



**Condensed Interim Financial Statements for the
six months ended 30 June 2022**

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
	<i>Note</i>	1H 2022	1H 2021	Change
		S\$'000	S\$'000	%
Revenue	4.2	45,452	36,592	24.2
Cost of sales		(25,488)	(22,438)	13.6
Gross profit		19,964	14,154	41.0
Other income		2,211	6,153	(64.1)
Interest income		233	187	24.6
Selling, distribution and outlet expenses		(13,420)	(12,389)	8.3
Administrative expenses		(7,769)	(6,912)	12.4
Other expenses		(253)	(281)	(10.0)
Finance costs		(452)	(566)	(20.1)
Share of results of equity-accounted investees, net of tax		(456)	(284)	60.6
Profit before tax	6.1	58	62	(6.5)
Income tax credit/(expense)	7	17	(2)	n.m.
Profit for the period		75	60	25.0
Other comprehensive loss:				
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Currency translation differences on consolidation of foreign entities (net)		(139)	(177)	(21.5)
Total other comprehensive loss for the period, net of tax		(139)	(177)	(21.5)
Total comprehensive loss for the period		(64)	(117)	(45.3)
Profit/(loss) attributable to:				
- Owners of the Company		111	386	(71.2)
- Non-controlling interests		(36)	(326)	(89.0)
Profit for the period		75	60	25.0
Total comprehensive (loss)/income attributable to:				
- Owners of the Company		(11)	222	n.m.
- Non-controlling interests		(53)	(339)	(84.4)
Total comprehensive loss for the period		(64)	(117)	(45.3)
Earnings per share for profit for the period attributable to the owners of the Company				
Basic (SGD in cent)		0.06	0.19	
Diluted (SGD in cent)		0.06	0.19	

n.m.: not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		30-Jun-22 S\$'000	31-Dec-21 S\$'000	30-Jun-22 S\$'000	31-Dec-21 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	16,873	17,785	5,649	5,941
Right-of-use assets		22,946	23,662	24,177	20,475
Investment properties	11	3,823	3,934	834	853
Intangible assets	12	15,370	15,516	-	-
Investments in subsidiaries		-	-	59,113	51,821
Interests in equity-accounted investees		20,941	20,593	500	500
Financial asset at FVOCI		35	35	35	35
Financial assets at FVTPL	13	4,022	6,372	4,022	6,372
Loans to subsidiaries		-	-	10,872	10,872
Loans to equity-accounted investees		8,961	8,561	4,544	4,144
Deferred tax asset		250	250	250	250
Total non-current assets		93,221	96,708	109,996	101,263
Current assets					
Inventories		2,955	2,560	2,207	1,747
Trade and other receivables		9,427	7,617	5,282	4,896
Cash and cash equivalents		34,655	42,059	15,691	22,507
Total current assets		47,037	52,236	23,180	29,150
Total assets		140,258	148,944	133,176	130,413
EQUITY AND LIABILITIES					
Equity					
Share capital	14	43,299	43,299	43,299	43,299
Other reserves		(299)	(2,077)	-	-
Accumulated profits		52,840	54,507	49,503	48,796
Equity attributable to owners of the Company		95,840	95,729	92,802	92,095
Non-controlling interests		337	2,271	-	-
Total equity		96,177	98,000	92,802	92,095
Non-current liabilities					
Borrowings	15	3,172	3,787	3,172	3,787
Lease liabilities		12,113	12,873	13,620	11,194
Deferred tax liabilities		1,809	1,837	-	-
Provision		967	968	699	699
Total non-current liabilities		18,061	19,465	17,491	15,680
Current liabilities					
Trade and other payables		10,430	11,908	8,773	10,088
Provisions		1,791	1,622	1,116	1,025
Borrowings	15	1,336	1,289	1,225	1,213
Lease liabilities		12,420	12,199	11,730	10,273
Other liabilities		-	4,392	-	-
Tax payable		43	69	39	39
Total current liabilities		26,020	31,479	22,883	22,638
Total liabilities		44,081	50,944	40,374	38,318
Total equity and liabilities		140,258	148,944	133,176	130,413

C. Condensed interim statements of changes in equity

Group	Total Equity	Equity attributable to owners of the Company	Share Capital	Other Reserves	Accumulated Profits	Non-controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022	98,000	95,729	43,299	(2,077)	54,507	2,271
Profit/(loss) for the period	75	111	-	-	111	(36)
<i>Other comprehensive loss:</i>						
Currency translation differences	(139)	(122)	-	(122)	-	(17)
Total comprehensive (loss)/income for the period	(64)	(11)	-	(122)	111	(53)
Distributions to owners of the Company						
Tax exempt final dividend of 0.75 cents per share for the financial year ended 31 December 2021	(1,507)	(1,507)	-	-	(1,507)	-
Dividend paid to non-controlling interests	(252)	-	-	-	-	(252)
Total distributions to owners of the Company	(1,759)	(1,507)	-	-	(1,507)	(252)
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interest without a change in control	-	1,649	-	1,900	(251)	(1,649)
Struck-off of a subsidiary with loss of control	-	(20)	-	-	(20)	20
Total changes in ownership interests in subsidiaries	-	1,629	-	1,900	(271)	(1,629)
Total transactions with owners of the Company	(1,759)	122	-	1,900	(1,778)	(1,881)
Balance at 30 June 2022	96,177	95,840	43,299	(299)	52,840	337
Balance at 1 January 2021	101,864	97,495	43,299	(1,843)	56,039	4,369
Profit/(loss) for the period	60	386	-	-	386	(326)
<i>Other comprehensive loss:</i>						
Currency translation differences	(177)	(164)	-	(164)	-	(13)
Total comprehensive (loss)/ income for the period	(117)	222	-	(164)	386	(339)
Distributions to owners of the Company						
Tax exempt final dividend of 1.75 cents per share for the financial year ended 31 December 2020	(3,517)	(3,517)	-	-	(3,517)	-
Total distributions to owners of the Company	(3,517)	(3,517)	-	-	(3,517)	-
Balance at 30 June 2021	98,230	94,200	43,299	(2,007)	52,908	4,030

C. Condensed interim statements of changes in equity (cont'd)

<u>Company</u>	Total Equity S\$'000	Share Capital S\$'000	Accumulated Profits S\$'000
Balance at 1 January 2022	92,095	43,299	48,796
Net profit and total comprehensive income for the period	2,214	-	2,214
Tax exempt final dividend of 0.75 cents per share for the financial year ended 31 December 2021	(1,507)	-	(1,507)
Balance at 30 June 2022	92,802	43,299	49,503
Balance at 1 January 2021	84,379	43,299	41,080
Net profit and total comprehensive income for the period	2,234	-	2,234
Tax exempt final dividend of 1.75 cents per share for the financial year ended 31 December 2020	(3,517)	-	(3,517)
Balance at 30 June 2021	83,096	43,299	39,797

D. Condensed interim consolidated statement of cash flows

	Group	
	1H 2022 S\$'000	1H 2021 S\$'000
Cash flows from operating activities		
Profit before tax	58	62
<i>Adjustments for:</i>		
Depreciation and amortisation	8,686	8,605
Property, plant and equipment written off	24	60
(Gain)/Loss on disposal of property, plant and equipment, net	(2)	15
Impairment loss on property, plant and equipment	168	88
Allowance for impairment on loans to a joint venture	-	124
Share of results of equity-accounted investees	456	284
Modification gain on derecognition of right-of-use assets	-	(26)
Fair value gain on financial assets at fair value through profit or loss	(70)	(953)
Interest expenses on borrowings	48	51
Interest portion on lease liabilities	404	424
Deemed finance costs	-	91
Interest income	(233)	(187)
Dividend income	-	(39)
Operating cash flows before movements in working capital	9,539	8,599
<i>Changes in working capital:</i>		
Inventories	(395)	4
Trade and other receivables	437	207
Trade and other payables	(1,476)	(3,128)
Provisions	159	(129)
Currency translation differences	50	(17)
Cash generated from operations	8,314	5,536
Income tax paid	(34)	(517)
Net cash generated from operating activities	8,280	5,019
Cash flows from investing activities		
Interest received	51	47
Dividend received	-	39
Purchase of property, plant and equipment	(829)	(718)
Proceeds from disposal of property, plant and equipment	13	27
Payment for proposed acquisition of investment properties	(2,065)	-
Proceeds from disposal of financial assets at fair value through profit or loss	3,068	-
Purchase of financial assets at fair value through profit or loss	(648)	(1,296)
Investment in equity-accounted investees	-	(500)
Loans to equity-accounted investees	(1,500)	(4,603)
Net cash used in investing activities	(1,910)	(7,004)
Cash flows from financing activities		
Interest expenses on borrowings paid	(48)	(51)
Interest portion on lease liabilities paid	(404)	(424)
(Repayment of)/proceeds from borrowings	(566)	33
Payment of lease liabilities	(6,827)	(6,484)
Acquisition of non-controlling interests	(4,392)	-
Dividend paid to shareholders	(1,507)	(3,517)
Dividend paid to non-controlling interests	(252)	-
Net cash used in financing activities	(13,996)	(10,443)
Net decrease in cash and cash equivalents	(7,626)	(12,428)
Cash and cash equivalents at beginning of financial year	41,953	52,923
Effect of exchange rate fluctuations on cash and cash equivalents	225	97
Cash and cash equivalents at end of financial year	34,552	40,592
Cash and cash equivalents comprise:		
Fixed deposits	15,623	19,961
Cash and bank balances	19,032	20,757
	34,655	40,718
Less: funds placed in non-liquid deposits	(103)	(126)
	34,552	40,592

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

ABR Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Stock Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”). 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 of the Group are:

- (a) catering service and foodstuff manufacturing;
- (b) manufacturing and retailing of bread, cakes and confectionery;
- (c) operation of food and beverage outlets; and
- (d) holding of ong-term investments.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I)1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars (“\$”) which is the Company’s functional currency and all values are rounded to the nearest thousand (“\$’000”) as indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to the SFRS (I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E. Notes to the condensed interim consolidated financial statements

2.2 Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

- a) Impairment assessment of goodwill and indefinite life intangible assets (Note 12)
- b) Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets)

At 30 June 2022, 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. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

- c) Calculation of allowance for impairment for financial assets at amortised cost

When measuring expected credit losses ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions 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.

Trade receivables

The Group applies a 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 period.

Non-trade receivables and loans to equity-accounted investees and subsidiaries

For non-trade receivables and 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 the measurement of the impairment loss allowance using lifetime ECL is appropriate.

For the six months ended 30 June 2022, the allowance for impairment on loan to equity-accounted investees was \$nil (30 June 2021: \$124,000) in the Group and write back of allowance for impairment on non-trade receivables from subsidiaries was \$223,000 (30 June 2021: \$250,000) in the Company.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2.2 Use of judgements and estimates (cont'd)

d) 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.

3 Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into business units based on their products and services for management reporting purposes. The Group’s reportable business segments comprise Food and Beverage, Property Investments and Others (which include unallocated Group-level corporate services cost, income from investment holding and franchising). Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

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.

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, deferred income tax liabilities and current tax payable which are classified as unallocated liabilities.

Geographical information

The Group’s business is managed primarily in Singapore and Malaysia. In presenting geographical information, segment revenue is based on the entity’s country of domicile.

Information about major customer

The Group did not have any single customer contributing 10% or more to its revenue for the financial periods ended 30 June 2022 and 30 June 2021.

E. Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

4.1 Reportable Segments

<u>1H 2022</u>	Group				Group <u>S\$'000</u>
	Food and Beverage <u>S\$'000</u>	Property Investments <u>S\$'000</u>	Others <u>S\$'000</u>	Eliminations /Adjustment <u>S\$'000</u>	
	Revenue from external customers	45,428	-	24	
Inter-segment revenue	-	-	1,010	(1,010)	-
Total revenue	45,428	-	1,034	(1,010)	45,452
Segment results	2,032	160	(1,226)	-	966
Finance costs	(447)	-	(5)	-	(452)
Share of results of equity-accounted investees	-	(456)	-	-	(456)
Profit before tax	1,585	(296)	(1,231)	-	58
Income tax credit					17
Profit after tax					75
Non-controlling interests					36
Net profit attributable to owners of the Company					111
Assets					
Interests in equity-accounted investees	-	20,941	-	-	20,941
Segment assets	96,202	17,925	24,541	(19,601)	119,067
Unallocated assets					250
Total assets					140,258
Liabilities					
Segment Liabilities	51,145	22,177	8,754	(39,847)	42,229
Unallocated liabilities					1,852
Total liabilities					44,081
Additions to non-current assets	7,135	-	12	-	7,147
Depreciation and amortisation	8,325	81	280	-	8,686
Impairment loss on property, plant and equipment	168	-	-	-	168
Other non-cash expenses	22	-	(70)	-	(48)

E. Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Group				
	Food and Beverage <u>S\$'000</u>	Property Investments <u>S\$'000</u>	Others <u>S\$'000</u>	Eliminations /Adjustment <u>S\$'000</u>	Group <u>S\$'000</u>
1H 2021					
Revenue from external customers	36,562	-	30	-	36,592
Inter-segment revenue	-	-	807	(807)	-
Total revenue	<u>36,562</u>	<u>-</u>	<u>837</u>	<u>(807)</u>	<u>36,592</u>
Segment results	713	166	33	-	912
Finance costs	(465)	-	(101)	-	(566)
Share of results of equity-accounted investees	-	(284)	-	-	(284)
Profit before tax	248	(118)	(68)	-	62
Income tax expense					(2)
Profit after tax					<u>60</u>
Non-controlling interests					<u>326</u>
Net profit attributable to owners of the Company					<u>386</u>
Assets					
Interests in equity-accounted investees	-	20,273	-	-	20,273
Segment assets	100,472	15,371	24,947	(15,622)	125,168
Unallocated assets					1,237
Total assets					<u>146,678</u>
Liabilities					
Segment Liabilities	47,150	18,655	8,655	(33,026)	41,434
Unallocated liabilities					7,014
Total liabilities					<u>48,448</u>
Additions to non-current assets	6,248	-	-	-	6,248
Depreciation and amortisation	8,302	81	222	-	8,605
Impairment loss on property, plant and equipment	88	-	-	-	88
Allowance for impairment on loans to a joint venture	-	124	-	-	124
Other non-cash expenses	49	-	(862)	-	(813)

E. Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

<u>1H 2022</u>	Food and Beverage <u>S\$'000</u>	Property Investments <u>S\$'000</u>	Others <u>S\$'000</u>	Group <u>S\$'000</u>
Type of goods or service:				
Sales and service charges	45,363	-	-	45,363
Royalty income	65	-	24	89
Total revenue	45,428	-	24	45,452
Timing of revenue recognition:				
At a point of time	45,363	-	-	45,363
Over time	65	-	24	89
	45,428	-	24	45,452
<u>Geographical information:</u>				
Singapore	41,554	-	24	41,578
Malaysia	3,874	-	-	3,874
	45,428	-	24	45,452

<u>1H 2021</u>	Food and Beverage <u>S\$'000</u>	Property Investments <u>S\$'000</u>	Others <u>S\$'000</u>	Group <u>S\$'000</u>
Types of goods or service:				
Sales and service charges	36,499	-	-	36,499
Royalty income	63	-	30	93
Total revenue	36,562	-	30	36,592
Timing of revenue recognition:				
At a point of time	36,499	-	-	36,499
Over time	63	-	30	93
	36,562	-	30	36,592
<u>Geographical information:</u>				
Singapore	33,793	-	30	33,823
Malaysia	2,769	-	-	2,769
	36,562	-	30	36,592

E. Notes to the condensed interim consolidated financial statements (cont'd)

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021.

	Group		Company	
	30-Jun-22 S\$'000	31-Dec-21 S\$'000	30-Jun-22 S\$'000	31-Dec-21 S\$'000
Financial Assets				
Financial assets at cost	13,008	12,417	24,222	23,322
Financial assets at amortised cost	51,978	57,071	25,240	31,152
Financial asset at FVOCI	35	35	35	35
Financial assets at FVTPL	4,022	6,372	4,022	6,372
Financial Liabilities				
At amortised cost	38,732	44,888	38,076	35,485

6 Profit before tax

6.1 Significant items

	Group		
	1H 2022 S\$'000	1H 2021 S\$'000	Change %
Profit for the period include the following:			
Government grants <i>(included in Other income)</i>	1,521	4,160	(63.4)
Finance costs:			
- borrowings	(48)	(51)	(5.9)
- interest portion on lease liabilities	(404)	(424)	(4.7)
- deemed finance costs	-	(91)	(100.0)
Amortisation of intangible assets	(146)	(152)	(3.9)
Depreciation:			
- property, plant and equipment	(1,443)	(1,425)	1.3
- investment properties	(81)	(81)	-
- right-of-use assets	(7,016)	(6,947)	1.0
Foreign exchange loss, net	(60)	(9)	n.m.
Property, plant and equipment written off	(24)	(60)	(60.0)
Gain/(Loss) on disposal of property, plant and equipment, net	2	(15)	n.m.
Impairment loss on property, plant and equipment	(168)	(88)	90.9
Write-off for inventories	(16)	(69)	(76.8)
Allowance for impairment on loans to a joint venture	-	(124)	(100.0)
Modification gain on derecognition of right-of-use assets	-	26	(100.0)
Fair value gain on financial assets at fair value through profit or loss	70	953	(92.7)
Under provision for tax of prior years	(1)	-	n.a.

n.a.: not applicable
n.m.: not meaningful

E. Notes to the condensed interim consolidated financial statements (cont'd)

6.2 Related party transactions

In addition to the related party information disclosed elsewhere in this set of condensed interim financial statements, the following significant transactions took place between the Group and related parties on terms agreed between the parties during 1H 2022 and 1H 2021:

Group	
1H 2022	1H 2021
S\$'000	S\$'000

Key management personnel ("KMP")

Remuneration:

- Salaries, fees and benefits-in-kind	1,293	1,218
- Contribution to defined contribution plans	57	53
Expenses paid on behalf of the Group	175	89

Close family members of KMP

Remuneration:

- Salaries and related costs	143	141
- Contribution to defined contribution plans	25	24
Expenses paid on behalf of the Group	82	46

7 Taxation

The Group calculates the income tax expense for 1H 2022 and 1H 2021 using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense in the condensed interim consolidated statement of profit or loss are:

Group	
1H 2022	1H 2021
S\$'000	S\$'000

Current income tax expense:

- current income tax provision	6	26
- under provision in respect of prior years	1	-
	7	26

Deferred income tax relating to origination and reversal of temporary differences

	(24)	(24)
Income tax (credit)/expense	(17)	2

E. Notes to the condensed interim consolidated financial statements (cont'd)

8 Dividends

Group	
1H 2022	1H 2021
S\$'000	S\$'000

Ordinary dividends paid:

- Final exempt 2021 dividend of 0.75 cents per share
(2021: Final exempt 2020 dividend of 1.75 cents per share)

1,507	3,517
1,507	3,517

9 Net Asset Value

Net Asset Value per ordinary share based on total number of issued shares excluding treasury shares at the end of the financial period/year (cents)

Group		Company	
30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
47.7	47.6	46.2	45.8

10 Property, plant and equipment

During six months ended 30 June 2022, the Group acquired assets amounting to S\$829,000 (30 June 2021: S\$718,000) and disposed of assets at net book value amounting to S\$35,000 (30 June 2021: S\$102,000).

11 Investment properties

	Group		Company	
	30-Jun-22 S\$'000	31-Dec-21 S\$'000	30-Jun-22 S\$'000	31-Dec-21 S\$'000
<i>Cost</i>				
At beginning of financial year	7,008	6,993	1,863	1,863
Translation	(30)	15	-	-
Balance as at 30-Jun-22/31-Dec-21	6,978	7,008	1,863	1,863
<i>Accumulated depreciation</i>				
At beginning of financial year	3,074	2,913	1,010	973
Depreciation charge for the interim period/financial year	81	161	19	37
Balance as at 30-Jun-22/31-Dec-21	3,155	3,074	1,029	1,010
<i>Net book value</i>				
As at 30-Jun-22 / 31-Dec-21	3,823	3,934	834	853
At valuation (based on 31 December 2021 valuation*):				
- Freehold properties	2,950	2,950	2,950	2,950
- Leasehold properties	7,265	7,305	-	-

* converted at the closing exchange rate of IDR/S\$ as at 30 June 2022 and 31 December 2021.

Based on the latest valuation of the properties as at 31 December 2021, the Group does not expect material impairment to the carrying values of the properties.

E. Notes to the condensed interim consolidated financial statements (cont'd)

11 Investment properties

11.1 Valuation

The fair values of the investment properties for disclosure purposes are categorised within Level 3 of the fair value hierarchy – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group engages independent professional valuer to determine the fair value of investment properties at the end of each financial year. The fair value of investment property is determined by the market comparison methods.

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.

12 Intangible assets

	Group				
	Goodwill on consolidation	Trademarks	Customer relationships	Others*	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 31-Dec-21					
Cost	8,303	5,381	2,797	1,745	18,226
Accumulated amortisation	-	-	(1,260)	(1,450)	(2,710)
Net book amount	8,303	5,381	1,537	295	15,516
6 months ended 30-Jun-22					
Opening net book amount	8,303	5,381	1,537	295	15,516
Amortisation charge	-	-	(140)	(6)	(146)
Closing net book amount	8,303	5,381	1,397	289	15,370
At 30-Jun-22					
Cost	8,303	5,381	2,797	1,745	18,226
Accumulated amortisation	-	-	(1,400)	(1,456)	(2,856)
Net book amount	8,303	5,381	1,397	289	15,370

*Others comprise customer contracts and favourable lease agreements, knowhow and trade name; and franchise rights

E. Notes to the condensed interim consolidated financial statements (cont'd)

12 Intangible assets (cont'd)

12.1 Impairment assessment of 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 Chilli Padi Holding Pte Ltd and its subsidiaries.

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. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 impairment assessment, and was based on the following key assumptions:

Forecast imputed annual revenue growth over the next 5 years starting FY 2022 – 20.0%

Terminal value growth rate – 0.5%

Pre-tax discount rate – 16.0%

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 30 June 2022, 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.

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

	Group and Company	
	30-Jun-22 S\$'000	31-Dec-21 S\$'000
Quoted equity investments in Singapore	3,927	6,372
Structured deposit	95	-
	4,022	6,372

The fair value of the quoted equity investment is determined by the quoted closing market price of these investments. This fair value measurement is categorised in Level 1 of the fair value hierarchy - quoted prices (unadjusted) in active markets for identical assets or liabilities.

The fair value of the structured deposit is based on the value quoted by the financial institution with reference to the expected return of the underlying assets. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

E. Notes to the condensed interim consolidated financial statements (cont'd)

14 Share capital

Group and Company			
30-Jun-22		31-Dec-21	
Number of shares	Amount	Number of shares	Amount
'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares			
At beginning and end of interim period			
200,996	43,299	200,996	43,299

There were no movements in the share capital of the Company from 31 December 2021 to 30 June 2022.

There were no outstanding convertibles instruments which may be converted to shares as at 30 June 2022 and 30 June 2021.

The Company did not hold any treasury shares and no subsidiary holdings as at 30 June 2022 and 30 June 2021.

There were no sales, transfers, cancellation and/or use of treasury shares nor subsidiary holdings during the six months ended 30 June 2022.

15 Borrowings

	Group		Company	
	30-Jun-22 S\$'000	31-Dec-21 S\$'000	30-Jun-22 S\$'000	31-Dec-21 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	205	170	-	-
Unsecured	1,225	1,213	1,225	1,213
<u>Amount repayable after one year</u>				
Secured	41	91	-	-
Unsecured	3,172	3,787	3,172	3,787

The Group's borrowing facilities are secured by:

- legal charges over certain properties and pledges of fixed deposits of the Group's Malaysian subsidiary, corporate guarantees from another wholly-owned subsidiary of the Company and the Company; and
- charge on plant and equipment financed by a bank.

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. Other information required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of financial position of ABR Holdings Limited and its subsidiaries (collectively the “Group”) as at 30 June 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month ended and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors

Group revenue for the 6 months ended 30 June 2022 (“1H 2022”) increased \$8.9 million or 24% to \$45.5 million as compared to \$36.6 million in the same period last year (“1H 2021”). The increase in revenue was mainly attributed to the lifting of COVID-19 related restrictions on dine-in and social gatherings in April 2022. The Group’s Malaysian F&B operation also benefited from the reopening of the land border between Singapore and Malaysia. Gross profit increased \$5.8 million or 41% to about \$20.0 million as compared to \$14.2 million in 1H 2021 in line with the increase in revenue.

Other income for 1H 2022 comprised mainly government grants under the Jobs Support Scheme, Wage Credit Scheme, Special Employment Credit and Jobs Growth Incentive. Other income decreased \$4.0 million or 64% from \$6.2 million in 1H 2021 to \$2.2 million in 1H 2022 due to reduced government grants and rental rebates from landlords and the higher fair value gain on financial assets of about \$1.0 million recorded in 1H 2021.

Selling, distribution and outlet expenses for 1H 2022 increased by 8% to \$13.4 million. The increase was mainly due to higher turnover rent, depreciation of ROU assets, utilities, credit card and delivery charges in line with higher revenue and business activities. Administrative expenses for 1H 2022 increased 12% to \$7.8 million. The increase was mainly due to higher manpower cost, utilities and depreciation of plant and equipment.

Other expenses for 1H 2022 comprised mainly plant and equipment written off and impairment loss on plant and equipment for our outlets in Malaysia.

Finance costs related mainly to interest on lease liabilities.

Share of results of equity-accounted investees of \$456,000 was related to the Group’s share of losses from its associated companies and joint venture in the property business.

The Group recorded a profit before tax of \$58,000 for 1H 2022. Despite achieving higher revenue in 1H 2022, the Group recorded a marginally lower profit than 1H 2021. This was due mainly to reduced COVID-19 related government support in 1H 2022 and last year’s profit was boosted by the fair value gain on quoted equity investments. After accounting for the share of losses attributable to non-controlling interests, the Group recorded a net profit attributable to owners of the Company of \$111,000 for 1H 2022.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (cont'd)

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Non-current assets

As at 30 June 2022, the Group's non-current assets decreased \$3.5 million from \$96.7 million as at 31 December 2021 to \$93.2 million. The decrease was mainly attributed to net decrease in financial assets at FVTPL of about \$2.5 million due to disposal of quoted equity investments of \$3.1 million offset by additional investments, decrease in plant and equipment of \$0.9 million and right-of-use ("ROU") assets of \$0.7 million.

At the Company level, non-current assets increased by \$8.7 million from \$101.3 million as at 31 December 2021 to \$110.0 million. The increase was mainly attributed to increase in investment and equity loans to subsidiaries of \$7.3 million. The Company acquired the remaining 20% interest in Chilli Padi Holding Pte Ltd ("CPH") on 15 March 2022 at a consideration of \$4.4 million. Apart from this, ROU assets increased \$3.7 million to \$24.2 million, partly offset by decrease in financial assets at FVTPL of \$2.4 million.

Current Assets

As at 30 June 2022, the Group's current assets decreased \$5.2 million from \$52.2 million to \$47.0 million due mainly to decrease in cash and cash equivalents of \$7.4 million used in the Group's investment and financing activities which was further explained in Cash Flow below. The increase in trade and other receivables was mainly due to the payment of deposit and stamp duties of \$2.1 million for the proposed acquisition of 5 shophouses at Club Street.

At the Company level, current assets decreased \$6.0 million from \$29.2 million to \$23.2 million due mainly to decrease in cash and cash equivalents of \$6.8 million, offset by increase in inventories and trade and other receivables of \$0.8 million.

Non-Current Liabilities

As at 30 June 2022, the Group's non-current liabilities decreased \$1.4 million from \$19.5 million as at 31 December 2021 to \$18.1 million. Lease liabilities reduced \$0.8 million to \$12.1 million, while borrowings decreased \$0.6 million.

At the Company level, non-current liabilities increased \$1.8 million to \$17.5 million due to increase in lease liabilities of \$2.4 million, offset by reduced borrowings of \$0.6 million.

Current Liabilities

The Group's current liabilities decreased \$5.5 million from \$31.5 million as at 31 December 2021 to \$26.0 million as at 30 June 2022. The decrease was mainly attributed to the reduction in other liabilities of \$4.4 million being the consideration paid for the 20% interest in CPH, and decrease in trade and other payables of \$1.5 million.

At the Company level, current liabilities increased marginally to \$22.9 million as at 30 June 2022. The increase was due mainly to increase in lease liabilities of \$1.5 million to \$11.7 million, partly offset by the reduction of trade and other payables of \$1.3 million.

Equity

Following the acquisition of the remaining 20% interest in CPH on 15 March 2022, CPH became a wholly-owned subsidiary of the Company resulting in the reduction of non-controlling interest and the derecognition of related option reserve of \$1.9 million in other reserves.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (cont'd)

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Cash Flow

The Group generated net cash from operating activities of \$8.3 million in 1H 2022. This was attributed to operating cash flows before working capital changes of \$9.5 million offset by working capital outflow of \$1.2 million. Net cash used in investing activities of \$1.9 million comprised mainly purchase of plant and equipment of \$0.8 million, investment in quoted equity shares of \$0.6 million, partial payment of \$2.1 million for the acquisition of 5 shophouses at Club Street and loans to equity-accounted investees of \$1.5 million. These were partially offset by proceeds from the sale of quoted equity investments of \$3.1 million. Net cash used in financing activities of \$14.0 million was mainly for the payment of lease liabilities and related interests of \$7.2 million, acquisition of the 20% interest in CPH and dividend to shareholders of \$1.5 million. Overall, the cash and cash equivalents of the Group reduced by \$7.6 million in 1H 2022, ending the period with cash and cash equivalents of \$34.6 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the prospect statement previously disclosed in the Group's FY 2021 results announcement made on 22 February 2022.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's F&B business in both Singapore and Malaysia have seen a gradual recovery following the easing of the COVID-19 restrictions in April 2022. Notwithstanding this, the operating environment of the F&B business remains challenging with the tight labour market and rising cost of operations due to inflationary pressures.

To mitigate these challenges, the Group continues its efforts to expand its food offerings to meet changing consumer demand, improve operational efficiencies and manage its manpower and other operating costs.

The Group's Malaysia property business projects continue to be delayed due to disruptions caused by the pandemic. The Group will keep shareholders updated on any subsequent material developments on the projects.

For the Singapore property business, the Group launched its joint venture residential project, Baywind Residences, in May 2022 and have since sold more than 50% of the 24 units in the development. The Group had on 10 June 2022 announced the exercise of the options to purchase 5 shophouses at Club Street and completion is expected to take place on 30 September 2022.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared / recommended for the current financial period reported on?

Yes

Name of dividend	Interim
Dividend type	Cash
Dividend per share	0.25 cents
Tax rate	Tax-exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of dividend	Interim
Dividend type	Cash
Dividend per share	0.25 cents
Tax rate	Tax-exempt (1-tier)

(c) Date payable

The proposed dividend payable date shall be announced later.

(d) Books closure date

The books closure date shall be announced later.

6. If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPT").

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

9. Negative confirmation pursuant to Rule 705(5).

On behalf of the Board, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the six months ended 30 June 2022 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Singapore
12 August 2022

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director
12 August 2022