20% shares of the Chilli Padi group. The put liability is measured at amortised cost determined based on an effective interest rate of 4.1% (2019: 4.1%) per annum.

In 2019, the Group revised its estimates of payments and adjusted the amortised cost of the put liability to reflect the actual contractual cash flows. The Group recalculated the amortised cost of the put liability as the present value of the estimated future contractual cash flows that are discounted at the put liability's original effective interest rate of 4.1% per annum.

Company

The put option on the remaining 20% shares in the Chilli Padi group is recognised at its fair value at the end of the reporting period (Note 21).

33 Dividends

The directors have proposed a final tax exempt dividend for 2020 of 1.75 cents per share of approximately $3,517,000. These financial statements do not reflect these dividends payable, which if approved at the Annual General Meeting of the Company, will be accounted for in the shareholders' equity as an appropriation of accumulated profits in the financial year ending 31 December 2021.

34 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

(i) The Company has provided corporate guarantee of RM6 million (approximately $2 million) (2019: RM6 million (approximately $2 million)) executed together with a wholly-owned subsidiary to a bank for banking facilities taken by a subsidiary of RM564,000, approximately $186,000 (2019: RM1.2 million (approximately $398,000)) at the end of the reporting period;

(ii) The Company has provided a corporate guarantee of $2 million (2019: $2 million) to a bank for banker's guarantee facility taken by a subsidiary of $570,000 (2019: $885,000) at the end of the reporting period; and

(iii) The Company has provided a corporate guarantee of RM4.4 million (approximately $1.4 million) (2019: RM4.4 million (approximately $1.4 million)) to a bank for banking facility taken up by a joint venture company. The banking facility has been fully utilised as at the end of the reporting period.

Management has determined that the fair value of the above financial guarantees provided by the Company is not material to the financial statements and is therefore not recognised in the Group's and Company's financial statements. Management has assessed that the subsidiaries and joint venture will be able to meet the contractual cash flow obligation and does not expect significant credit losses arising from these financial guarantees.

NOTES TO THE FINANCIAL STATEMENTS

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35 Capital commitments

Capital commitments not provided for in the financial statements:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Share of joint venture's capital commitments in relation to purchase of land for property development	**11,750**	–	**11,750**	–
Capital commitment in respect of property, plant and equipment	**184**	107	**–**	–

36 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at cost	**15,671**	14,315	**21,794**	20,666
Financial assets at amortised cost	**59,669**	54,134	**27,430**	22,840
Financial asset at FVOCI	**35**	35	**35**	35
Financial asset at FVTPL	**4,460**	809	**4,460**	809
Financial liabilities				
At amortised cost	**45,233**	52,350	**36,977**	40,183
At fair value	**–**	–	**127**	1,267

(b) Financial risks management

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Group.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. Market risk, credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Market risk

Foreign exchange risk

The Group's foreign currency exposure arises mainly from holding cash and short-term deposits denominated in foreign currencies for working capital purposes and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. At the end of the reporting period, such foreign currency balances are mainly in United States Dollars ("USD") and Australian Dollars ("AUD").

It is not the Group's policy to take speculative positions in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Market risk (cont'd)

Foreign exchange risk (cont'd)

The Group's and the Company's foreign currency exposure is as follows:

		Denominated in	
	USD	**AUD**	**Total**
	$'000	**$'000**	**$'000**
Group			
2020			
Financial assets			
Cash and cash equivalents	**8,736**	**2,267**	**11,003**
2019			
Financial assets			
Cash and cash equivalents	9,103	2,091	11,194
Financial liabilities			
Trade payables	111	–	111
Currency exposure			
– net financial assets	8,992	2,091	11,083

	Denominated in AUD
	$'000
Company	
2020	
Cash and cash equivalents	**2,267**
2019	
Cash and cash equivalents	2,091

The following table demonstrates the sensitivity to a reasonably possible change in USD and AUD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's and the Company's profit after tax:

	Group Increase/(decrease) in profit after tax		**Company** Increase/(decrease) in profit after tax	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
USD/SGD				
– strengthened 3% (2019: 3%)	**218**	224	**–**	–
– weakened 3% (2019: 3%)	**(218)**	(224)	**–**	–
AUD/SGD				
– strengthened 3% (2019: 3%)	**56**	52	**56**	52
– weakened 3% (2019: 3%)	**(56)**	(52)	**(56)**	(52)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Market risk (cont'd)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations and fixed deposits placed with financial institutions. The Group maintains its borrowings in either variable or fixed rate instruments depending on which terms are more favourable to the Group. Borrowings at fixed rate expose the Group and Company to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates). The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. The Group manages its interest rate risk on its interest income by placing the surplus funds in fixed deposits of varying maturities and interest rate terms.

An increase in interest rates by 50 basis points for fixed deposits and borrowings is not expected to have a significant impact on the Group's profit after tax.

Credit risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables and loans.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

For receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Maximum exposure and concentration of credit risk

At the end of the reporting period, 36% (2019: 30%) and 36% (2019: 40%) of the Group's and Company's trade receivables were due from 5 major debtors. Loans to equity-accounted investees, as disclosed in Notes 16 and 20, represent a significant portion of the Group's receivables while loans to subsidiaries, as disclosed in Notes 15 and 19, represent a significant portion of the Company's receivables.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial assets recognised on the statements of financial position and the corporate guarantees provided by the Group and Company to banks as disclosed in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Maximum exposure and concentration of credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 120 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, when assessing whether credit risk has increased significantly since initial recognition, the Group considers existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations and actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Group considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets during the financial year for the Group and Company except for the following:

	Due from equity-accounted investees (Non-current) $'000	Due from equity-accounted investees (Current) $'000	Trade receivables $'000	Other receivables $'000
Group and Company				
Balance at 1 January 2020	–	208	22	1,768
Loss allowance measured:				
Lifetime ECL				
– Credit-impaired	207	–	60	–
Balance at 31 December 2020	**207**	**208**	**82**	**1,768**
Balance at 1 January 2019	–	205	22	1,768
Loss allowance measured:				
Lifetime ECL				
– Credit-impaired	–	3	–	–
Balance at 31 December 2019	–	208	22	1,768

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with consideration of the impact of COVID-19 pandemic on the ability of the customers to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Credit quality of financial assets

The table below details the credit quality of the Group's and the Company's financial assets:

Group

2020	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade receivables	Lifetime	1,962	(82)	1,880
Other receivables	12-month (Exposure limited)	4,067	–	4,067
	Lifetime	1,879	(1,768)	111
Loans to equity-accounted investees	Lifetime	15,878	(207)	15,671
Due from equity-accounted investees (non-trade)	Lifetime	769	(208)	561
Cash and cash equivalents	Not applicable (Exposure limited)	53,050	–	53,050
2019				
Trade receivables	Lifetime	2,832	(22)	2,810
Other receivables	12-month (Exposure limited)	4,998	–	4,998
	Lifetime	1,831	(1,768)	63
Loans to equity-accounted investees	Lifetime	14,315	–	14,315
Due from equity-accounted investees (non-trade)	Lifetime	486	(208)	278
Cash and cash equivalents	Not applicable (Exposure limited)	45,985	–	45,985

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Credit quality of financial assets (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets: *(cont'd)*

Company

2020	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade receivables	Lifetime	819	–	819
Other receivables	12-month (Exposure limited)	3,205	–	3,205
	Lifetime	1,780	(1,768)	12
Due from subsidiaries	12-month (Exposure limited)	21,605	–	21,605
	Lifetime	14,715	(14,236)	479
Due from equity-accounted investees (non-trade)	Lifetime	211	(208)	3
Cash and cash equivalents	Not applicable (Exposure limited)	23,270	–	23,270
2019				
Trade receivables	Lifetime	850	–	850
Other receivables	12-month (Exposure limited)	3,956	–	3,956
	Lifetime	1,780	(1,768)	12
Due from subsidiaries	12-month (Exposure limited)	20,477	–	20,477
	Lifetime	15,119	(14,236)	883
Due from equity-accounted investees (non-trade)	Lifetime	208	(208)	–
Cash and cash equivalents	Not applicable (Exposure limited)	17,328	–	17,328

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Loans to equity-accounted investees and subsidiaries

For the loans to equity-accounted investees and subsidiaries where impairment loss allowance is measured using lifetime ECL, the Group and the Company assessed the latest performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Company measured the impairment loss allowance using lifetime ECL.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's and Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2020 $'000			2019 $'000		
	Within 1 year	**Within 2 to 5 years**	**Total**	Within 1 year	Within 2 to 5 years	Total
Group						
Trade and other payables	**9,277**	**–**	**9,277**	12,813	–	12,813
Borrowings	**184**	**5,207**	**5,391**	277	–	277
Lease liabilities	**13,588**	**14,135**	**27,723**	16,748	20,345	37,093
Financial guarantee contracts	**1,400**	**–**	**1,400**	1,400	–	1,400
Other liabilities	**4,235**	**–**	**4,235**	–	4,235	4,235
Company						
Trade and other payables	**8,103**	**–**	**8,103**	8,795	–	8,795
Borrowings	**100**	**5,207**	**5,307**	–	–	–
Lease liabilities	**12,337**	**12,395**	**24,732**	14,203	18,702	32,905
Financial guarantee contracts	**2,156**	**–**	**2,156**	2,683	–	2,683

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statements of financial position at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2020				
Other asset	**–**	**–**	**1,237**	**1,237**
Financial asset at FVTPL	**3,223**	**–**	**–**	**3,223**
Financial asset at FVOCI	**–**	**–**	**35**	**35**
2019				
Other asset	–	–	809	809
Financial asset at FVOCI	–	–	35	35
Company				
2020				
Other asset	**–**	**–**	**1,237**	**1,237**
Financial asset at FVTPL	**3,223**	**–**	**–**	**3,223**
Financial asset at FVOCI	**–**	**–**	**35**	**35**
Other liabilities				
Put option	**–**	**–**	**127**	**127**
2019				
Other asset	–	–	809	809
Financial asset at FVOCI	–	–	35	35
Other liabilities				
Put option	–	–	1,267	1,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37 Fair value of assets and liabilities (cont'd)

(b) Fair value measurements of assets and liabilities that are measured at fair value (cont'd)

The fair values of the call option and put option are estimated by applying the Black-Scholes option valuation model. The inputs to the Black-Scholes model mainly include the value of the interest, exercise price, dividend yield and expected volatility. The fair value measurement is performed by an external professional valuer engaged by the Group. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. This fair value measurement is categorised in Level 3 of the fair value hierarchy. Any significant changes in the inputs to the Black-Scholes model would result in higher or lower fair value measurements.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

These are current receivables, trade and other payables and current borrowings. The carrying amounts of these financial assets at amortised cost and financial liabilities are reasonable approximation of fair values due to their short-term nature.

The loans to equity-accounted investees of $4,541,000 (2019: $4,748,000) (Note 20) approximate their fair values as there is no significant change in the market interest rate of a similar loan at the end of the reporting period. This fair value measurement based on discounted cash flow analysis is categorised in Level 3 of the fair value hierarchy.

The carrying values of the Group's other liabilities, as disclosed in Note 32 and non-current borrowing as disclosed in Note 30 approximate their fair values at the end of the reporting period as there are no significant changes in the interest rates available to the Group at the end of the reporting period. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Loans to subsidiaries disclosed in Note 15 and Note 19(i) and loans to associated companies disclosed in Note 16(a) and Note 20 do not have fixed repayment terms and fair values are not determinable with sufficient reliability as the timing of future cash flows cannot be estimated reliably. Accordingly, these loans are carried at cost.

(e) Assets not carried at fair value but for which fair value is disclosed

The fair values of the investment properties for disclosure purposes are categorised within Level 3 of the fair value hierarchy.

The fair values of the Group's investment properties were determined based on desktop valuations performed by independent professional valuers using comparison method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37 Fair value of assets and liabilities (cont'd)

(e) Assets not carried at fair value but for which fair value is disclosed (cont'd)

Based on the comparison method, comparison was made to recent sales transactions of comparable properties within the vicinity and elsewhere. Necessary adjustments have been made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and the prevailing market conditions amongst other factors affecting its value. Any significant changes to the adjustments made to market value for differences in location or condition would result in higher or lower fair value measurement.

These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from ongoing development of the COVID-19 pandemic and other unforseen events. Consequently, the actual results and the realisation of these properties could differ significantly from these estimates.

38 Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2020	2019
	$'000	$'000
Related parties		
Remuneration to related parties:		
– Salaries and related costs	**226**	261
– Contribution to defined contribution plans	**39**	44
Expenses paid on behalf by	**72**	83
Key management personnel		
Expenses paid on behalf by	**548**	324
Incentive provision	**–**	240

Other related parties comprise mainly close family members of the Group's directors and key management personnel, and companies which are controlled by the Group's directors and key management personnel and their close family members or significantly influenced by a controlling shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Segment information

The Group is organised into business units based on its products and services for management reporting purposes. The Group's reportable business segments for current financial year comprises Food and Beverage, Property Investments and Others. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

The segment information provided to management for the reportable segments are as follows:

	Food and beverage $'000	Property investments $'000	Others $'000	Eliminations/ adjustment $'000	Group $'000
2020					
Revenue from external customers	85,925	–	50	–	**85,975**
Inter-segment revenue	–	–	1,708	(1,708)	**–**
Total revenue	85,925	–	1,758	(1,708)	**85,975**
Segment results	8,867	109	(1,138)	–	**7,838**
Finance costs	(1,050)	–	(192)	–	**(1,242)**
Share of results of equity-accounted investees	–	(473)	–	–	**(473)**
Others	–	–	–	428	**428**
Profit before tax	7,817	(364)	(1,330)	428	**6,551**
Income tax expense					**(413)**
Profit after tax					**6,138**
Non-controlling interests					**(161)**
Net profit attributable to owners of the Company					**5,977**
Assets					
Investment in equity-accounted investees	–	19,615	–	–	**19,615**
Segment assets	117,047	11,359	22,711	(15,970)	**135,147**
Unallocated assets					**1,237**
Total assets					**155,999**
Liabilities					
Segment liabilities	52,248	17,986	9,284	(32,830)	**46,688**
Unallocated liabilities					**7,447**
Total liabilities					**54,135**
Additions to non-current assets	10,183	–	178	–	**10,361**
Depreciation and amortisation	19,132	185	458	–	**19,775**
Impairment loss on property, plant and equipment	173	–	–	–	**173**
Allowance for impairment on loans to a joint venture	–	207	–	–	**207**
Other non-cash expenses	475	–	(350)	–	**125**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Segment information (cont'd)

	Food and beverage $'000	Property investments $'000	Others $'000	Eliminations/ adjustment $'000	Group $'000
2019					
Revenue from external customers	121,084	–	49	–	121,133
Inter-segment revenue	–	–	2,231	(2,231)	–
Total revenue	121,084	–	2,280	(2,231)	121,133
Segment results	5,751	361	(1,733)	–	4,379
Finance costs	(1,113)	(2)	(262)	–	(1,377)
Share of results of equity-accounted investees	–	(283)	–	–	(283)
Others	–	–	–	289	289
Profit before tax	4,638	76	(1,995)	289	3,008
Income tax expense					(603)
Profit after tax					2,405
Non-controlling interests					(432)
Net profit attributable to owners of the Company					1,973
Assets					
Investment in equity-accounted investees	–	18,482	–	–	18,482
Segment assets	125,632	11,386	19,341	(17,971)	138,388
Unallocated assets					809
Total assets					157,679
Liabilities					
Segment liabilities	58,642	16,422	9,943	(33,141)	51,866
Unallocated liabilities					7,347
Total liabilities					59,213
Additions to non-current assets	53,590	1,511	1,321	–	56,422
Depreciation and amortisation	21,578	209	434	–	22,221
Impairment loss on property, plant and equipment	103	–	–	–	103
Other non-cash expenses	219	–	(60)	–	159

Note: Inter-segment revenues are eliminated on consolidation.

Inter-segment assets and liabilities as included in the respective reportable segments are eliminated to arrive at the total assets and liabilities reported in the consolidated statement of financial position.

Others segment included unallocated Group-level corporate services cost, income from investment holding and franchising.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Segment information (cont'd)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured in a manner that is consistent with the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Sales between operating segments are on terms agreed by Group entities concerned.

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments except for other asset (Note 21).

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than other liabilities (Note 32), deferred income tax liabilities and current tax payable which are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets information based on the entity's country of domicile and locations in which the entity hold assets are as follows:

	Sales to external customers		**Non-current assets**	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore	**78,310**	105,155	**55,440**	66,131
Malaysia	**7,665**	15,938	**14,570**	17,001
Rest of Asia	**–**	40	**1,595**	1,711
	85,975	121,133	**71,605**	84,843

Information about major customer

The Group did not have any single customer contributing 10% or more to its revenue for the financial years ended 31 December 2020 and 31 December 2019.

40 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The directors of the Group review the capital structure on a periodic basis. As part of the review, the directors consider the cost of capital and other sources of funds, including borrowings from banks and third parties.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

40 Capital management (cont'd)

The capital structure of the Group consists of equity attributable to owners of the Company comprising share capital, other reserves and accumulated profits. The Group's overall strategy remains unchanged from 2019.

	Group	
	2020	2019
	$'000	$'000
Borrowings (Note 30)	**(5,084)**	(276)
Lease liabilities (Note 31)	**(26,727)**	(35,381)
Less: Cash and cash equivalents (Note 24)	**52,923**	45,861
Net cash	**21,112**	10,204
Equity attributable to owners of the Company	**97,495**	94,256
Total capital	**97,495**	94,256

The Group is currently in a net cash position. The Group will continue to be guided by prudent financial policies of which gearing is monitored.

41 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 31 March 2021.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2020

Description	Location	Floor Area (Sqm)	Tenure of Lease (Use)
Singapore			
A shop unit located on the first storey of a shopping-cum-residential development known as City Plaza	810 Geylang Road #01-103 City Plaza Singapore 409286	25	Freehold (Rental)
A shop unit located on the second storey of Far East Plaza	14 Scotts Road #02-22 Far East Plaza Singapore 228213	39	Freehold (Rental)
A shop unit located on the third storey of Thomson Plaza	301 Upper Thomson Road #03-23 & 23A Thomson Plaza Singapore 574408	349	Leasehold 99 years less one day from 15 October 1976 (Food and Beverage outlet)
A HDB shop unit with living quarters located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	358	85 years from 1 July 1994 (Rental)
A 4-storey factory building with a basement carpark	41 Tampines Street 92 Singapore 528881	9,780	30 years from 1 July 1993, with a further term of 30 years (Factory, warehouse and office)
Malaysia			
A double storey factory building	No. 1 Jalan Dewani Satu Off Jalan Tampoi Kawasan Perindustrian Temenggong 81100 Johor Bahru	3,420	Freehold (Factory)
A 3-storey terrace shop	No. 82 Jalan Serampang Taman Pelangi 86400 Johor Bahru	178	Freehold (Food and Beverage outlet)
Indonesia			
An apartment unit in Ascott Towers Indonesia	Unit 06-23 Jalan Kebon Kacang Raya No. 2 Jakarta 10230	159	20 years and is renewable for a further term of 20 years (Rental)
A land plot located at Bintan Indonesia	Jalan Trikora Kilometer 52 RT.04 RW.02 Kelurahan Malang Rapat Kecamatan Gunung Kijang Kabupaten Bintan Provinsi Kepulauan Riau	19,603	Leasehold 30 years from 18 January 2019

SHAREHOLDERS' INFORMATION

AS AT 23 MARCH 2021

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per Share
No. of issued shares	:	200,995,734 Ordinary Shares
Treasury shares	:	NIL
No. of subsidiary holdings held	:	NIL

Distribution of Shareholdings as at 23 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	8	0.82	319	0.00
100 – 1,000	149	15.27	135,937	0.07
1,001 – 10,000	605	61.99	3,027,600	1.51
10,001 – 1,000,000	204	20.90	10,794,719	5.37
1,000,001 and above	10	1.02	187,037,159	93.05
	976	100.00	200,995,734	100.00

Substantial Shareholders as at 23 March 2021

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Ang Yee Lim	101,639,201[1]	50.57	–	–
Kechapi Pte Ltd	56,925,858[2]	28.32	–	–
Alby (Private) Limited	–	–	56,925,858[3]	28.32
Chua Tiang Choon, Keith	300,000	0.15	56,925,858[3]	28.32
Allan Chua Tiang Kwang	300,000	0.15	56,925,858[3]	28.32
Chua Tiang Chuan	–	–	56,925,858[3]	28.32
Meriton Capital Limited	15,961,800[4]	7.94	–	–
Lim Eng Hock	–	–	15,961,800[5]	7.94

Notes:–

1. 63,402,900 ordinary shares are held through nominees
2. 30,000,000 ordinary shares are held through nominees
3. Deemed to have interest in 56,925,858 ordinary shares held by Kechapi Pte Ltd
4. 15,961,800 ordinary shares are held through nominees
5. Deemed to have interest in 15,961,800 ordinary shares held by Meriton Capital Limited

SHAREHOLDERS' INFORMATION

AS AT 23 MARCH 2021

Twenty Largest Shareholders as at 23 March 2021

No.	Name of Shareholders	No. of shares	%
1	Citibank Nominees Singapore Pte Ltd	59,301,500	29.50
2	Ang Yee Lim	38,236,301	19.02
3	Hong Leong Finance Nominees Pte Ltd	30,000,000	14.93
4	Kechapi Pte Ltd	26,925,858	13.40
5	UOB Kay Hian Pte Ltd	21,793,200	10.84
6	So Tai Lai	3,630,300	1.81
7	Yap Boh Sim	2,310,000	1.15
8	Ang Lian Seng	2,300,000	1.14
9	Yit Teng Yuet	1,435,000	0.71
10	HSBC (Singapore) Nominees Pte Ltd	1,105,000	0.55
11	DBS Nominees Pte Ltd	864,200	0.43
12	Ong Kheng Ho	495,000	0.25
13	United Overseas Bank Nominees (Private) Limited	363,000	0.18
14	Ong Kok Foo	350,000	0.17
15	Ronald Lim Cheng Aun	305,000	0.15
16	Allan Chua Tiang Kwang	300,000	0.15
17	Chua Tiang Choon Keith	300,000	0.15
18	Leck Kim Seng	300,000	0.15
19	Quek Mong Hua	300,000	0.15
20	Kan Dee Ching Elena	249,000	0.12
	Total:	**190,863,359**	**94.95**

Based on Shareholders' Information as at 23 March 2021, approximately 11.26% of the total number of issued shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Company will be held by way of electronic means on Wednesday, 28 April 2021 at 11:00 a.m., to transact the following businesses:

AS ORDINARY BUSINESSES:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor's Report thereon. ***Resolution 1***

2. To approve the payment of a tax exempt (1-tier) Final Dividend of 1.75 Singapore cents per ordinary share for the financial year ended 31 December 2020. ***Resolution 2***

3. To approve the payment of the Directors' fees of S$205,000 for the financial year ended 31 December 2020 (FY2019: S$205,000). ***Resolution 3***

4. To re-elect Mr Ang Lian Seng, the director retiring by rotation pursuant to Article 98 of the Company's Constitution. ***Resolution 4***

   [See Explanatory Note (i)]

5. To re-elect Mr Allan Chua Tiang Kwang, the director retiring by rotation pursuant to Article 98 of the Company's Constitution. ***Resolution 5***

   [See Explanatory Note (ii)]

6. To re-elect Mr Quek Mong Hua, the director retiring by rotation pursuant to Article 98 of the Company's Constitution. ***Resolution 6***

   [See Explanatory Note (iii)]

7. That contingent upon the passing of Ordinary Resolution 6 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") which will take effect on 1 January 2022, shareholders to approve the continued appointment of Mr Quek Mong Hua as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of (i) the retirement or resignation of the Director; or (ii) the conclusion of the third Annual General Meeting ("AGM") from the aforesaid approval. ***Resolution 7***

   [See Explanatory Note (iv)]

8. That contingent upon the passing of Ordinary Resolution 7 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022, shareholders (excluding the Directors and Chief Executive Officer ("CEO") of the Company and associates of such Directors and CEO), to approve Mr Quek Mong Hua's continued appointment as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. ***Resolution 8***

   [See Explanatory Note (iv)]

NOTICE OF ANNUAL GENERAL MEETING

9. To re-elect Mr Lim Jen Howe, the director retiring by rotation pursuant to Article 98 of the Company's Constitution. ***Resolution 9***

   [See Explanatory Note (v)]

10. That contingent upon the passing of Ordinary Resolution 9 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022, shareholders to approve the continued appointment of Mr Lim Jen Howe as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. ***Resolution 10***

    [See Explanatory Note (vi)]

11. That contingent upon the passing of Ordinary Resolution 10 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022, shareholders (excluding the Directors and Chief Executive Officer ("CEO") of the Company and associates of such Directors and CEO), to approve Mr Lim Jen Howe's continued appointment as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. ***Resolution 11***

    [See Explanatory Note (vi)]

12. To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix the Auditor's remuneration. ***Resolution 12***

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:

13. **Authority to allot and issue shares** ***Resolution 13***

    "THAT pursuant to Section 161 of the Companies Act, Chapter 50, and the Listing Rules of SGX-ST, authority be and is hereby given for the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

    (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

    (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

    (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

NOTICE OF ANNUAL GENERAL MEETING

and (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while the authority was in force, provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities, or

(ii) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VII of Chapter 8 of the Listing Rules of SGX-ST, and

(iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

(b) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (vii)]

14. To transact any other business which may be properly transacted at an Annual General Meeting.

FOR AND ON BEHALF OF THE BOARD

Chua Tiang Choon, Keith
Executive Chairman

13 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Ang Lian Seng will, upon re-election as Director of the Company, remain as Executive Director and a member of the Remuneration Committee.

Please refer to pages 42 to 49 of the Corporate Governance Report in the Annual Report 2020 for the detailed information on Mr Ang as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) Mr Allan Chua Tiang Kwang will, upon re-election remain as an Non-Executive Director and a member of the Audit Committee.

Please refer to pages 42 to 49 of the Corporate Governance Report in the Annual Report 2020 for the detailed information on Mr Allan Chua as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iii) Mr Quek Mong Hua will, upon re-election as a Director of the Company, continue to serve as an Independent Director, Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. Mr Quek is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Please refer to pages 42 to 49 of the Corporate Governance Report in the Annual Report 2020 for the detailed information on Mr Quek as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iv) Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Mr Quek Mong Hua, having served on the Board beyond nine (9) years from the date of his first appointment, will not be considered an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 7 and 8, if passed, will enable Mr Quek Mong Hua to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approvals shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company from the aforesaid approval. Resolution 7 is conditional upon Resolution 8 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022.

(v) Mr Lim Jen Howe will, upon re-election as a Director of the Company, continue to serve as an Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr Lim is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Please refer to pages 42 to 49 of the Corporate Governance Report in the Annual Report 2020 for the detailed information on Mr Lim as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(vi) Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Mr Lim Jen Howe, having served on the Board beyond nine (9) years from the date of his first appointment, will not be considered an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 10 and 11, if passed, will enable Mr Lim Jen Howe to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approvals shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company from the aforesaid approval. Resolution 10 is conditional upon Resolution 11 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022.

(vii) Ordinary Resolution No. 13 is to empower the Directors, from the date of the passing of Ordinary Resolution No. 13 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares and subsidiary holdings, if any) for issues other than on a pro-rata basis to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(a) The Annual General Meeting is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

(b) Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 13 April 2021.

Participation in the AGM via live webcast or live audio feed

(c) Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the Annual General Meeting in person. All shareholders or their corporate representatives (in the case of shareholders which are legal entities) will be able to participate in the AGM proceedings by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the AGM ("**Pre-registration**") at http://www.abr.com.sg/agm2021 (the "**Registration Link**") by 11:00 a.m. on 25 April 2021 ("**Registration Deadline**") providing their full name and identification number for verification of their status as shareholders (or the corporate representative of such shareholders).

(d) Upon successful registration, each such member or its corporate representative will receive a verification email by 5:00 p.m. on 26 April 2021. The email will contain the user ID and password as well as the details to access the live audio-video webcast or live audio-only feed of the AGM proceedings. Each authenticated and verified shareholders or its corporate representative will be able to access the live webcast or live audio feed of the AGM proceedings using the user ID and password provided. Shareholders or their corporate representatives must not forward the email to other persons who are not shareholders and who are not entitled to participate in the AGM proceedings. Shareholders or their corporate representatives who have registered by the Registration Deadline but do not receive an email response by 5:00 p.m. on 26 April 2021 may contact the Company by phone at 67862866 or by email to agm2021@abr.com.sg for assistance.

Voting by proxy

(e) A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy.

A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) at least 7 working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to, in turn, submit his/her voting instructions by 11:00 a.m. on 26 April 2021.

"Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(f) The Chairman of the Meeting, as proxy, need not be a member of the Company.

(g) The proxy form, appointing the Chairman of the Meeting as proxy, must be submitted in the following manner:

(i) if submitted by post, use the self-addressed envelope and be delivered to the Registered Office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881; or

(ii) if submitted electronically, email to agm2021@abr.com.sg

in either case, by 11:00 a.m. on 26 April 2021.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions

(h) Shareholders may submit question(s) relating to the items on the agenda of the AGM via one of the following means:

i. during Pre-Registration process;

ii. by email to agm2021@abr.com.sg; or

iii. by mail to the registered office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881.

All mails and emails should include the full name and identification number of shareholders for authentication purposes. All questions must be submitted by 11:00 a.m. on 25 April 2021.

(i) The Company will endeavour to address the substantial and relevant questions before the AGM. The responses to such questions from shareholders will be posted on the SGXNet and the Company's website by 27 April 2021, or addressed at the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and/or representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF RECORD DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5:00 p.m. on 10 May 2021 up to (and including) 11 May 2021 for the purposes of determining shareholders' entitlements to the proposed final one tier tax exempt dividend for the financial year ended 31 December 2020 ("FY2020 Final Dividend") of 1.75 Singapore cents per ordinary share. The proposed FY2020 Final Dividend, if approved by shareholders at the AGM, will be paid on 25 May 2021.

FOR AND ON BEHALF OF THE BOARD

Chua Tiang Choon, Keith
Executive Chairman
13 April 2021

ABR HOLDINGS LIMITED

(Company Registration No.: 197803023H)
(Incorporated in Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT

1. The Annual General Meeting is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. Alternative arrangements have been put in place to allow members to participate at the Annual General Meeting by (a) observing the Annual General Meeting proceedings via "live" webcast or listening to the Annual General Meeting proceedings via "live" audio feed, (b) submitting questions in advance of the Annual General Meeting, and/or (c) voting by proxy at the Annual General Meeting.
3. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.
4. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Approved Banks at least 7 working days before the AGM to submit their votes by 11:00 a.m. on 26 April 2021.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.

I/We ______________________________(Name) NRIC/Passport no. ____________________

of ____

being *a member/members of ABR Holdings Limited (the "Company"), hereby appoint the Chairman of the Meeting as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the 42nd Annual General Meeting of the Company to be held by electronic means on Wednesday, 28 April 2021 at 11:00 a.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor's Report thereon.			
2.	Approval of payment of a tax exempt (1-tier) Final Dividend of 1.75 Singapore cents per ordinary share for the financial year ended 31 December 2020.			
3.	Approval of payment of Directors' fees of $205,000 for the financial year ended 31 December 2020.			
4.	Re-election of Mr Ang Lian Seng as Director.			
5.	Re-election of Mr Allan Chua Tiang Kwang as Director.			
6.	Re-election of Mr Quek Mong Hua as Director.			
7.	Approval of Mr Quek Mong Hua's continued appointment as an Independent Director by shareholders.			
8.	Approval of Mr Quek Mong Hua's continued appointment as an Independent Director by shareholders (excluding the Directors and Chief Executive Officer ("CEO") of the Company and associates of such Directors and CEO).			
9.	Re-election of Mr Lim Jen Howe as Director.			
10.	Approval of Mr Lim Jen Howe's continued appointment as an Independent Director by shareholders.			
11.	Approval of Mr Lim Jen Howe's continued appointment as an Independent Director by shareholders (excluding the Directors and Chief Executive Officer ("CEO") of the Company and associates of such Directors and CEO).			
12.	Re-appointment of Messrs Baker Tilly TFW LLP as Auditor.			
13.	Authority to allot and issue shares.			

* *Delete accordingly*

\# In appointing the Chairman of the Meeting as your proxy to cast your votes For or Against a resolution, please tick within the For or Against box in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the For or Against box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to Abstain from voting on a resolution, please tick within the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to Abstain from voting in the Abstain box in respect of that resolution

Dated this ______ day of ______________ 2021

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT. Please read notes overleaf.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, A MEMBER WILL NOT BE ABLE TO ATTEND the Annual General Meeting in person. A member (whether individual or corporate) MUST APPOINT THE CHAIRMAN OF THE MEETING AS HIS/HER/ITS PROXY to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

   A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) at least 7 working days before the AGM in order to allow sufficient time for their respective intermediaries to, in turn, submit his/her voting instructions by 11:00 a.m. on 26 April 2021.

   "Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The proxy form must be submitted in the following manner:

   (a) if submitted by post, use the self-addressed envelope and be delivered to the Registered Office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881; or

   (b) if submitted electronically, email to agm2021@abr.com.sg

   in either case, by 11:00 a.m. on 26 April 2021.

Fold along this line

Affix Postage Stamp Here

The Company Secretary
ABR HOLDINGS LIMITED
41 Tampines Street 92
ABR Building
Singapore 528881

Fold along this line

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2021.

HOLDINGS LIMITED

ABR Holdings Limited

41 Tampines Street 92
ABR Building Singapore 528881
Tel: (65) 6786 2866
Fax: (65) 6782 1311