



**Condensed Interim Financial Statements
For the six months ended 30 June 2021**

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

		Group		
	<i>Note</i>	30-Jun-21	30-Jun-20	Change
		S\$'000	S\$'000	%
Revenue	4.2	36,592	41,702	(12.3)
Cost of sales		(22,438)	(26,239)	(14.5)
Gross profit		14,154	15,463	(8.5)
Other income		6,153	7,372	(16.5)
Interest income		187	200	(6.5)
Selling, distribution and outlet expenses		(12,389)	(13,826)	(10.4)
Administrative expenses		(6,912)	(7,026)	(1.6)
Other expenses		(281)	(281)	-
Finance costs		(566)	(685)	(17.4)
Share of results of equity-accounted investees, net of tax		(284)	(265)	7.2
Profit before tax	6.1	62	952	(93.5)
Income tax expense	7	(2)	(415)	(99.5)
Profit for the period		60	537	(88.8)
Other comprehensive (loss)/income:				
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Currency translation differences on consolidation of foreign entities (net)		(177)	312	n.m.
Total other comprehensive (loss)/income for the period, net of tax		(177)	312	n.m.
Total comprehensive (loss)/income for the period		(117)	849	n.m.
Profit/(loss) attributable to:				
- Owners of the Company		386	284	35.9
- Non-controlling interests		(326)	253	n.m.
Profit for the period		60	537	(88.8)
Total comprehensive (loss)/income attributable to:				
- Owners of the Company		222	606	(63.4)
- Non-controlling interests		(339)	243	n.m.
Total comprehensive (loss)/income for the period		(117)	849	n.m.
Earnings per share for the profit for the period attributable to the owners of the Company				
Basic (SGD in cent)		0.19	0.14	
Diluted (SGD in cent)		0.19	0.14	

B. Condensed interim statements of financial position

	Note	Group		Company	
		30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	16,396	17,370	5,161	5,696
Right-of-use assets		23,391	25,856	20,589	23,144
Investment properties	11	3,985	4,080	872	890
Intangible assets	12	15,664	15,816	-	-
Investments in subsidiaries		-	-	51,348	50,698
Interests in equity-accounted investees		20,273	19,615	500	-
Financial asset at FVOCI	13	35	35	35	35
Financial assets at FVTPL	14	5,472	3,223	5,472	3,223
Loans to subsidiaries		-	-	10,504	10,594
Loans to equity-accounted investees		8,406	4,541	3,989	-
Other asset*		1,237	1,237	1,237	1,237
Total non-current assets		94,859	91,773	99,707	95,517
Current assets					
Inventories		2,378	2,382	1,614	1,526
Trade and other receivables		8,723	8,794	5,619	5,226
Fixed deposits		19,961	19,820	7,773	7,781
Cash and bank balances		20,757	33,230	4,657	15,489
Total current assets		51,819	64,226	19,663	30,022
Total assets		146,678	155,999	119,370	125,539
EQUITY AND LIABILITIES					
Equity					
Share capital	15	43,299	43,299	43,299	43,299
Other reserves		(2,007)	(1,843)	-	-
Accumulated profits		52,908	56,039	39,797	41,080
Equity attributable to owners of the Company		94,200	97,495	83,096	84,379
Non-controlling interests		4,030	4,369	-	-
Total equity		98,230	101,864	83,096	84,379
Non-current liabilities					
Borrowings	16	4,397	5,000	4,397	5,000
Lease liabilities		12,031	13,822	10,164	12,115
Deferred tax liabilities		2,357	2,389	44	44
Provision		1,119	1,122	817	817
Total non-current liabilities		19,904	22,333	15,422	17,976
Current liabilities					
Trade and other payables		9,102	12,229	7,906	10,248
Provisions		1,399	1,526	874	949
Borrowings	16	719	84	603	-
Lease liabilities		12,667	12,905	11,428	11,759
Other liabilities		4,236	4,145	-	127
Tax payable		421	913	41	101
Total current liabilities		28,544	31,802	20,852	23,184
Total liabilities		48,448	54,135	36,274	41,160
Total equity and liabilities		146,678	155,999	119,370	125,539

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

C. Condensed interim statements of changes in equity

Group	Total Equity S\$'000	Equity attributable to owners of the Company	Share Capital S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000	Non- controlling Interests S\$'000
Balance at 1 January 2021	101,864	97,495	43,299	(1,843)	56,039	4,369
Profit 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 (1-tier) 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
Balance at 1 January 2020	98,466	94,256	43,299	(1,617)	52,574	4,210
Profit for the period	537	284	-	-	284	253
<i>Other comprehensive income/(loss):</i> Currency translation differences	312	322	-	322	-	(10)
Total comprehensive income for the period	849	606	-	322	284	243
Balance at 30 June 2020	99,315	94,862	43,299	(1,295)	52,858	4,453

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 2021	84,379	43,299	41,080
Net profit and total comprehensive income for the period	2,234	-	2,234
Tax exempt (1-tier) 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
Balance at 1 January 2020	80,014	43,299	36,715
Net loss and total comprehensive loss for the period	(538)	-	(538)
Balance at 30 June 2020	79,476	43,299	36,177

D. Condensed interim consolidated statement of cash flows

	Group	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000
Cash flows from operating activities		
Profit before tax	62	952
<i>Adjustments for:</i>		
Depreciation and amortisation	8,605	10,633
Property, plant and equipment written off	60	158
Loss on disposal of property, plant and equipment, net	15	1
Impairment loss/(write-back of impairment loss) on property, plant and equipment	88	(1)
Allowance for impairment on loans to a joint venture	124	-
Share of results of equity-accounted investees	284	265
Modification gain on derecognition of right-of-use assets	(26)	(50)
Fair value gain on financial assets at fair value through profit or loss	(953)	-
Interest expenses on borrowings	51	2
Interest portion on lease liabilities	424	600
Deemed finance costs	91	83
Interest income	(187)	(200)
Dividend income	(39)	-
Operating cash flows before movements in working capital	8,599	12,443
<i>Changes in working capital:</i>		
Inventories	4	223
Trade and other receivables	207	(2,339)
Trade and other payables	(3,128)	(697)
Provisions	(129)	(186)
Currency translation differences	(17)	98
Cash generated from operations	5,536	9,542
Income tax paid	(517)	(267)
Net cash generated from operating activities	5,019	9,275
Cash flows from investing activities		
Interest received	47	200
Dividend received	39	-
Purchase of property, plant and equipment	(718)	(342)
Proceeds from disposal of property, plant and equipment	27	1
Purchase of financial assets at fair value through profit or loss	(1,296)	-
Investment in equity-accounted investees	(500)	-
Loans to equity-accounted investees	(4,603)	-
Net cash used in investing activities	(7,004)	(141)
Cash flows from financing activities		
Interest expenses on borrowings paid	(51)	(2)
Interest portion on lease liabilities paid	(424)	(600)
Proceeds from/(Repayment of) borrowings	33	(273)
Payment of lease liabilities	(6,484)	(8,344)
Dividend paid to shareholders	(3,517)	-
Net cash used in financing activities	(10,443)	(9,219)
Net decrease in cash and cash equivalents	(12,428)	(85)
Cash and cash equivalents at beginning of financial period	52,923	45,861
Effect of exchange rate fluctuations on cash and cash equivalents	97	329
Cash and cash equivalents at end of financial period	40,592	46,105
Cash and cash equivalents comprise:		
Fixed deposits	19,961	23,294
Cash and bank balances	20,757	22,934
	40,718	46,228
Less: funds placed in non-liquid deposits	(126)	(123)
	40,592	46,105

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 2021 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 long-term investments.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 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 year ended 31 December 2020.

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 dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to the Standards 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.

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.

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 test of intangible assets and goodwill (Note 12)

E. Notes to the condensed interim consolidated financial statements

2.2 Use of judgements and estimates (cont'd)

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

At 30 June 2021, 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 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 period.

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.

During the six months ended 30 June 2021, the allowance for impairment on loan to equity-accounted investees was \$124,000 (30 June 2020: nil) in the Group and write back of impairment loss on loans to subsidiaries of \$250,000 (30 June 2020: nil) in the Company.

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

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 its products and services for management reporting purposes. The Group's reportable business segments comprise Food and Beverage, Property Investments and Others (which included 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 (Note 32), 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, Malaysia and rest of asia. In presenting information on the basis of geographical segments, 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 years ended 30 June 2021 and 30 June 2020.

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

4 Segment and revenue information (cont'd)

4.1 Reportable Segments

<u>1 January 2021 to 30 June 2021</u>	Group				Group S\$'000
	Food and Beverage S\$'000	Property Investments S\$'000	Others S\$'000	Eliminations /Adjustment S\$'000	
	Revenue from external customers	36,562	-	30	
Inter-segment revenue	-	-	807	(807)	-
Total revenue	36,562	-	837	(807)	36,592
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					60
Non-controlling interests					326
Net profit attributable to owners of the Company					386
Assets					
Investment 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					146,678
Liabilities					
Segment Liabilities	47,150	18,655	8,655	(33,026)	41,434
Unallocated liabilities					7,014
Total liabilities					48,448
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)

4.1 Reportable segments (cont'd)

	Group				
	Food and Beverage	Property Investments	Others	Eliminations /Adjustment	Group
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>1 January 2020 to 30 June 2020</u>					
Revenue from external customers	41,686		16	-	41,702
Inter-segment revenue	-	-	730	(730)	-
Total revenue	41,686	-	746	(730)	41,702
Segment results	2,689	46	(833)	-	1,902
Finance costs	(589)	-	(96)	-	(685)
Share of results of equity-accounted investees		(265)		-	(265)
Profit before tax	2,100	(219)	(929)	-	952
Income tax expense					(415)
Profit after tax					537
Non-controlling interests					(253)
Net profit attributable to owners of the Company					284
Assets					
Investment in equity-accounted investees	-	18,126	-	-	18,126
Segment assets	116,312	11,362	19,619	(16,727)	130,566
Unallocated assets					809
Total assets					149,501
Liabilities					
Segment Liabilities	48,607	16,305	9,385	(31,988)	42,309
Unallocated liabilities					7,877
Total liabilities					50,186
Additions to non-current assets	2,570		178	-	2,748
Depreciation and amortisation	10,301	104	228	-	10,633
Other non-cash expenses	108	-	83	-	191

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

4 Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

<u>1 January 2021 to 30 June 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>
Type of goods or services:				
Sales and service charge	36,499	-	-	36,499
Royalty income	63	-	30	93
Total revenue	<u>36,562</u>	<u>-</u>	<u>30</u>	<u>36,592</u>
Timing of revenue recognition:				
At a point of time	36,499	-	-	36,499
Over time	63	-	30	93
	<u>36,562</u>	<u>-</u>	<u>30</u>	<u>36,592</u>
Geographical information:				
Singapore	33,823	-	-	33,823
Malaysia	2,769	-	-	2,769
Rest of asia	-	-	-	-
	<u>36,592</u>	<u>-</u>	<u>-</u>	<u>36,592</u>

<u>1 January 2020 to 30 June 2020</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 services:				
Sales and service charge	41,628	-	-	41,628
Royalty income	54	-	20	74
Total revenue	<u>41,682</u>	<u>-</u>	<u>20</u>	<u>41,702</u>
Timing of revenue recognition:				
At a point of time	41,628	-	-	41,628
Over time	54	-	20	74
	<u>41,682</u>	<u>-</u>	<u>20</u>	<u>41,702</u>
Geographical information:				
Singapore	37,551	-	-	37,551
Malaysia	4,151	-	-	4,151
Rest of asia	-	-	-	-
	<u>41,702</u>	<u>-</u>	<u>-</u>	<u>41,702</u>

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 2021 and 31 December 2020.

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Financial Assets				
Financial assets at cost	15,983	15,671	22,354	21,794
Financial assets at amortised cost	50,961	59,669	20,328	27,430
Financial assets at FVOCI	35	35	35	35
Financial assets at FVTPL	6,709	4,460	6,709	4,460
Financial Liabilities				
At amortised cost	40,809	45,233	32,861	36,977
At fair value	-	-	-	127

6 Profit before tax

6.1 Significant items

	Group		
	30-Jun-21 S\$'000	30-Jun-20 S\$'000	Change %
Profit for the period include the following:			
Government grants <i>(included in Other income)</i>	4,160	4,679	(11.1)
Finance costs:			
- borrowings	(51)	(2)	n.m.
- interest portion on lease liabilities	(424)	(600)	(29.3)
- deemed finance costs	(91)	(83)	9.6
Amortisation of intangible assets	(152)	(152)	-
Depreciation:			
- property, plant and equipment	(1,425)	(1,746)	(18.4)
- investment properties	(81)	(104)	(22.1)
- right-of-use assets	(6,947)	(8,631)	(19.5)
Foreign exchange loss, net	(9)	(122)	(92.6)
Property, plant and equipment written off	(60)	(158)	(62.0)
Loss on disposal of property, plant and equipment, net	(15)	(1)	n.m.
(Impairment loss)/write-back of impairment loss on property, plant and equipment	(88)	1	n.m.
Write-off for inventories	(69)	(23)	n.m.
Allowance for impairment on loans to a joint venture	(124)	-	n.a.
Modification gain on derecognition of right-of-use assets	26	50	(48.0)
Fair value gain on financial assets at fair value through profit or loss	953	-	n.a.
Under provision for tax of prior years	-	(17)	(100.0)

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

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

6.2 Related party transactions

The following transactions took place between the Group and related parties during the financial period on terms agreed by the parties concerned:

	Group	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
Remuneration		
- Salaries and related costs	260	198
- Contribution to defined contribution plans	42	31
Expenses paid on behalf of the Group	46	50
	348	279

Related parties comprise close family members of the Group's directors and key management personnel.

7 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of the income tax expenses in the condensed interim consolidated statement of profit or loss are:

	Group	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
Current income tax expense:		
- current income tax provision	26	422
- Under provision in respect of prior years	-	17
	26	439
Deferred income tax relating to origination and reversal of temporary differences	(24)	(24)
	2	415

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

8 Dividends

Group	
30-Jun-21	30-Jun-20
S\$'000	S\$'000

Ordinary dividends paid:

- final exempt 2020 dividend of 1.75 cents per share	3,517	-
	3,517	-

The final exempt dividend of 1 cent per share in respect of financial year 2019 was approved at the Annual General Meeting held on 12 June 2020. Cash dividends amounting to S\$2,010,000 was subsequently paid out to the shareholders on 3 July 2020.

9 Net Asset Value

Group		Company	
30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
46.9	48.5	41.3	42.0

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)

10 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$718,000 (30 June 2020: S\$342,000) and disposed of assets amounting to S\$102,000 (30 June 2020: S\$160,000).

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

11 Investment properties

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Cost				
At beginning of financial period/year	6,993	7,109	1,863	1,863
Derecognition of right-of-use assets	-	(71)	-	-
Translation	(14)	(45)	-	-
Balance as at 30-Jun-21 / 31-Dec-20	6,979	6,993	1,863	1,863
Accumulated depreciation				
At beginning of financial period/year	2,913	2,799	973	936
Depreciation charge for the interim period	81	185	18	37
Derecognition of right-of-use assets	-	(71)	-	-
Balance as at 30-Jun-21 / 31-Dec-20	2,994	2,913	991	973
Net book value				
As at 30-Jun-21 / 31-Dec-20	3,985	4,080	872	890
At valuation (based on 31 December 2020 valuation*):				
- freehold properties	3,000	3,000	3,000	3,000
- leasehold properties	7,482	7,502	-	-

* converted at the closing exchange rate of IDR/S\$ as at 30 June 2021 and 31 December 2020.

Based on the latest valuation of the properties as at 31 December 2020, the Group does not expect the fair value to be materially different from the valuation as at 31 December 2020.

11.1 Valuation

The fair values of the investment properties for disclosure purposes are categorised within Level 3 of the fair value hierarchy.

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.

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

12 Intangible assets

	Group				
	Goodwill on consolidation S\$'000	Trademark S\$'000	Customer relationships S\$'000	Others* S\$'000	Total S\$'000
At 31-Dec-20					
Cost	8,303	5,381	2,797	2,217	18,698
Accumulated amortisation	-	-	(980)	(1,902)	(2,882)
Net book amount	<u>8,303</u>	<u>5,381</u>	<u>1,817</u>	<u>315</u>	<u>15,816</u>
6 months ended 30-Jun-21					
Opening net book amount	8,303	5,381	1,817	315	15,816
Amortisation charge	-	-	(140)	(12)	(152)
Closing net book amount	<u>8,303</u>	<u>5,381</u>	<u>1,677</u>	<u>303</u>	15,664
At 30-Jun-21					
Cost	8,303	5,381	2,797	2,217	18,698
Accumulated amortisation	-	-	(1,120)	(1,914)	(3,034)
Net book amount	<u>8,303</u>	<u>5,381</u>	<u>1,677</u>	<u>303</u>	15,664

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

12.1 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 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 2021 was determined similarly to the 31 December 2020 impairment assessment using the same key assumptions as follows, which the management has deemed still relevant:

Forecast revenue growth (average over next five years) – 3.2%
Terminal value growth rate – 0.5%
Discount rate – 13.8%

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 2021, 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.

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

13 Financial assets at fair value through other comprehensive income (“FVOCI”)

Group and Company	
30-Jun-21 S\$'000	31-Dec-20 S\$'000

Equity investments designated at FVOCI

Unquoted equity investment	<u>35</u>	<u>35</u>
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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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14 Financial assets at fair value through profit or loss (“FVTPL”)

Group and Company	
30-Jun-21 S\$'000	31-Dec-20 S\$'000

Equity investments measured at FVTPL

Quoted equity investments in Singapore	<u>5,472</u>	<u>3,223</u>
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The above equity investments are held for returns through dividend income and fair value gains.

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.

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

15 Share capital

	Group and Company				
	30-Jun-21		31-Dec-20		
	Number of	Amount	Number of	Amount	
	shares	S\$'000	shares	S\$'000	
	'000		'000		
Issued and fully paid ordinary shares					
Beginning and end of interim period	200,996	43,299	200,996	43,299	

There were no outstanding convertibles instruments which may be converted to shares as at 30 June 2021 and 30 June 2020.

The Company did not hold any treasury shares and no subsidiary holdings as at 30 June 2021 and 30 June 2020.

There were no sales, transfers, cancellation and/or use of treasury shares nor subsidiary holdings during the six months ended 30 June 2021.

16 Borrowings

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	207	174	-	-
Unsecured	603	-	603	-
<u>Amount repayable after one year</u>				
Secured	138	188	-	-
Unsecured	4,397	5,000	4,397	5,000

The Group's borrowing facilities are secured by

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

17 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim of 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 as at 30 June 2021 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 period then 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 six months ended 30 June 2021 ("1H 2021") declined by 12% to \$36.6 million as compared to \$41.7 million in the same period last year ("1H 2020").

The Group's F&B operations continued to be affected by the various regulatory restrictions and safe distancing measures in place, such as, limits in group dining size and the more recent prohibition of dining-in at F&B outlets. Our catering business is particularly affected by the restrictions on gatherings and events. In Malaysia, our F&B operations were disrupted by the various movement control measures imposed by the government to stem COVID transmission. Outlets have had to be closed temporarily during certain lockdown periods. These disruptions to the Group's F&B operations had resulted in the decline in revenue and gross profit.

Other income for 1H 2021 comprised mainly government grants, such as the wage subsidy from the Jobs Support Scheme and rental relief from the Rental Support Scheme, rent concessions granted by certain landlords and fair value gain of investment in quoted securities. These support measures from the government have significantly cushioned the adverse impact from the slowdown of our business.

Selling, distribution and outlet expenses for 1H 2021 decreased by 10% to \$12.4 million, mainly due to decrease in turnover rents, depreciation of right-of-use ("ROU") assets and overall reduction in operating expenses associated with lower business activities. Administrative expenses also reduced as a result of the Group's continued efforts to contain expenses.

Other expenses for 1H 2021 comprised mainly impairment loss on plant and equipment for our outlet in Malaysia and allowance for impairment on loans to our Malaysian joint venture in the property business.

Finance costs related mainly to interest on lease liabilities recorded in accordance with SFRS(I) 16 Leases.

Share of losses of equity-accounted investees of \$284,000 related to the Group's share of losses from the its associated companies and joint venture in the property business.

The Group recorded a profit before tax of \$62,000 for 1H 2021 as compared to \$0.9 million in 1H 2020. Provision for income tax expense is minimal as most of our operating units are in a loss position. 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 \$0.4 million for 1H 2021.

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

2. (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 2021, the Group's non-current assets increased by \$3.1 million from \$91.8 million as at 31 December 2020 to about \$94.9 million. The increase was mainly attributed to increase in financial asset at FVTPL of \$2.2 million due to additional investment in quoted equity shares and fair value gain as at 30 June 2021; and increase in loans to a newly incorporated joint venture of about \$4.0 million, offset by decrease in ROU assets of \$2.5 million.

At the Company level, non-current assets increased by \$4.2 million from \$95.5 million as at 31 December 2020 to \$99.7 million. The increase was mainly attributed to increase in financial asset at FVTPL of \$2.2 million, increase in equity loan to a subsidiary of \$0.6 million and increase in investment and loans to a newly incorporated joint venture of about \$4.5 million, offset by decrease in ROU assets of \$2.5 million.

Current Assets

As at 30 June 2021, the Group's current assets decreased by \$12.4 million from \$64.2 million to \$51.8 million due mainly to decrease in cash and cash equivalent of \$12.3 million used in the Group's investment and financing activities.

At the Company level, the decrease in current assets of \$10.4 million to \$19.7 million was due mainly to decrease in cash and cash equivalent of \$10.8 million, offset by increase in trade and other receivables of \$0.4 million.

Non-Current Liabilities

As at 30 June 2021, the Group's non-current liabilities decreased \$2.4 million from \$22.3 million as at 31 December 2020 to \$19.9 million. Lease liabilities reduced by \$1.8 million to \$12.0 million; while term loan decreased by \$0.6 million due to reclassification of the amount due within next 12 months to current liabilities.

At the Company level, non-current liabilities decreased from \$18.0 million to \$15.4 million due to reduction of lease liabilities of \$2.0 million and term loan of \$0.6 million.

Current Liabilities

The Group's current liabilities decreased from \$31.8 million as at 31 December 2020 to \$28.5 million as at 30 June 2021. The decrease was due mainly to the reduction in trade and other payables of \$3.1 million, lease liabilities of \$0.2 million and tax payable of \$0.5 million. The amount of term loan repayable within the next 12 months of \$0.6 million has been reclassified to current liabilities.

At the Company level, current liabilities decreased by \$2.3 million to about \$20.9 million due mainly to the reduction of trade and other payables of \$2.3 million and lease liabilities of \$0.3 million, partly offset by increase in current portion of term loan of \$0.6 million.

Cash Flow

The Group generated net cash from operating activities of \$5.0 million in 1H 2021. This was attributed to operating cash flows before working capital changes of \$8.6 million, offset by working capital outflow of \$3.1 million and income tax paid of \$0.5 million. Net cash used in investing activities of \$7.0 million comprised mainly purchase of plant and equipment of \$0.7 million, investment in quoted equity shares of \$1.3 million and, investment and loans to equity-accounted investees of \$5.1 million. Net cash used in financing activities of \$10.4 million was mainly for the payment of lease liabilities and related interests of \$6.9 million and dividend to shareholders of \$3.5 million. Overall, the cash and cash equivalents of the Group reduced by \$12.4 million in 1H 2021, ending the period with cash and cash equivalents of \$40.6 million.

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

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 2020 results announcement made on 26 February 2021.

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.

While the outlook in Singapore expects to improve with the recent easing of some safe management measures as part of the country's transition towards COVID resilience, the operating environment of the food and beverage businesses remains challenging. Restaurant operations will continue to be impacted with limits in group dining size and reduced operating capacity due to safe distancing measures. Catering revenue recovery is expected to be slow until the restrictions on gatherings and events are lifted substantially. Businesses need to put in place additional COVID mitigation measures required by the authorities to ensure the health and safety of our employees and customers.

With revenue remaining below the pre-COVID level, the tapering of government grants and the tight labour market, the Group expects its performance in the second half year to be impacted. The Group continues its efforts to expand its food offerings to meet changing consumer demand, manage manpower and other operating costs, to ride through this difficult period.

The business outlook in Malaysia continues to be uncertain with the high number of infections and changes in governmental measures which evolve with the pandemic situation cannot be ruled out. The Group will continue consolidating its operations in Malaysia to minimise losses.

For the property business in Malaysia and Indonesia, the timeline of the development plans for the projects has been delayed due to the implementation of restrictive measures by the respective governments to stem the COVID transmission. The Group will monitor the situation closely and keep shareholders updated on any subsequent material developments to the property business.

For the property development project in Singapore, the joint venture has submitted the application to the authorities for a planning permission to develop one 5-storey block of 24 apartments.

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)

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

5. Dividend

(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 2021 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
13 August 2021

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director
13 August 2021