ANNUAL
REPORT
2022

# DELIVERING VALUE IN A NEW ERA

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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 restaurant in Singapore. Today, ABR operates more than 25 restaurant outlets and the Swensen's brand has become synonymous with 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 Swensens' sundaes, Tip Top's Traditional handmade curry 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

*From left to right*
**Ang Yee Lim** *Managing Director*
**Chua Tiang Choon, Keith** *Executive Chairman*

## 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 2022 ("FY2022").

Through the phased recovery of the COVID-19 pandemic, we maintained our approach of financial prudence and operational resilience, which resulted in a profit attributable to the owners of the company of S$2.4 million for FY2022. This milestone reflects our team's unwavering dedication, strategic planning, and operational flexibility. We believe we are poised to build on our past accomplishments to tackle the challenges ahead, with a focus on sustainable growth and innovation, we remain confident to continue to deliver value for our stakeholders and customers in the years ahead.

### Financial Review

The Group's revenue for FY2022 rose significantly to S$101.7 million, a 36% increase from the previous year's S$74.6 million, thanks to the phased reopening of Singapore and Malaysia amid the pandemic. Meanwhile, the Group's profit before tax surged by 144% to almost S$2.8 million, compared to S$1.1 million in FY2021.

After factoring in tax and share of profit attributable to non-controlling interests, the Group achieved a net profit attributable to owners of the Company of S$2.4 million in FY2022.

### Business Review

**Food & Beverage**

In FY2022, our F&B operations saw an improvement in revenue amidst the easing of regulations in Singapore and Malaysia. However, this growth was accompanied by cost pressures, particularly in terms of human resources and higher prices for food ingredients and packaging caused by disruptions in global supply chains.

To adapt to changing consumer behavior during the pandemic, our brands developed product offerings that extended beyond dine-in settings, including food delivery platforms and festive family delivery bundles. We believe that these new channels of revenue will continue post-pandemic. Our focus on research and development also resulted in the revival of the Nasi Lemak burger, the all-new 'Nasi Lemak' Ice Cream Cake, the refurbishment of Earles with a newly curated menu and refurbished interior, the launch of a new brand Rempah by Chilli Padi, a relaunched signature Nonya buffet, and added private dining option in Heng Mui Keng.

While the F&B sector in Singapore saw a slow recovery in revenue, we continued to pivot and took advantage of opportunities to remain a leading F&B company. To ensure financial stability and mitigate the impact of rising food costs, inflation, and human resource challenges, apart from prudent financial and resource planning, we continue to redesign our operational processes and deliver new products that keep up with market trends.

We take great comfort in the unwavering dedication of our staff in overcoming these challenges.

We remain committed to our mission of delivering comfort and value to customers despite the unprecedented challenges arising due to the global changes.

**Property**

The progress of our property projects in Malaysia during FY2022 is an encouraging sign despite the challenges posed by the pandemic-related restrictions. We will continue to closely monitor the situation and provide timely updates to our shareholders on any significant developments.

In a strategic move, ABR has acquired The Club Street Properties, which currently provides short-term returns for the Group but also presents a plethora of opportunities to launch and develop new lifestyle, F&B, and retail concepts in the long term. The prime location of the properties also allows for a flagship property to represent the Group's vision and showcase its brands and concepts.

We are proud to report that our joint venture residential project in Singapore, Baywind Residences, has commenced sales and has seen close to 75% of units sold. Completion is on track for Q4 2025.

**Accolades**

ABR was conferred the Champion of Good Award in 2022, the fourth time in a row as a recognition for our efforts in corporate giving and being a leader of good. For the 14th consecutive year since 2009, Swensen's was conferred the Reader's Digest Trusted Brand Award and for the 5th consecutive year since 2016, the Reader's Digest Trusted Brand Platinum Award in the Family Restaurant Category – an accolade awarded based on public votes, taking into account the brand's quality and value among various criteria. Swensen's was certified as a Green Label Merchant in 2022 when Foodpanda launched its Green Label initiative to allow its customers to easily identify the most sustainable brands among its restaurant partners. We are also pleased that one of our staff, Aman Bin Sabidullah, received the Extra Mile Award in 2022 organized by Jewel Changi Airport.

**Giving Back**

In 2022, ABR continued to prioritize our commitment to supporting our local communities as we emerge from the pandemic. We believe in encouraging philanthropy at every level. We have worked with both new and long-standing partners such as Goldhill Neighbourhood Committee's, Glyph – SG Care Giving Week, and Club Rainbow to support their initiatives. More information about our ongoing community engagement efforts can be found in our Sustainability Report, which is further incorporated into this Annual Report.

**Sustainability**

ABR recognizes the importance of incorporating sustainable practices throughout the communities we serve. Our continued goal is to develop long-term sustainability by encouraging the consumption of carbon-neutral plant-based alternatives, ensuring our suppliers align with our values, and prioritizing the wellbeing of our employees. We follow Global Reporting Initiative Standards, incorporate recommendations from the Taskforce on Climate-related Financial Disclosures, and align our efforts with the United Nations Sustainable Development Goals. In FY2022, we launched the Better World Café partnership with DBS, where sustainability efforts were incorporated into every aspect of the café's design, from the environment to locally sourced ingredients.

**Dividends**

In view of the Group's performance this year, the Board is proposing a final tax exempt (1-tier) cash dividend of 0.75 Singapore cents per share for FY2022 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 1.00 Singapore cents per share.

**Outlook**

As we enter into the new year of 2023, we are met with both challenges and opportunities in the F&B industry amidst the ongoing recovery of the COVID-19 pandemic. Despite the uncertain global outlook and its potential effect on Singapore's economy, we are heartened by the gradual resumption of travel around the world. While we expect that dining and catering behavior may take some time to fully return to pre-pandemic levels, we remain confident in our ability to refine our products and operations, providing comfort and quality to our customers and delivering positive results for our shareholders. We take pride in our resilience and adaptability as an organization, and are grateful for the opportunity to move forward and embrace a bright future.

**Acknowledgements**

We extend our sincere gratitude to the Board of Directors for their guidance and leadership during these times of change and transformation. We are deeply grateful for the unwavering support and belief in our mission from our customers, partners, and shareholders. Lastly, we would like to express our special thanks to our dedicated staff whose hard work and commitment have been indispensable to the success of our Group.

**Chua Tiang Choon, Keith**
Executive Chairman

**Ang Yee Lim**
Managing Director

# FINANCIAL HIGHLIGHTS

**Revenue** ($'000)


**Profit Before Tax** ($'000)


**Shareholders' Equity** ($'000)

## For the Year ($'000)

| | FY2022 | FY2021 | Change |
|---|---|---|---|
| Revenue | 101,733 | 74,625 | 36.3% |
| Profit Before Tax | 2,773 | 1,136 | 144.1% |
| Profit for the Year | 2,514 | 2,002 | 25.6% |
| Profit Attributable to Owners of the Company | 2,433 | 2,487 | (2.2%) |

## At Year End ($'000)

| | FY2022 | FY2021 | Change |
|---|---|---|---|
| Total Assets | 165,690 | 148,944 | 11.2% |
| Equity Attributable to Owners of the Company | 96,827 | 95,729 | 1.1% |
| Total Equity | 97,256 | 98,000 | (0.8%) |
| Total Liabilities | 68,434 | 50,944 | 34.3% |
| Cash and Cash Equivalents | 32,856 | 42,059 | (21.9%) |

## Earnings per Share

| FY2022 | FY2021 |
|---|---|
| Basic : 1.21 cents<br>Diluted : 1.21 cents | Basic : 1.24 cents<br>Diluted : 1.24 cents |

## Dividend per Share

| FY2022 | FY2021 |
|---|---|
| Interim : 0.25 cents<br>Final : 0.75 cents | Interim : 0.25 cents<br>Final : 0.75 cents |

## Net Asset Value per Share

| FY2022 | FY2021 |
|---|---|
| 48.2 cents | 47.6 cents |

# OUR BRANDS

Swensen's, a renowned family restaurant chain and ice cream parlor, has been delighting diners in Singapore since 1979. Our premium sister restaurant, Earle Swensen's, offers an elevated dining experience. With its wide popularity, Swensen's has created cherished memories for both the young and old.

*Core Focus Areas*

FY2022 saw a concerted effort to strengthen the brand strategy of Swensen's and Earle Swensen's by focusing on the development and enhancement of their key products.

Swensen's commenced FY2022 with the introduction of Firecracker pineapple ice cream tarts for Chinese New Year, followed by the well-received Iftar Kat Mana campaign for Hari Raya. The menu also featured the revival of the Nasi Lemak burger and the all-new 'Nasi Lemak' Ice Cream Cake, which combined two featured ice creams – Kueh Salat and 'Fried Chicken' ice cream. Other festive delights included the Ruby Rosette Ice Cream cake, Pulut Hitam Rice Dumpling Ice Cream cake, Mochi-Snowskin ice cream mooncakes, and the Merry Sundaes range for Christmas.

To create a premium segment, Mao Shan Wang with Sea Salt Gula Melaka Ice Cream Cake and premium pint series were launched. Furthermore, the brand rolled out Chilli Crab-inspired dishes for National Day and reintroduced the Asian delight menu in three outlets, featuring traditional Asian-inspired cuisine.

The Earle Swensen's brand has distinguished itself apart from Swensen's outlets, with a freshly curated menu, refurbished interior, and updated crew uniforms for FY2022. The new menu at Earle Swensen's boasts a delectable all-day brunch, appetizing pasta, and their signature smashed burger. Steaks and sides have been redeveloped and enhanced for gastronomic offering. The year also saw a renovation of our VivoCity outlet, with live band performances added to keep diners entertained. The eagerly anticipated, new and improved, iconic Salad Buffet was relaunched, creating more value for customers and enticing them to dine in at our outlets. Novelty sundaes, such as the Earlesplanade, featuring Swensen's Mao Shan Wang with Sea Salt Gula Melaka ice cream, were also launched.

*Performance Breakdown*
Through the implementation of the aforementioned branding strategy, we successfully boosted our brand appeal and value, which in turn led to an increase in revenue, approaching pre-pandemic levels.

*Challenges*
As we move forward into 2022, we anticipate that the persisting challenge of manpower shortages and inflation of cost to ingredients will continue to pose a hurdle for us. To overcome this, we will implement effective manpower deployment strategies and integrate technology to reduce our reliance on labor.

*Accolades*
In recognition of our strong customer support and market popularity, Swensen's was conferred the Platinum Award in the Family Restaurant category of the Reader's Digest Trusted Brands 2022.

# OUR BRANDS

Chilli Padi and Chilli Api are homegrown Peranakan cuisine brands, that boast an unwavering dedication to serving authentic and flavourful dishes, spanning from delectable appetizers to scrumptious desserts.

*Core Focus Areas*

In FY2022, our restaurant outlets experienced a shift from delivery orders to an increase in dine-in customers. To cater to this trend, Chilli Padi Tok Panjang relaunched its signature Nonya buffet and added a private dining option. We also introduced a new brand, Rempah by Chilli Padi, which offers express dining of authentic Peranakan food at Singapore General Hospital.

Additionally, we launched the Better World Café in partnership with DBS, a new 11,300 sq ft employee cafeteria at the Marina Bay Financial Centre with a focus on sustainability and locally sourced ingredients.

Chilli Api Catering shifted from bento and mini-buffet orders to full buffet orders, catering to the resumption of GeBiz and corporate events.

*New Products & Developments*

In FY2022, we revamped our festive brochures, focusing on highlighting the unique selling points of our products. We also introduced two new Lapis Mooncake flavors for the Mid-Autumn Festival. At Better World Café, we utilized sustainably sourced ingredients to create entirely new food items.

*Performance Breakdown*

Chilli Api exceeded expectations with overwhelming demand for self-service buffets as corporate events and social gatherings resumed. Chilli Padi Confinement experienced a decline in sales due to the increased availability of confinement nannies. Our flagship Chilli Padi Nonya Restaurant saw a shift towards more dine-in customers and fewer delivery orders. Sales in staff cafeterias increased as more employees returned to work in offices.

*Challenges*

Food businesses are still grappling with the ongoing issue of high operational expenses, inflated food costs, and a shortage of manpower.

*Sustainability*

Our commitment to sustainability remains a top priority in all our operations. To this end, we prioritize sourcing locally grown produce, including farmed Barramundi, and utilize biodegradable packaging to reduce our environmental impact.

*Prospects & Outlook*

Our continued focus for FY2023 will be creating a stronger brand identity for the individual brands within the Chilli Padi group.

*Operations Review and Development*

Tip Top began its journey in 1979 as a single curry puff kiosk in Ang Mo Kio and has since expanded to various heartland locations as well as shopping malls. The response to our products in the heartland has been overwhelming, and we plan to continue our nimble and mobile approach by opening more single kiosks with lower rental costs, but with a focus on timely restocking and delivery.

With the revival of tourism in 2022, our outlets at Changi Airport T1 and T3 resumed operations and proved to be a valuable contributor to our top and bottom line. We anticipate a strong growth in visitor arrivals to Singapore in 2023, which bodes well for operations.

*Product Development*

As part of our commitment to quality innovation, we knead fresh dough daily by hand and pack the fillings with 18 aromatic spices, using only the freshest and highest quality ingredients available.

Our latest offerings include Salted Egg Puff, Chilli Crab Puff, and Korean Fish Cake, which has seen a rise due to the popularity of Korean cuisine, as well as increased festive snack platters catering to both offices and families.

The introduction of baked flaky puffs was very well received, with a comprehensive and diverse suburban base at Compass One resulting in overwhelming success. These delectable new puffs are now being extended for sale at T1 and T3 where the response from both tourists and locals is expected to be positive.

*Moving Forward – Opportunities and Challenges*

*Brand Building and Online Presence*

We aim to increase brand awareness through social media and digital marketing, and drive more traffic to our online delivery platform while expanding our reach.

With the reopening of our operation in Changi Airport, we expect higher footfall in 2023 due to the increasing number of tourists visiting Singapore.

Despite Malaysia reopening its borders, we still face manpower shortages, and we are working with government agencies to find new sources of talent, train and develop our existing staff, and actively recruit new hires.

SEASON
EST. 1975


**Season Confectionary & Bakery (Malaysia)**
Established and widely recognized, Season Confectionary & Bakery has become a staple in Malaysian homes for over 40 years.

*Core Focus Areas*
With a refocus on cost control and waste reduction, we resumed full-scale product development and other initiatives starting May 2022.

*Product Range*
We have revitalized our collection of freshly baked breads and seasonal treats. Selections that were once removed during the initial phases of the pandemic have now returned following the lifting of the Malaysia Movement Control Order (MCO) in April 2022.

From delectable sweet cakes to soft, freshly baked buns and iconic seasonal favorites like mooncakes, Season Confectionary & Bakery is back and ready to satisfy cravings once more.

*Performance Breakdown & Outlook*
The lifting of restrictions and the reopening of cross-border travel have been eagerly awaited, and in April 2022 we have seen improved performance. With exciting developments on the horizon, we project a rise with our products.

*Challenges & Prospects*
Although we face persistent challenges with food and manpower costs, we will manage and review these operational cost closely. Near-term market may be tough with more competitors joining in during these times of low consumer demand, but we remain cautiously optimistic about the future ahead.

# OUR PROPERTIES

## PREFACE

In 2014, the Group had diversified its business to add Property Business as a second core business pillar, which included, residential, commercial, industrial and hospitality property development, redevelopment, sale, lease, management and/or investment and other ancillary or complementary property-related activities.

Since then, the Group has actively sought opportunities and made select investments in the real estate business. The Group currently has several property assets and ongoing property developments.

## HIGHLIGHTS

### New Property Assets

*Club Street Properties*

The Group acquired 1, 3, 5, 7 and 9 Club Street, a unique standalone island set of 5 adjoining shophouses at the mouth of Club Street, situated within the Chinatown Heritage zone.

The Club Street Properties were acquired with existing tenancies which provides short-term returns for the Group. The tenants include F&B brands such as Parallel Coffee Roasters, Merci Mercel and Yen Bar, on the ground floor, and a mix of corporate tenants on the second and third floors.

The Club Street Properties creates a myriad of opportunities for the Group to launch, develop and house new, lifestyle, F&B and retail concepts in the long term. The prime location of the Properties presents the Group with a valuable opportunity to have a flagship property to represent the Group's vision and showcase its brands and concepts.

### Property Development

*Baywind Residences*

In January 2021, the Group announced that its joint venture company with LWH Holdings, had been awarded the tender for the properties located at Lorong N Telok Kurau, which it intends to develop into apartments.

Baywind Residences was launched as a boutique freehold resort living by the bay that is embraced by nature and the cool sea breeze, surrounded by the conveniences of modernity. The development includes modern amenities such as a rooftop swimming pool, social pavilion, a healing and aura garden, zen sanctuaries, pet's corners and an indoor gym.

Baywind Residences has a total of 24 units, of which 75% has been sold. The Group targets completion to be on Q4 2025.

# OUR PROPERTIES

*Pavilion Square*
In 2018, the Group announced its minority investment into a property development project in Kuala Lumpur.

The project, named Pavilion Square, is situated on over 2 acres in Malaysia' most vibrant retail and entertainment districts, that is well connected to neighboring mega malls and transport links, such as the Bukit Bintang MRT and Monorail stations.

Notwithstanding the disruptions by the COVID-19 pandemic, the project is gearing up for preview and launch. Pavilion Square is currently anticipated to be a mix of residential and corporate suites set in two separate blocks.

*Pavilion Genting Highlands*
In 2017, the Group announced its minority investment in Sering Manis Sdn. Bhd., which owns a parcel of freehold land in Pahang, Malaysia slated for redevelopment.

The 280 acres of forested hilltop land has been undergoing master planning and is aiming to be a Global destination offering differentiated and holistic experiences.

The Pavilion Genting Highlands project will consist of, a Pavilion retail and cultural boulevard, an ECO recreational Park, a wellness and healthcare center, luxury villas and, resort apartments and hotels.

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## AT A GLANCE

### Board Statement

We reaffirm our commitment to sustainability with the publication of this sustainability report ("**Report**"). For this Report, we provide insights into the way we do business, while highlighting our environmental, social and governance ("**ESG**") factors, economic performance and customer satisfaction (collectively as "**Sustainability Factors**"). The Board, having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

This Report communicates our support towards the United Nations' Sustainable Development Goals ("**SDGs**" or "**Global Goals**"). We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:


An overview of our key sustainability performance in FY2022 is as follows:

| Sustainability Factor | Performance indicator | Sustainability performance | |
|---|---|---|---|
| | | FY2022 | FY2021 |
| Customer satisfaction | Number of outlets (Swensen's) | **24** | 24 |
| Environmental | Water consumption intensity (Cu M/revenue S$'000) | **1.2** | –[1] |
| | Greenhouse Gas ("**GHG**") emissions (tonnes $CO_2e$)[2] | **9,397** | –[1] |
| | GHG emissions intensity (tonnes $CO_2e$/revenue S$'000) | **0.092** | –[1] |

1 Comparative environmental data was not presented in FY2021 due to non-availability of information for certain entities of the Group as we have expanded our reporting scope in FY2022.

2 GHG emissions are calculated based on the emission factors published by the relevant local authorities.

| Sustainability Factor | Performance indicator | Sustainability performance | |
|---|---|---|---|
| | | FY2022 | FY2021 |
| Social | Number of reported incidents of non-compliance with employment laws | **0** | 0 |
| | Number of workplace fatalities | **0** | 0 |
| | Number of high-consequence[3] work-related injuries | **0** | 0 |
| | Number of recordable work-related injuries | **30** | 36 |
| | Number of recordable work-related ill-health | **0** | 1 |
| | Average training hours per female employee | **1.6** | 1.5 |
| | Average training hours per male employee | **2.4** | 2.6 |
| | Number of reported incidents of unlawful discrimination against employees | **0** | 0 |
| Governance | Number of incidents of serious offence[4] | **0** | 0 |

## Reporting Scope

This Report is applicable for the Group's financial year ("**FY**") from 1 January 2022 to 31 December 2022 ("**FY2022**" or "**Reporting Period**"). This Report describes the sustainability performance of ABR for FY2022 and forms part of ABR's Annual Report 2022. Information on the areas in which we have the most ESG impact is provided, together with our performance in FY2022 and targets for FY2023. A report will be published annually in accordance with our sustainability policy ("**SR Policy**").

As an inception and our effort to adapt to the updated Reporting Framework as spelt out in the next section, this report covers food and beverage ("**F&B**") entities which contributes to approximately 100% of our F&B revenue for the Group during the Reporting Period:

| S/N | Entity |
|---|---|
| 1 | ABR Holdings Limited |
| 2 | All Best Foods Pte Ltd |
| 3 | Food Creations Pte Ltd |
| 4 | Chilli Padi Holding Pte Ltd and its subsidiaries |
| 5 | Season Confectionary & Bakery Sdn Bhd |
| 6 | Season's Café Sdn Bhd |

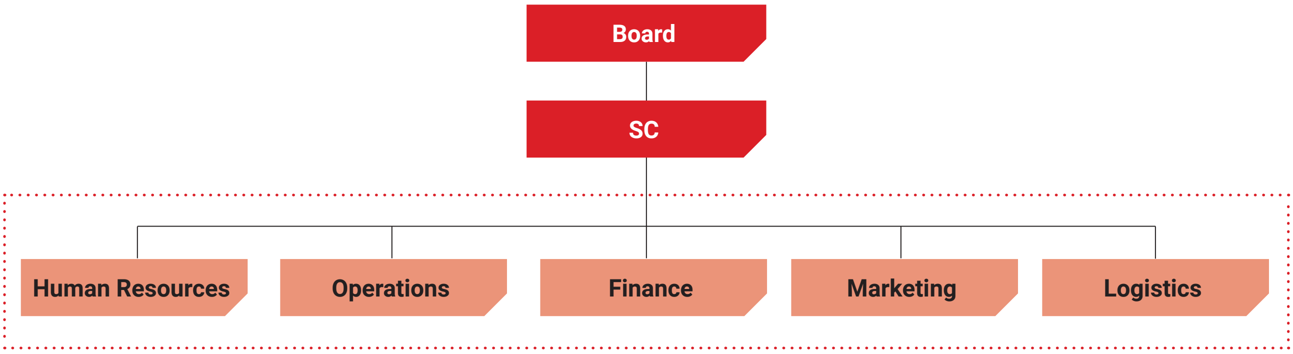
Given the re-alignment of the reporting scope compared to prior years, certain data-points for prior years have been restated to facilitate comparison. Correspondingly, some targets previously set have also been amended or replaced.

3 High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

4 A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such a serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S$100,000.

### Sustainability Governance at ABR

The Board of Directors ("**Board**") oversees and manages the direction, approach and performance of sustainability of ABR. The Chairman of the Board leads the Sustainability Committee ("**SC**") which monitors and manages our sustainability practices while keeping the Board updated of material developments. Data owners from each department are responsible for the sustainability performance of their respective departments and collation of performance data for this Report.




## REPORTING FRAMEWORK

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") listing rules. The Company has reported the information cited in the Global Reporting Initiative ("**GRI**") content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework.

Additionally, we are guided by the recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**") as introduced by SGX-ST in our phased approach to mandatory climate-related disclosure.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We have relied on internal data monitoring and verification to ensure accuracy for this Report. An internal review on sustainability reporting has been incorporated into the risk-aligned internal audit rotational plan and we will also work towards external assurance for our future reports.

Please send questions, comments, suggestions or feedback relating to this Report or our sustainability performance to sustainability@abr.com.sg. The relevant GRI, TCFD, and UN SDG information can be found in our Appendices.

## POLICY, PRACTICE AND PERFORMANCE REPORTING

Our SR Policy covers the sustainability strategies and processes put in place to identify and monitor material Sustainability Factors that serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we review our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

## Sustainability Reporting Processes

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:

### Context
Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests.

### Identification
Identify actual and potential impacts on the economy, environment, people and their human rights.

### Assessment
Assess the significance of impacts.

### Prioritisation
Prioritise the most significant impacts to determine the material Sustainability Factors for reporting.

### Review
In each reporting period, review the material Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments.

## Materiality Assessment

Under our SR Policy, we assessed our Sustainability Factors based on the likelihood of the occurrence of potential negative and positive impacts ("**Likelihood of Impact**") and the significance of our impacts on the economy, environment, people and their human rights, which in turn can indicate our contribution to sustainable development ("**Significance of Impacts**").

## Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability with consistent enhance on our performance-monitoring processes and improve our data capture systems.

**Stakeholder Engagement**

Through an internal stakeholder mapping exercise, we have identified various key stakeholder groups. These include entities or individuals that have an interest that are affected or could be affected by our activities which comprise communities, customers, employees, regulators, suppliers and shareholders.

Our approach to stakeholder engagement is summarised in this section:

| Stakeholder | Communication Frequency | Communication Channel | Key concerns of stakeholder |
|---|---|---|---|
| Communities | Ongoing | Corporate giving and philanthropy activities | • Corporate social responsibility<br>• Environmental initiatives |
| | Ongoing | Engagement with community projects and charities | |
| | Ongoing | Open feedback channels | |
| Customers | Ongoing | Guest satisfaction surveys | • Customer health and safety<br>• Customer service |
| | Ongoing | Open feedback channels | |
| Employees | Regular | Induction programme for new employees | • Career development and training opportunities<br>• Work-life balance<br>• Job security<br>• Remuneration<br>• Workplace health and safety |
| | Regular | Training and development programmes | |
| | Annually | Career development performance appraisals | |
| | Regular | Recreational and wellness activities | |
| | Regular | Regular e-mailers and meetings | |
| Regulators | Ongoing | Meetings and dialogue sessions | • Corporate governance<br>• Workplace health and safety<br>• Food safety and hygiene<br>• Environmental compliance |
| | Regular | Membership in industry associations such as Singapore Institute of Directors ("**SID**"), Singapore Business Federation ("**SBF**") and Restaurant Association of Singapore ("**RAS**") | |
| Suppliers | Ongoing | Supplier evaluation | • Quality, safety and hygiene of source<br>• Demand volatility |
| | Ongoing | Established channel of communications | |
| Shareholders | Regular | SGXNet | • Sustainable business performance<br>• Market valuation<br>• Dividend payment<br>• Corporate governance<br>• Environmental initiatives |
| | Annually | Annual General Meeting | |
| | As required | Extraordinary General Meeting | |

## MATERIAL FACTORS

In FY2022, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, material Sustainability Factors to our business and their reporting priority level were updated. In this Report, we have also reported our progress in managing these Sustainability Factors and set related targets to track and improve our sustainability performance.

*List of material Sustainability Factors*

| S/N | Sustainability Factor | SDG | Key stakeholder |
|---|---|---|---|
| **Customer Experience** | | | |
| 1 | Total Customer Satisfaction | Decent work and economic growth | • Customers<br>• Suppliers |
| **Economic** | | | |
| 2 | Sustainable Business Performance | Decent work and economic growth | • Employees<br>• Regulators<br>• Shareholders |
| **Environmental** | | | |
| 3 | Water Conservation | Clean water and sanitation | • Communities<br>• Shareholders |
| 4 | Energy Conservation and Emissions Reduction | Affordable and clean energy | • Communities<br>• Shareholders |
| 5 | Responsible Waste Management | Responsible consumption and production | • Communities<br>• Regulators<br>• Shareholders |
| **Social** | | | |
| 6 | Occupational Health and Safety | Good health and well-being | • Employees<br>• Regulators |
| 7 | Talent Retention and Development | Quality education | Employees |
| 8 | Diversity and Equal Opportunity | Reduced inequalities | Employees |
| 9 | Ongoing Community Engagement | Sustainable cities and communities | Communities |
| 10 | Commitment to Consistent Quality and Food Safety | Peace, justice and strong institutions | • Customers<br>• Regulators<br>• Suppliers |
| **Governance** | | | |
| 11 | Robust Corporate Governance Framework | Peace, justice and strong institutions | • Regulators<br>• Shareholders |

**Total Customer Satisfaction**
We are committed to retain and build a loyal customer base for our long-term sustainability by maximising customers' experiences. As an established 'family-friendly' F&B brand-name, we constantly strive to build brand loyalty with our diverse customers and grow our business across multi-generational groups.

*Wide brand and menu item offering*
Over the past four decades, we have expanded our brand offerings to provide a wide range of localised cuisines and seasonal menu items that cater to our customers' preference designed to create memorable dining experiences with both friends and families. We prioritise research and development by launching novel products and revised menu items in response to dynamic consumer trends regularly, such initiatives during the Reporting Period include:

- Swensen's launched the Chilli Crab Specials, which include Chilli Soft Shell Crab Burger, Chilli Crab Pasta and Chilli Crab Pizza, in line with the celebration of Singapore's 57th National Day; and
- Swensen's launched its 'Asian Delight' menu to cater to the local palate.

With the positive response and demand for our confinement meals at the restaurant since 2011, we have also broadened our catering service offering at Chilli Padi to cater for such pro-family Confinement Catering as a delivery service for new mothers to recuperate well at the comfort of their home.

*Be near to our customers*
To allow our customers easy access to our offerings, we adopt a multi-location strategy by setting up outlets at strategic locations which also raises brand awareness. Swensen's has an extensive network of outlets for customers across Singapore, both within city centres and popular heartland malls. As at 31 December 2022, we operated a total of 24 Swensen's outlets (FY2021: 24 outlets).

*Provide safe and quality products*
We adopt market standards and best practices in our operations to ensure quality and safety in our products and services. For further details on how we maintain product safety and consistency in quality, refer to "*Commitment to Consistent Quality and Food Safety*" section of this report.

*Render good customer service*
We strive to exceed our customer's expectations by providing not only a wide variety of quality food, but also good customer service at our restaurant outlets.

During the Reporting Period, our staff, Aman, has been recognised for going above and beyond to serve our customers and was presented with the Extra Mile Award for being an outstanding staff by Changi Airport Group.

*Build loyalty through membership programme*
We connect with our customers and reward them to build brand loyalty with our Swensen's Cool Rewards Membership and Chilli Padi's Spicy Rewards programmes, accessible through mobile applications.

In recognition of our efforts in brand building, Swensen's was recognised in the Platinum Category of the Reader's Digest Trusted Brands 2022, Champion of Good 2022 and the Excellent Service Award 2022.

**Sustainable Business Performance**
We are committed to provide value to various stakeholders through relevant and meaningful ways to enable a more sustainable future. Details of our financial performance can be found in the financial contents and audited financial statements of this Annual Report.

## Water Conservation

We recognise the importance to manage our water consumption efficiently and avoid the depletion of valuable water resources. Accordingly, we are committed to the responsible usage of water resources through enhancing our water consumption efficiency.

We rely on water resources to run our operations primarily in the following areas:

- In the preparation of our products such as soup base;
- Dishwashing; and
- Kitchen cleaning.

Key statistics on water consumption during the Reporting Period are as follows:

| Resource | Unit of measurement | FY2022 |
|---|---|---|
| Water consumption | Cu M | **120,587** |
| Water consumption intensity | Cu M/revenue S$'000 | **1.2** |

Besides our internal efforts on water conservation, Swensen's has been a partner with Public Utilities Board ("**PUB**") on their annual Singapore World Water Day campaign every March to rally the nation to cherish our water resources and use water wisely since 2019. In-store materials and social media platforms were used to promote PUB's water conservation message in 2022.

## Energy Conservation and Emissions Reduction

In order to mitigate the negative impacts of climate change, we are committed to responsible usage of energy resources and emissions reduction through enhancing our energy usage efficiency.

To run our operations, we rely mainly on the following energy sources:

- Diesel fuel to operate a fleet of vehicles owned by the Group for delivery;
- City gas for cooking purposes; and
- Electricity for running equipment for refrigeration, lighting, cooling and ventilation.

Key statistics on electricity consumption and GHG emissions during the Reporting Period are as follows:

| Performance indicator | Unit of measurement | FY2022 |
|---|---|---|
| **Energy consumption** | | |
| Diesel consumption | litre | **121,602** |
| Diesel consumption intensity | litre/revenue $'000 | **1.20** |
| City gas consumption | kWh | **4,798,909** |
| City gas consumption intensity | kWh/revenue $'000 | **47.2** |
| Electricity consumption | kWh | **11,170,016** |
| Electricity consumption intensity | kWh/revenue $'000 | **109.85** |
| GHG emissions | | |
| Direct GHG emissions (Scope 1) | tonnes $CO_2e$ | **4,902** |
| Indirect GHG emissions (Scope 2) | tonnes $CO_2e$ | **4,495** |
| Total GHG emissions | tonnes $CO_2e$ | **9,397** |
| GHG emissions intensity | tonnes $CO_2e$/revenue $'000 | **0.092** |

In line with our commitment to reduce our energy consumption, we progressively changed our restaurants' lighting to more energy and cost saving Light-Emitting Diode ("**LED**") lighting. We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns.

**Responsible Waste Management**

Waste generated from our restaurant and manufacturing operations included food waste and waste oil. Improper treatment and disposal of waste oil, pose harm to human health and the environment. All waste oil generated from operations is disposed via a licensed used oil collector so that it can be properly treated before being recycled through an accredited oil collector. During the Reporting Period, total waste oil generated amounted to 177,739kg in FY2022 (FY2021: 153,929kg). The increase in total waste oil generated was mainly due to the lifting of COVID-19 restrictions in April 2022.

In addition, Foodpanda, an online food delivery platform, launched a Green Label initiative together with Zero Waste SG and WWF Pact to audit and certify restaurants respectively in FY2022. This is part of its business initiative to achieve the sustainability targets set out by the Singapore Green Plan 2030 and to allow its customers to easily identify the most sustainable brands among its restaurant partners. ABR was proudly certified as a Green Label Merchant during the launch of this initiative on 26 July 2022.

**Occupational Health and Safety**

We strive to ensure that the health and safety of our employees are taken care of and we are committed to safeguard our employees' health and safety against any potential workplace hazards as it is a basic need of our workers to work in a safe environment. A safe environment also helps to increase our productivity so that we can give our best to our customers. We aim to provide a hazard-free workplace and we have a safety committee, a safety handbook and safety training in place.

During the Reporting Period, The Ministry of Manpower ("**MOM**") and Central Provident Fund Board ("**CPFB**") conduct regular inspections to help business entities comply with the Employment Act ("**EA**") and CPF Act ("**CPFA**"). MOM conducted a Workright Inspection for ABR and found zero non-compliance with employment laws (FY2021: none).

In FY2022, we encountered zero work-related fatalities, zero high-consequence work-related injuries, 30 recordable work-related injuries and zero recordable work-related ill health cases in FY2022 (FY2021: zero work-related fatalities, zero high-consequence work-related injuries, 36 recordable work-related injuries and 1 recordable work-related ill health cases). The recordable work-related injuries are mainly associated with cuts, slips, trips and falls. We have strengthened the relevant policies and procedures to reinforce workplace safety measures.

**Talent Retention and Development**

To attract and retain talent, we implemented flexible work arrangements for both corporate and operations employees. Such arrangements include telecommuting, flexi-hours, flexi-shift, staggered time, interim work and part-time work. Our employees play a crucial role in the growth of our Group and we believe in continual investment in our employees and maintaining a strong and cohesive workforce. To that end, we have invested our efforts in hiring, retaining and nurturing of our people.
Key statistics on new employees hires and employee turnover are as follows:

New hires

| Disclosure | FY2022 | FY2021 |
|---|---|---|
| **Gender** | | |
| Male | **51%** | 48% |
| Female | **49%** | 52% |
| **Age** | | |
| Below 30 | **59%** | 64% |
| 30 to 50 | **28%** | 20% |
| Above 50 | **13%** | 16% |

Turnover

| Disclosure | FY2022 | FY2021 |
|---|---|---|
| **Overall** | **49%** | 59% |
| **Gender** | | |
| Male | **49%** | 54% |
| Female | **51%** | 46% |
| **Age** | | |
| Below 30 | **57%** | 60% |
| 30 to 50 | **27%** | 26% |
| Above 50 | **16%** | 14% |

We embrace the philosophy of investing in our people by providing comprehensive training and development opportunities so that our staff can continuously improve their skills and grow within the Group.

Training and education

| Disclosure | FY2022 | | FY2021 | |
|---|---|---|---|---|
| | Male | Female | Male | Female |
| Total training hours | **1,422** | **814** | 1,223 | 639 |
| Average training hours per employee | **2.4** | **1.6** | 2.6 | 1.5 |

In FY2022, more employees attended the mandatory food hygiene training, and training activities resumed mainly due to the easing of restrictions on face-to-face training.

In addition, assessments are performed regularly to evaluate the performance of employees and this helps to encourage them to take self-initiated enrichment actions to improve themselves. During the Reporting Period, 100% of our employees received appraisal.

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720 (7) of SGX-ST, we confirm that all directors have attended one of the approved sustainability training courses during the Reporting Period.

### Diversity and Equal Opportunity

We are committed to provide a work environment for employees that fosters fairness, equality and respect regardless of age, gender, race or nationality. A diverse workforce supports business sustainability by providing different perspectives and insights to the team which can contribute to increased productivity and profitability as well as building a positive image and reputation for the organisation. The total number of full-time employees as at 31 December 2022 is 1,340 (FY2021: 1,087). The increase in total number of full-time employees was mainly due to the lifting of COVID-19 restrictions in April 2022.

Gender diversity (%)

We view gender diversity as an essential element in supporting sustainable development. Key statistics on gender diversity of our employees are as follows:

| | FY2022 | | FY2021 | |
|---|---|---|---|---|
| **Disclosure** | **Male** | **Female** | **Male** | **Female** |
| **Overall** | **51%** | **49%** | 50% | 50% |
| **Management level** | | | | |
| Management | **63%** | **37%** | 62% | 38% |
| Non-management | **49%** | **51%** | 46% | 54% |
| **Employment type** | | | | |
| Full-time | **55%** | **45%** | 53% | 47% |
| Part-time | **44%** | **56%** | 41% | 59% |

Age diversity (%)

We maintain a fair and open employment policy through providing fair employment opportunities to both young and mature workers. Key statistics on age diversity of our employees are as follows:

| | FY2022 | | | FY2021 | | |
|---|---|---|---|---|---|---|
| **Disclosure** | **Below 30** | **30 – 50** | **Over 50** | **Below 30** | **30 – 50** | **Over 50** |
| **Overall** | **40%** | **38%** | **22%** | 35% | 39% | 26% |
| **Management level** | | | | | | |
| Management | **9%** | **64%** | **27%** | 14% | 57% | 29% |
| Non-management | **47%** | **32%** | **21%** | 41% | 34% | 25% |
| **Employment type** | | | | | | |
| Full-time | **31%** | **46%** | **23%** | 26% | 47% | 27% |
| Part-time | **61%** | **19%** | **20%** | 62% | 17% | 21% |

During the Reporting Period, we have no (FY2021: zero) reported incidents of unlawful discrimination against employees.

## Ongoing Community Engagement

At ABR, we recognise that the long-term success of our business is closely related to the well-being of the community we operate in. Accordingly, we strive to constantly give back to the community, which has contributed to our success over the years, by providing a helping hand to those in need. We partner with various organisations, including government bodies and registered charities to address a variety of causes.

Our community engagement efforts are purposeful based on the three pillars of: 1) Empowering Persons with Disabilities; 2) Supporting Children and the Youth; and 3) Championing Family values.

During the Reporting Period, some of our notable community engagement activities which endorsed these three pillars include:

**Champion of Good Award 2022** in recognition of our exemplary giving as a Founding Member (Corporate) since June 2016. The Company of Good was set up to help convert corporate non-givers into givers and encourage companies that already give to become multipliers and leaders of good. It was launched with the National Volunteer & Philanthropy Centre ("**NVPC**"), in partnership with the Singapore Business Federation Foundation ("**SBFF**") and supported by the Ministry of Culture and Community and Youth ("**MCCY**").


**Frozen Treats** is one of our engagement avenues for various community events and charity organisations with thousands of ice cream moon cakes and frozen yogurt bars, throughout FY2022. These include Ayer Rajah National Day celebration, North-East Division National Day event, Metta Welfare Association ("**METTA**"), World Vision International Friendship Day Child Sponsorship Initiative, HCA Hospice Care ("**HCA**"), Kebun Baru Spring Residents' Network, Home Nursing Foundation, Tan Tock Seng Hospital ("**TTSH**") and Delta Senior School.

**SG Care Giving Week** through Glyph, a non-profit organisation with a community comprising of kids and youths from 5-16 years old, from low-income, single or dysfunctional families. Alongside Glyph's aim to provide a holistic education with equal opportunities for these children and youth by running various field trips, workshops and training programs, ABR partnered it to organise an ice cream cake decoration workshop in conjunction with SG Cares Giving Week on 3 December 2022.

**Club Rainbow Singapore** is a charitable organisation that provides compassionate services to chronically ill children and their families that ABR has been engaged since 2005. Besides annual sponsorship of Club Rainbow's fund-raising initiatives, Camp Rainbow and Ride For Rainbows events, ABR also gave out more than 1,000 Swensen's ice-cream birthday cakes to cheer up and encourage these less fortunate children.

Our other community engagement participations include Goldhill Neighbourhood Committee's 'Playground Installation 2022' series for their residents, donation to Republic Polytechnic Education Fund for academic awards of students from the School of Management and Communication, sponsoring of ice cream birthday cakes for the terminally ill members of HCA as well as persons with disabilities and the disadvantaged of Bizlink Centre Singapore Ltd ("**Bizlink Centre**").

In addition, we provided various employment opportunities to marginalised individuals and graduates from our various programs with Association for Persons with Special Needs ("**APSN**"), NorthLight School, AWWA School, Mountbatten Vocational School, METTA, Yellow Ribbon Project and New Hope Community Services. These initiatives encourage their social inclusivity as well as empowering them with employability skills and the financial means to support themselves.

**Commitment to Consistent Quality and Food Safety**

We are committed to deliver the best to our customers by providing quality and safe products for long-term business sustainability. We adopt stringent food quality and safety management practices throughout our entire business process.

*Customer Health & Safety*

In addition to adhering to Singapore's regulations and voluntary codes, stringent controls and internationally accredited food safety management systems are also in place, to ensure that public health and safety is safeguarded. In our restaurant's operations, we maintain a core team of Food Hygiene Officers ("**FHO**") 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. FHOs are certified and have undergone training to achieve Workforce Skills Qualifications ("**WSQ**") Conduct Food and Beverage Audit.

We implemented a food safety management system based on Health Hazard Critical Control Point ("**HACCP**") since 2002. 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 will continue to review and update the system where necessary and conduct regular audits on the effectiveness of the system. Gaps identified during such audits are followed-up and addressed timely.

As at 31 December 2022, more than 90%[5] of our restaurant outlets and manufacturing facilities achieved Gold Category 'A' rating from Singapore Food Agency ("**SFA**").

*Halal Certification*

Most[6] of our operations in Singapore and Malaysia are Halal-certified by the Islamic Religious Council of Singapore ("**MUIS**") and the Department of Islamic Development Malaysia ("**JAKIM**"). We undertake regular audits to ensure that we are compliant and can maintain valid Halal certifications at all times.

Being a Halal certified business, it is crucial to engage in stringent assessment of suppliers to ensure compliance with regulations, such as the humane slaughtering of animals. It is important for us to ensure that products sourced from our suppliers comply with the relevant Halal certification requirements. All products received from our suppliers must be certified by a recognised Halal Certifying Body or certified by MUIS or JAKIM directly.

*Healthier Dining Programme*

As a healthier dining partner of the Health Promotion Board ("**HPB**"), Swensen's restaurants offer at least three dishes that are lower in calories or prepared with wholegrains, serve complimentary drinking water, and use healthier cooking oil. In FY2022, healthier choice dishes contributed to 7% (FY2021: 5%) of our sales.

Besides being a pioneer Healthier Dining Partner of HPB since 2014, Swensen's has been participating in HPB's various campaigns to promote healthy lifestyle, including National Steps Challenge. Our participation in HPB's campaigns continued in 2022.

Swensen's also launched its first HPB endorsed Healthier Children's Meal in September 2022.

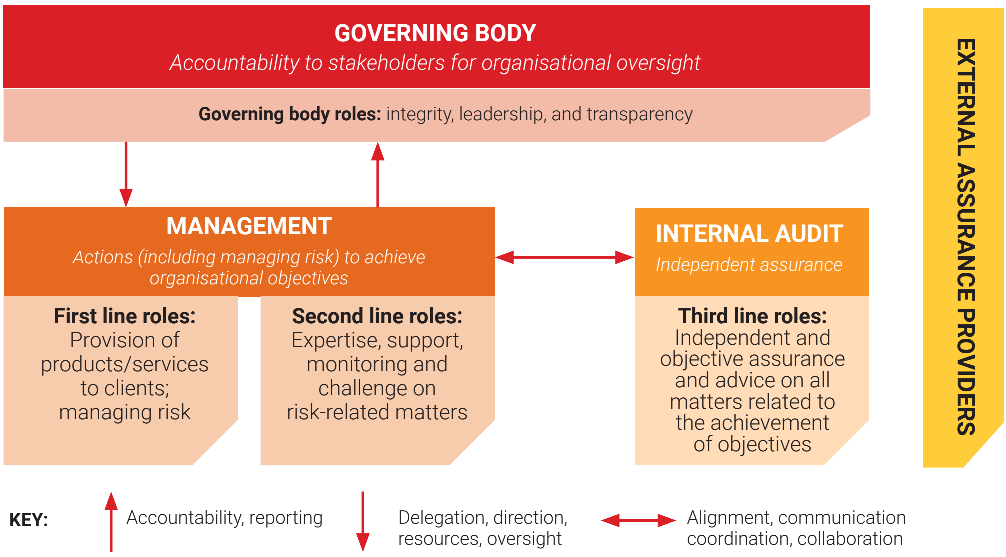
5 Comparative data was not presented in FY2021 due to a new framework introduced by SFA to replace letterbased grading system.
6 All of our operations in Singapore are Halal Certified with exception of Chilli Padi.

*Responsible Sourcing and Supplier Evaluation*
The sustainability of our supply chain forms a key part of our sustainability. We believe that supply chain evaluations are crucial to ensure the quality and consistency of ingredients sourced. Suppliers are selected after stringent assessments by our centralised procurement team which are conducted based on standardised evaluation criteria. Suppliers are required to hold the relevant certifications such as International Organisation of Standardisation ("**ISO**") 22000, HACCP and provide official supporting documents for verification by the procurement team.

Our suppliers are also regularly evaluated post acceptance to ensure continual compliance with food health and safety as well as hygiene standards. Where practicable, the supply chain management team would visit the factories of key suppliers periodically. Visits are made to ensure that suppliers fulfil our responsible sourcing requirements and to identify ways to enhance their operational performance. In FY2022, major suppliers were screened based on our vendor evaluation process. The supply chain management team also conducted site visits to suppliers.

**Robust Corporate Governance Framework**
Being a reputable public-listed restaurant chain, maintaining public trust is of utmost priority. The Group is committed to upholding high ethical standards and integrity in its operations, complying with all relevant laws and regulations. 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. During the Reporting Period, there are zero incidents of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations (FY2021: zero incident).

We aligned our corporate governance and risk management approach with the Three Lines Model published by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:




*Source: Three Lines Model of the IIA*

We have put in place an enterprise risk management ("**ERM**") framework to track and manage the risks in which we are exposed. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. We believe that it is important to eliminate the risk of undesirable behaviour among employees in order to prevent reputational damage and establish stakeholder trust. With a positive and proactive attitude, we believe that risks faced by the Group could be converted into opportunities and favourable results.

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 FY2022, there was no incident of serious offence reported (FY2021: zero incident).

Refer to the Corporate Governance Report of the Annual Report for details for our corporate governance practices.

## TARGET SETTING

| S/N | Sustainability Factor | Target for FY2023[7] |
|---|---|---|
| **Customer Satisfaction** | | |
| **1** | Total Customer Satisfaction | Continue with collaborations and partnerships to maintain customer satisfaction |
| **Economic** | | |
| **2** | Sustainable Business Performance | Maintain or improve our economic value retained subject to economic conditions |
| **Environment** | | |
| **3** | Water Conservation | Maintain or reduce water consumption intensity |
| **4** | Energy Conservation and Emissions Reduction | Maintain or reduce GHG emissions intensity |
| **5** | Responsible Waste Management | Maintain or improve the percentage of waste oil recycled |
| **Social** | | |
| **6** | Occupational Health and Safety | Reduce the number of recordable work-related injuries |
| **7** | Talent Retention and Development | Maintain or improve average training hours per employee |
| **8** | Diversity and Equal Opportunity | Maintain zero reported incident of unlawful discrimination against employees. |
| **9** | Ongoing Community Engagement | Continue to engage in community projects and charities |
| **10** | Commitment to Consistent Quality and Food Safety | • Continue screening major suppliers using our vendor evaluation form<br>• Maintain or improve grading from SFA for all restaurant outlets and manufacturing facilities |
| **Governance** | | |
| **11** | Robust Corporate Governance Framework | • Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations (ongoing and long-term)<br>• Maintain zero incident of serious offence (ongoing and long-term) |

7 Long-term targets with no end dates are indicated with ongoing and long-term.

# APPENDICES

## Supporting the UN Sustainable Development Goals

| SDG | | Our effort |
|---|---|---|
|   | Ensure healthy lives and promote well-being for all at all ages | Occupational Health and Safety<br>We implement measures to ensure a safe and secure working environment for our employees. |
|   | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Talent Retention and Development<br>We invest in training, education and development of our people to enhance our business competencies. |
|   | Ensure availability and sustainable management of water and sanitation for all | Water Conservation<br>We implement checks and measures to reduce water wastage in our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources. |
|   | Ensure access to affordable, reliable, sustainable and modern energy for all | Energy Conservation and Emissions Reduction<br>We implement measures to reduce our energy consumption as not only does it help to improve energy efficiency and reduce GHG emissions, it also helps us to reduce costs incurred to support our business operations. |
|   | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Total Customer Satisfaction<br>We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs.<br><br>Sustainable Business Performance<br>We contribute to economic growth through creating long-term value for our stakeholders. |

| SDG | | Our effort |
|---|---|---|
| 10 REDUCED INEQUALITIES | Reduce inequality within and among countries | Diversity and Equal Opportunity<br>We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges. |
| 11 SUSTAINABLE CITIES AND COMMUNITIES | Make cities and human settlements inclusive, safe, resilient and sustainable | Ongoing Community Engagement<br>We initiate various campaign to give back to the community we operate in and promote sustainable communities. |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Ensure sustainable consumption and production patterns | Responsible Waste Management<br>We implement measures and initiatives to help prevent and reduce waste that is generated from our business operations. |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | Commitment to Consistent Quality and Food Safety<br>We adopt stringent food quality and safety management practices throughout our entire business process to maintain the continued success of our business and promote effective and accountable institutions.<br><br>Robust Corporate Governance Framework<br>We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholders' value and carry out business with integrity by avoiding corruption in any form. |

**Supporting the TCFD**

We are committed to support the recommendations by the TCFD and has disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

| Key area | Our approach |
|---|---|
| Governance | The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.<br><br>Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC includes representatives from key Group functions. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data. |
| Strategy | The climate-related risks and opportunities identified by the Group during the ERM exercise include the following:<br><br>• With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise especially amongst younger consumers. A failure to adapt to shifting consumer preferences may adversely affect customer satisfaction, demand of our existing product offerings and the Group's financial performance; and<br><br>• On the other hand, this encourages us to constantly innovate and/or re-invent our menu through sustainable sources to renew and invigorate interests of new and younger consumers as well as to capture new market segments such as with the vegans.<br><br>We are currently looking into conducting climate-related scenario analysis consistent with the TCFD's recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons, to anticipate and manage climate change impacts. |
| Risk management | An ERM framework is in place to guide the Group in the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks.<br><br>Climate related risks and opportunities relevant to the Group are identified and assessed during an ERM exercise. The climate-related risks and their related opportunities and treatment plans are also reviewed and updated during the ERM exercise and are presented to the Audit Committee along with the other Group's key risks. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators. |
| Metrics and targets | We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our Report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.<br><br>To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable. |

### GRI Content Index

| | |
|---|---|
| **Statement of use** | ABR Holdings Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. |
| **GRI 1 used** | GRI 1: Foundation 2021 |

| GRI standard | Disclosure | Location |
|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 1, 6-10, 37-38 |
| | 2-2 Entities included in the organisation's sustainability reporting | 15 |
| | 2-3 Reporting period, frequency and contact point | 15-16 |
| | 2-4 Restatements of information | 15 |
| | 2-5 External assurance | 16 |
| | 2-6 Activities, value chain and other business relationships | 6-10 |
| | 2-7 Employees | 24 |
| | 2-8 Workers who are not employees | None |
| | 2-9 Governance structure and composition | 16, 34-35, 40-42 |
| | 2-10 Nomination and selection of the highest governance body | 44-45 |
| | 2-11 Chair of the highest governance body | 34-35, 42-44 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 16 |
| | 2-13 Delegation of responsibility for managing impacts | 16 |
| | 2-14 Role of the highest governance body in sustainability reporting | 16 |
| | 2-15 Conflicts of interest | 40-42 |
| | 2-16 Communication of critical concerns | 27, 50-52 |
| | 2-17 Collective knowledge of the highest governance body | 22-23, 40-43 |
| | 2-18 Evaluation of the performance of the highest governance body | 46 |
| | 2-19 Remuneration policies | 46-47 |
| | 2-20 Process to determine remuneration | 46-47 |
| | 2-21 Annual total compensation ratio | Information is not provided due to confidentiality constraints. |
| | 2-22 Statement on sustainable development strategy | 2-3, 14-15 |
| | 2-23 Policy commitments | 27, 29-31 |
| | 2-24 Embedding policy commitments | 27 |
| | 2-25 Processes to remediate negative impacts | 27, 50-52 |
| | 2-26 Mechanisms for seeking advice and raising concerns | 27, 50-52 |
| | 2-27 Compliance with laws and regulations | 24, 27 |
| | 2-28 Membership associations | None |
| | 2-29 Approach to stakeholder engagement | 18 |
| | 2-30 Collective bargaining agreements | None of our employee are covered by collective bargaining agreements |

| GRI standard | Disclosure | Location |
|---|---|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 16-17 |
| | 3-2 List of material topics | 19 |
| | 3-3 Management of material topics | 20-27 |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | 27 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | 21-22 |
| | 302-3 Energy intensity | 21-22 |
| GRI 303: Water and Effluents 2018 | 303-5 Water consumption | 21 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 21-22 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 21-22 |
| | 305-4 GHG emissions intensity | 21-22 |
| GRI 306: Waste 2020 | 306-2 Management of significant waste-related impacts | 22 |
| | 306-3 Waste generated | 22 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 22-23 |
| GRI 403: Occupational Health and Safety 2018 | 403-9 Work-related injuries | 22 |
| | 403-10 Work-related ill health | 22 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 22-23 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 22-23 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 22-23 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 24 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 24 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 25-26 |
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# 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 29 April 2022.

## 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 20 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 29 April 2022.

## 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.

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 29 April 2022.

## 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 28 April 2021.

## 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 28 April 2021.

## 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 28 April 2021.

## ANG JUN HUNG

*Alternate Director to Ang Yee Lim*

Mr Ang Jun Hung was appointed as Alternate Director to Ang Yee Lim on 1 January 2022.

Mr Ang joined the Group in August 2019 as Group Investment Manager, 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.

# 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 / CEO, Swensen's | ABR Holdings Limited*

Mr Teo Tong Loong spearheads the Group's business development and marketing efforts since 2019, he has been responsible for implementing strategic growth plan, both organic and inorganic, across the Group while supporting the Board alongside Key Management in delivering key performance across the operational, IT, and administrative functions.

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.

## ANTHONY LER

*Executive Chef | ABR Holdings Limited*

Mr Anthony Ler is responsible for menu creation, menu engineering, kitchen workflow design as well as overseeing franchisee auditing for the Group.

Mr Ler first joined the Company in 1999 as Assistant Outlet Chef and subsequently rose to Executive Chef in 2022.

Prior to joining the Company, Mr Ler had over 18 years of experience in the hotel industry.

## JONATHAN CHUA

*Executive R&D Chef*

Mr Chua spearheads product innovation and development across ABR Group, constantly evaluating and revamping existing offerings to meet evolving consumer preferences, and conceptualizing new brands for the company.

Through his strategic vision and culinary expertise, he played a pivotal role in the complete overhaul of Earle's menu, introducing the now-famous smash burgers and delectable all-day brunch offerings.

Mr Chua holds a Bachelor of Science in Business Administration from the University of New York, at Buffalo.

## 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.

## LECK KIM SONG

*Executive Director | 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 (Royal Charter). He is also a corporate member of the Singapore Institute of Surveyors and Valuers.

## ANG PHECK CHOO

*General Manager, Tip Top | All Best Foods Pte Ltd*

Ms Ang oversees and manages the business operations of Tip Top as General Manager.

Prior to joining the Group in 2013, Ms Ang has garnered more than 20 years of working experience in the food & beverage industry and held positions as Head of Operations and General Manager.

Ms Ang graduated from Simon Fraser University (Canada) with a Bachelor's Degree in Business Administration.

ABR

- 100% All Best Foods Pte Ltd
  - 100% 21 Tanjong Pagar Pte Ltd
- 100% ABR Swensen's Pte Ltd
- 100% Chilli Padi Holding Pte Ltd
  - 100% Chilli Api Catering Pte Ltd
  - 100% Chilli Padi Nonya Restaurant Pte Ltd
  - 100% Chilli Padi Nonya Catering Pte Ltd
- 100% Food Creations Pte Ltd
- 100% Lawry's (Singapore) Ltd
  - 80% Season Confectionary & Bakery Sdn Bhd
    - 100% Swensen's (Malaysia) Sdn Bhd
    - 100% SSCB Pte Ltd
  - 80% Season's Café Sdn Bhd
- 99.9% ABR (HK) Limited
- 51% Kitchen Alchemy Pte Ltd
- 100% ABR Land (S) Pte Ltd
- 100% All Best Realty Pte Ltd
  - 20% Goodwill Influx Sdn Bhd
    - 51% Armani Hartajaya Sdn Bhd
- 100% ABR Property Investments Pte Ltd
  - 49% ABR CCH Land Sdn Bhd
    - 100% E Khidmat Integriti Sdn Bhd
  - 100% PT ABR Bintan Investments
- 100% Europa Lounge and Restaurant Pte Ltd
- 100% Permai Puncakmas Sdn Bhd
  - 19% Sering Manis Sdn Bhd
- 50% Baywind Properties Pte Ltd

Note: Group Structure as at 31 December 2022 and it excludes dormant companies

# CORPORATE INFORMATION

**Directors**
Chua Tiang Choon, Keith
Ang Yee Lim
Ang Lian Seng
Allan Chua Tiang Kwang
Quek Mong Hua
Lim Jen Howe
Ang Jun Hung (Alternate Director to Ang Yee Lim)

**Joint Secretaries**
Lee Bee Fong
Hon Wei Ling

**Registered Office**
41 Tampines Street 92
Singapore 528881
Tel: (65) 6786 2866
Fax: (65) 6788 2226
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: Low See Lien
(Appointed since financial year ended 31 December 2021)

**Solicitors**
Lee & Lee

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

# CONTENTS CORPORATE GOVERNANCE AND FINANCIAL REPORT

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 2022 ("**FY2022**"), 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 FY2022 complied with the principles and provisions as set out in the Code. The Board also confirms that where there are deviations from the principles and/or 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 recognise 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.

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 four 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. Mr Ang Jun Hung was appointed as an Alternate Director to Mr Ang Yee Lim, the Managing Director of the Company, on 1 January 2022 and he has completed the relevant mandatory training on his roles and responsibilities as a director of a listed company on the SGX-ST. To equip Directors with the relevant sustainability knowledge, all Directors have completed their mandatory sustainability training in 2022 by attending the sustainability course organised by the Singapore Institute of Directors.

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 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.

The number of Board and Board sub-committee meetings held in FY2022 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 | 4 | 4 | NA | NA | NA | NA | 1 | 1 |
| Ang Yee Lim | 4 | 4 | NA | NA | NA | NA | NA | NA |
| Ang Lian Seng | 4 | 4 | NA | NA | 1 | 1 | NA | NA |
| Allan Chua Tiang Kwang | 4 | 4 | 4 | 4 | NA | NA | NA | NA |
| Quek Mong Hua | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Lim Jen Howe | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |

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 video conference 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 and video conferencing 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 currently comprises six Directors being one Executive Chairman, one Managing Director, one Executive Director, one Non-Executive Director and two Independent Non-Executive Directors, as follows:–

| | |
|---|---|
| Chua Tiang Choon, Keith | (Executive Chairman) |
| Ang Yee Lim | (Managing Director) |
| Ang Lian Seng | (Executive Director) |
| Allan Chua Tiang Kwang | (Non-Executive Director) |
| Lim Jen Howe | (Independent Non-Executive Director) |
| Quek Mong Hua | (Independent Non-Executive Director) |
| Ang Jun Hung | (Alternate Director to Ang Yee Lim) |

Profiles of the Directors are found in the "Board of Directors" section of this annual report.

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 with the Code, its Practice Guidance and Rules 210(5)(d)(i) and 210(5)(d)(ii) of the Listing Rules as a result of its review.

The independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review. As at the date of this report, Mr Lim Jen Howe and Mr Quek Mong Hua have served on the Board for a period exceeding nine years from the date of their first appointments. The two directors' continued appointment as Independent Directors were sought and approved by the two-tier shareholders' voting on 28 April 2021. The said approval will remain in force until the earlier of the following: (i) the retirement or resignation of the director; or (ii) the annual general meeting to be held in 2024 for the financial year ending 31 December 2023.

After due consideration and careful assessment, the NC and the Board are of the view that Mr Lim and Mr Quek continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as Directors of the Company. Their length of service does not in any way interfere with their exercise of independent judgement nor hinder their ability to act in the best interests 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 appointments. Mr Lim and Mr Quek have recused themself from all NC and Board deliberations and decisions relating to their continued independence.

According to Provision 2.2 of the Code, independent directors should make up at least a majority of the Board where the Chairman is not independent. With the Executive Chairman and two out of the six Directors being independent, Provision 2.2 of the Code is not satisfied. The Company has three (3) Non-Executive Directors who form 50% composition of the Board and the Board recognises that this is not in accordance with Provision 2.3 of the Code that Non-Executive Directors shall make up majority of the Board.

Although the Independent Directors do not make up a majority of the Board where the Chairman is not independent and Non-Executive Directors form only 50% composition of the Board, 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, Managing Director and Executive Director are reviewed by the Board. The Board is also satisfied that the Executive Chairman has always acted manifestly in the best interests of shareholders as a whole and has striven to protect and enhance the long-term shareholders' value and the financial performance of the Group.

The two Independent Directors chair the three 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 has adopted a Board diversity policy ("Diversity Policy") with NC responsible to review and monitor its implementation. The Board is aware that the Diversity Policy should include the following: (a) the Company's targets to achieve diversity on its board; (b) the Company's accompanying plans and timelines for achieving the targets; (c) the Company's progress towards achieving the targets within the timelines; and (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the Company.

In the Diversity Policy, emphasis is placed on having an effective blend of competencies, skills, experience and knowledge that will enable the Board to discharge its duties and responsibilities effectively and support good decision making. The Board is of the view that, while it is important to promote board diversity in terms of gender, age and ethnicity, criteria based on an effective blend of competencies, skills, experience and knowledge to strengthen the Board should remain a priority. For achieving an optimal Board, diversity targets may be set and reviewed from time to time to ensure their appropriateness. Under the policy, the NC will consider the benefits of all aspects of diversity with emphasis being placed on having an effective blend of competencies, skills, experience and knowledge in the annual review of Board composition. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity.

Currently, the Board has not set any specific target for gender diversity but includes female candidates for consideration when identifying candidates to be appointed as directors. Similarly, the Board does not set any specific target for ethnic diversity, age diversity or age limit for its Directors given that directors are selected based primarily on experience and knowledge and their ability to contribute to the Board.

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 requires 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.

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, the Executive Director and two other members of Management 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.

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:

- Lim Jen Howe
- Quek Mong Hua

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 FY2022. 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.

**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 DEVELOPING 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.**

Remuneration Committee

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.

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 FY2022.

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.

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 interests 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 five key management personnel, who are not Directors of the Company, for FY2022, 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 five key management personnel has been disclosed in the respective bands. The remuneration for the Executive Directors and the top five 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 interests 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 five key management personnel's remuneration for FY2022, are as follows:

| **Directors** | **Salary**[1] **%** | **Bonus**[1] **%** | **Fees**[2] **%** | **Allowances and other benefits %** | **Total %** |
|---|---|---|---|---|---|
| **$250,000 to $500,000** | | | | | |
| Chua Tiang Choon, Keith | 80 | 17 | – | 3 | 100 |
| Ang Yee Lim | 80 | 17 | – | 3 | 100 |
| Ang Lian Seng | 87 | 12 | – | 1 | 100 |
| **Below $250,000** | | | | | |
| Allan Chua Tiang Kwang | – | – | 100 | – | 100 |
| Quek Mong Hua | – | – | 100 | – | 100 |
| Lim Jen Howe | – | – | 100 | – | 100 |

| **Key Management Personnel** | **Salary**[1] **%** | **Bonus**[1] **%** | **Fees %** | **Allowances and other benefits %** | **Total %** |
|---|---|---|---|---|---|
| **$250,000 to $500,000** | | | | | |
| Lee Siang Choo | 96 | 4 | – | – | 100 |
| **Below $250,000** | | | | | |
| Ng Soo Noi | 96 | 4 | – | – | 100 |
| Teo Tong Loong[Note A] | 85 | 15 | – | – | 100 |
| Ang Jun Hung[Note B] | 78 | 22 | – | – | 100 |
| Leck Kim Song[Note C] | 93 | 5 | – | 2 | 100 |

Note A 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 B Mr Ang Jun Hung is the son of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; and cousin of the Executive Director, Mr Ang Lian Seng. Mr Ang Jun Hung was appointed as an alternate director to Mr Ang Yee Lim on 1 January 2022.

Note C Mr Leck Kim Song is the 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 five key management personnel in FY2022 is $1,107,000.

Employees who are the immediate family members of the Directors with remuneration exceeding $100,000 (other than employees under key management personnel) during FY2022 are as follows:

| Executives | Salary[1] % | Bonus[1] % | Fees % | Allowances and other benefits % | Total % |
|---|---|---|---|---|---|
| **From $100,000 to $150,000** | | | | | |
| Ang Lian Tiong | 95 | 4 | – | 1 | 100 |
| Ang Pheck Choo | 95 | 5 | – | – | 100 |

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

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

*Notes:*

1 *Salary and bonus percentages shown are inclusive of CPF.*

2 *Fees for FY2022 are subject to shareholders' approval at the forthcoming AGM.*

**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 auditor ("IA") performed two internal audit reviews for the financial year ended 31 December 2022 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 heads 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 FY2022 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.

**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 during the year. The AC met with the internal and external auditors without the presence of Management during FY2022.

The AC is guided by its own written Terms of Reference setting out its authority and duties. During the financial year, the AC has performed 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 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 auditor; and (ii) the remuneration and terms of engagement of the external auditor. 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 $176,000 for audit services and $24,000 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.

The Company has implemented a whistleblowing policy whereby accessible channels are provided for employees of the Group to raise concerns about possible improprieties in financial reporting, fraudulent acts and other irregularities, and to ensure that arrangements are in place for independent investigations of such matters and timely implementation of appropriate preventive and corrective actions. The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its meetings to ensure independent, thorough investigations and appropriate follow-up actions are taken. The Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly and protected against detrimental or unfair treatment for whistleblowing in good faith. The details of the whistleblowing policy together with the dedicated whistleblowing communication channels (such as emails address and telephone contacts) have been made available to all employees. There was no reported incident pertaining to whistleblowing during FY2022 and until the date of this Annual Report.

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. 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 auditing 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 and assurance 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. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.

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-aligned approach;
- 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.

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.

The IA 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.

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 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.

The AC has reviewed and is satisfied that the IA is independent, adequately resourced, effective and has an appropriate standing within the Company to discharge its responsibilities.

**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. Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

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 0.75 Singapore cents per ordinary share in respect of FY2022, subject to shareholders' approval at the forthcoming AGM.

**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 1967 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 practise 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. Notices for general meetings together with relevant documents (such as annual report, letter to shareholders or circular) will be published on the Company's website at http://www.abr.com.sg and on the SGXNet at https://www.sgx.com/securities/company-announcements.

The forthcoming AGM in respect of FY2022 will be held, in a wholly physical format, at the Company registered office, on 27 April 2023 ("AGM 2023"). There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM 2023, submission of questions in advance of, or at, the AGM 2023, and voting at the AGM 2023 by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNET.

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 investor-relations@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.

**ADDITIONAL INFORMATION**
**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 FY2022, 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.

SUPPLEMENTAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Mr Lim Jen Howe and Mr Quek Mong Hua are Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 April 2023 ("**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:

| NAME OF DIRECTOR | MR LIM JEN HOWE |
|---|---|
| Date of Appointment | 21 August 2003 |
| Date of last re-appointment | 28 April 2021 |
| Age | 70 |
| Country of principal residence | 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 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 | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. |
| Professional qualifications | Fellow of the Institute of Chartered Accountants in England and Wales<br><br>Member of the Institute of Singapore Chartered Accountants |
| Working experience and occupation(s) during the past 10 years | Partner, Thong & Lim, Chartered Accountants of Singapore |
| Shareholding interest in the listed issuer and its subsidiaries | 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 | No |
| Conflict of Interest (including any competing business) | Nil |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes |

| NAME OF DIRECTOR | MR QUEK MONG HUA |
|---|---|
| Date of Appointment | 21 August 2003 |
| Date of last re-appointment | 28 April 2021 |
| Age | 70 |
| Country of principal residence | 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 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. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Independent Non-Executive Director, Chairman of Remuneration and Nominating Committees and a member of the Audit Committee. |
| Professional qualifications | Bachelor of Laws (Hons), Advocate and Solicitor of the Supreme Court of Singapore |
| Working experience and occupation(s) during the past 10 years | Senior Partner and Head of Litigation and Dispute Resolution of Lee & Lee |
| Shareholding interest in the listed issuer and its subsidiaries | Direct interest: 300,000 ordinary shares<br><br>Deemed interest: 40,000 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 | No |
| Conflict of Interest (including any competing business) | Nil |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes |

SUPPLEMENTAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

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: (cont'd)

| NAME OF DIRECTOR | MR LIM JEN HOWE |
|---|---|
| Other Principal Commitments* Including Directorships# | |
| Past (for the last 5 years) | • The Anglo-Chinese School Foundation Limited<br>• Anglo-Chinese School Board of Governors<br>• Thong & Lim Consultants Private Limited |
| Present | • Partner, Thong & Lim, Chartered Accountants of Singapore<br>• Period Properties Pte Ltd<br>• Arbour Fine Art Pte Ltd<br>• T&L Support Services Pte. Ltd.<br>• Caregivers Alliance Limited<br>• TalkMed Group Limited<br>• SPCI-HELM Group Holdings Pte Ltd<br>• SPCI-HELM Singapore Pte Ltd<br>• SPCI-HELM Advance Pte Ltd |
| **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 |
| 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 |
| c) Whether there is any unsatisfied judgment against him? | 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 |

| NAME OF DIRECTOR | MR QUEK MONG HUA |
|---|---|
| Other Principal Commitments* Including Directorships# | |
| Past (for the last 5 years) | Nil |
| Present | • Senior Partner of Lee & Lee<br>• Member of the Management Committee of Lee & Lee<br>• Executive Elder of Bethesda Frankel Estate Church Ltd |
| **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 |
| 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 |
| c) Whether there is any unsatisfied judgment against him? | 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 |

* "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)

**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.**

| NAME OF DIRECTOR | MR LIM JEN HOWE | MR QUEK MONG HUA |
|---|---|---|
| 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 |
| f) Whether at any time during the last 10 years, judgment 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 |
| 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 |
| 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 |
| i) Whether he has ever been the subject of any order, judgment 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 |

**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. (cont'd)**

| NAME OF DIRECTOR | MR LIM JEN HOWE | MR QUEK MONG HUA |
|---|---|---|
| j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–<br><br>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or<br><br>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<br><br>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<br><br>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,<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | 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 |

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 2022.

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 66 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 2022 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) |
| Allan Chua Tiang Kwang | (Non-executive) |
| Lim Jen Howe | (Independent and non-executive) |
| Quek Mong Hua | (Independent and non-executive) |
| Ang Jun Hung | (Alternate director to Ang Yee Lim) (Appointed on 1 January 2022) |

**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 1967 (the "Act") except as follows:

| | Number of ordinary shares | | | | | |
|---|---|---|---|---|---|---|
| | Direct interest | | | Deemed interest | | |
| **Name of directors** | **At 1.1.2022** | **At 31.12.2022** | **At 21.1.2023** | **At 1.1.2022** | **At 31.12.2022** | **At 21.1.2023** |
| **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 | 103,929,801 | 104,551,401 | 104,551,401 | – | – | – |
| Ang Lian Seng | 2,300,000 | 2,300,000 | 2,300,000 | – | – | – |
| Lim Jen Howe | 300,000 | 300,000 | 300,000 | – | – | – |
| Quek Mong Hua | 300,000 | 300,000 | 300,000 | 40,000 | 40,000 | 40,000 |

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 2022, Kechapi Pte Ltd holds 56,925,858 shares in the Company.

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

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 1.1.2022** | **At 31.12.2022** |
| 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 |

**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.

**Audit Committee**

The Audit Committee comprises three members, two of whom are independent directors. The members of the Audit Committee during the financial 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 2022 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<br>Director | Ang Yee Lim<br>Director |

3 April 2023

**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 66 to 137, which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, 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 1967 (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 2022 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 impairment assessment of goodwill and trademarks annually, or more frequently if there are indications of impairment. As disclosed in Note 14 to the financial statements, the carrying values of goodwill and trademarks totalled $13,684,000 (2021: $13,684,000) at 31 December 2022 and have been allocated to the cash-generating unit ("CGU"). The recoverable amount of the CGU is estimated by management and used to compare against its carrying amount. In estimating the recoverable amount, value in use calculations were undertaken where management estimated the expected future cash flows from the CGU and a suitable discount rate in order to determine the present value of the cash flows.

We consider the impairment assessment of goodwill and trademarks 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 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.

**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 2022 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.

**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 Low See Lien.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

3 April 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|---|
| **Revenue** | 4 | **101,733** | 74,625 |
| Cost of sales | | **(56,257)** | (43,707) |
| **Gross profit** | | **45,476** | 30,918 |
| Other income | 5a | **3,807** | 12,340 |
| Interest income | 5b | **649** | 397 |
| **Expenses** | | | |
| Selling, distribution and outlet expenses | | **(28,386)** | (24,807) |
| Administrative expenses | | **(16,585)** | (14,500) |
| Other expenses | | **(407)** | (1,669) |
| Finance costs | 6 | **(1,167)** | (985) |
| Share of results of equity-accounted investees, net of tax | | **(614)** | (558) |
| **Profit before tax** | 7 | **2,773** | 1,136 |
| Income tax (expense)/credit | 9 | **(259)** | 866 |
| **Profit for the year** | | **2,514** | 2,002 |
| **Other comprehensive loss:** | | | |
| *Items that are or may be reclassified subsequently to profit or loss* | | | |
| Currency translation differences | | **(997)** | (247) |
| **Other comprehensive loss for the year, net of tax** | | **(997)** | (247) |
| **Total comprehensive income for the year** | | **1,517** | 1,755 |
| **Profit/(loss) attributable to:** | | | |
| Owners of the Company | | **2,433** | 2,487 |
| Non-controlling interests | | **81** | (485) |
| **Profit for the year** | | **2,514** | 2,002 |
| **Total comprehensive income/(loss) attributable to:** | | | |
| Owners of the Company | | **1,478** | 2,253 |
| Non-controlling interests | | **39** | (498) |
| **Total comprehensive income for the year** | | **1,517** | 1,755 |
| **Earnings per share for the year attributable to owners of the Company** | | | |
| Basic (cents) | 10 | **1.21** | 1.24 |
| Diluted (cents) | 10 | **1.21** | 1.24 |

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

# STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2022

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 11 | **16,582** | 17,785 | **5,335** | 5,941 |
| Right-of-use assets | 12 | **23,989** | 23,662 | **21,790** | 20,475 |
| Investment properties | 13 | **30,202** | 3,934 | **816** | 853 |
| Intangible assets | 14 | **15,224** | 15,516 | **–** | – |
| Investments in subsidiaries | 15 | **–** | – | **64,313** | 51,821 |
| Interests in equity-accounted investees | 16 | **20,627** | 20,593 | **500** | 500 |
| Financial asset at FVOCI | 17 | **35** | 35 | **35** | 35 |
| Financial assets at FVTPL | 18 | **4,352** | 6,372 | **4,352** | 6,372 |
| Loans to subsidiaries | 19 | **–** | – | **10,562** | 10,872 |
| Loans to equity-accounted investees | 20 | **9,611** | 8,561 | **5,194** | 4,144 |
| Deferred tax assets | 26 | **450** | 250 | **200** | 250 |
| **Total non-current assets** | | **121,072** | 96,708 | **113,097** | 101,263 |
| **Current assets** | | | | | |
| Inventories | 21 | **3,215** | 2,560 | **2,196** | 1,747 |
| Trade and other receivables | 22 | **8,547** | 7,617 | **4,715** | 4,896 |
| Cash and cash equivalents | 23 | **32,856** | 42,059 | **12,120** | 22,507 |
| **Total current assets** | | **44,618** | 52,236 | **19,031** | 29,150 |
| **Total assets** | | **165,690** | 148,944 | **132,128** | 130,413 |

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

| | Note | Group 2022 $'000 | Group 2021 $'000 | Company 2022 $'000 | Company 2021 $'000 |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 24 | **43,299** | 43,299 | **43,299** | 43,299 |
| Other reserves | 25 | **(1,132)** | (2,077) | **–** | – |
| Accumulated profits | | **54,660** | 54,507 | **50,346** | 48,796 |
| **Equity attributable to owners of the Company** | | **96,827** | 95,729 | **93,645** | 92,095 |
| Non-controlling interests | | **429** | 2,271 | **–** | – |
| **Total equity** | | **97,256** | 98,000 | **93,645** | 92,095 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 26 | **1,940** | 1,837 | **–** | – |
| Provision | 28 | **1,121** | 968 | **646** | 699 |
| Borrowings | 29 | **22,279** | 3,787 | **2,550** | 3,787 |
| Lease liabilities | 30 | **12,824** | 12,873 | **11,732** | 11,194 |
| **Total non-current liabilities** | | **38,164** | 19,465 | **14,928** | 15,680 |
| **Current liabilities** | | | | | |
| Trade and other payables | 27 | **13,200** | 11,908 | **9,720** | 10,088 |
| Provisions | 28 | **1,625** | 1,622 | **1,083** | 1,025 |
| Borrowings | 29 | **2,202** | 1,289 | **1,237** | 1,213 |
| Lease liabilities | 30 | **12,861** | 12,199 | **11,386** | 10,273 |
| Other liabilities | 31 | **–** | 4,392 | **–** | – |
| Tax payable | | **382** | 69 | **129** | 39 |
| **Total current liabilities** | | **30,270** | 31,479 | **23,555** | 22,638 |
| **Total liabilities** | | **68,434** | 50,944 | **38,483** | 38,318 |
| **Total equity and liabilities** | | **165,690** | 148,944 | **132,128** | 130,413 |

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

| | 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 1.1.2022 | 98,000 | 95,729 | 43,299 | (2,077) | 54,507 | 2,271 |
| Profit for the year | 2,514 | 2,433 | – | – | 2,433 | 81 |
| *Other comprehensive loss* | | | | | | |
| Currency translation differences | (921) | (879) | – | (879) | – | (42) |
| Currency translation on liquidation of a subsidiary in profit or loss | (69) | (69) | – | (69) | – | – |
| Share of other comprehensive loss of equity-accounted investees | (7) | (7) | – | (7) | – | – |
| Other comprehensive loss for the year, net of tax | (997) | (955) | – | (955) | – | (42) |
| Total comprehensive income/(loss) for the year | 1,517 | 1,478 | – | (955) | 2,433 | 39 |
| *Distributions to owners of the Company* | | | | | | |
| Tax exempt final dividend of 0.75 cents per share for the financial year ended 31.12.2021 | (1,507) | (1,507) | – | – | (1,507) | – |
| Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2022 | (502) | (502) | – | – | (502) | – |
| Dividend paid to non-controlling interests | (252) | – | – | – | – | (252) |
| Total distributions to owners of the Company | (2,261) | (2,009) | – | – | (2,009) | (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 | (2,261) | (380) | – | 1,900 | (2,280) | (1,881) |
| **Balance at 31.12.2022** | **97,256** | **96,827** | **43,299** | **(1,132)** | **54,660** | **429** |

* An analysis of "Other reserves" is presented in Note 25.

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

| | 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 1.1.2021 | 101,864 | 97,495 | 43,299 | (1,843) | 56,039 | 4,369 |
| Profit/(loss) for the year | 2,002 | 2,487 | – | – | 2,487 | (485) |
| *Other comprehensive loss* | | | | | | |
| Currency translation differences | (224) | (211) | – | (211) | – | (13) |
| Share of other comprehensive loss of equity-accounted investees | (23) | (23) | – | (23) | – | – |
| Other comprehensive loss for the year, net of tax | (247) | (234) | – | (234) | – | (13) |
| Total comprehensive income/(loss) for the year | 1,755 | 2,253 | – | (234) | 2,487 | (498) |
| *Distributions to owners of the Company* | | | | | | |
| Tax exempt final dividend of 1.75 cents per share for the financial year ended 31.12.2020 | (3,517) | (3,517) | – | – | (3,517) | – |
| Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2021 | (502) | (502) | – | – | (502) | – |
| Dividend paid to non-controlling interests | (1,600) | – | – | – | – | (1,600) |
| Total distributions to owners of the Company | (5,619) | (4,019) | – | – | (4,019) | (1,600) |
| Balance at 31.12.2021 | 98,000 | 95,729 | 43,299 | (2,077) | 54,507 | 2,271 |

* An analysis of "Other reserves" is presented in Note 25.

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

| | Total equity $'000 | Share capital $'000 | Accumulated profits $'000 |
|---|---|---|---|
| **Company** | | | |
| Balance at 1.1.2022 | 92,095 | 43,299 | 48,796 |
| Net profit and total comprehensive income for the year | 3,559 | – | 3,559 |
| Tax exempt final dividend of 0.75 cents per share for the financial year ended 31.12.2021 | (1,507) | – | (1,507) |
| Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2022 | (502) | – | (502) |
| | (2,009) | – | (2,009) |
| **Balance at 31.12.2022** | **93,645** | **43,299** | **50,346** |
| Balance at 1.1.2021 | 84,379 | 43,299 | 41,080 |
| Net profit and total comprehensive income for the year | 11,735 | – | 11,735 |
| Tax exempt final dividend of 1.75 cents per share for the financial year ended 31.12.2020 | (3,517) | – | (3,517) |
| Tax exempt interim dividend of 0.25 cents per share for the financial year ended 31.12.2021 | (502) | – | (502) |
| | (4,019) | – | (4,019) |
| Balance at 31.12.2021 | 92,095 | 43,299 | 48,796 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Group 2022 $'000 | 2021 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **2,773** | 1,136 |
| | | | |
| Adjustments for: | | | |
| Allowance for impairment on loans to a joint venture | | **–** | 124 |
| Currency translation gain on liquidation of a subsidiary | | **(69)** | – |
| Deemed finance costs | | **–** | 91 |
| Depreciation and amortisation | | **17,732** | 16,937 |
| Dividend income | | **(77)** | (78) |
| Fair value gain on financial assets at fair value through profit or loss | | **(400)** | (1,853) |
| Impairment loss on property, plant and equipment | | **127** | 86 |
| Interest expenses on borrowings | | **319** | 102 |
| Interest income | | **(649)** | (397) |
| Interest portion on lease liabilities | | **848** | 792 |
| Loss on derecognition of call option | | **–** | 1,237 |
| Loss on disposal of property, plant and equipment, net | | **23** | 11 |
| Modification gain on derecognition of right-of-use assets | | **–** | (26) |
| Modification loss on payable to NCI | | **–** | 156 |
| Property, plant and equipment written off | | **72** | 105 |
| Share of results of equity-accounted investees, net of tax | | **614** | 558 |
| | | | |
| Operating cash flows before movements in working capital | | **21,313** | 18,981 |
| | | | |
| Changes in working capital: | | | |
| Inventories | | **(655)** | (179) |
| Trade and other receivables | | **(617)** | 1,325 |
| Trade and other payables | | **1,016** | (322) |
| Provisions | | **55** | (96) |
| Currency translation differences | | **496** | (69) |
| | | | |
| Cash generated from operations | | **21,608** | 19,640 |
| | | | |
| Income tax paid | | **(32)** | (631) |
| | | | |
| **Net cash generated from operating activities** | | **21,576** | 19,009 |
| | | | |
| **Cash flows from investing activities** | | | |
| Dividend received | | **77** | 78 |
| Interest received | | **276** | 57 |
| Investment in equity-accounted investees | 16 | **–** | (500) |
| Loans to equity-accounted investees | | **(2,411)** | (5,375) |
| Proceeds from disposal of financial assets at fair value through profit or loss | | **3,068** | – |
| Proceeds from disposal of property, plant and equipment | | **38** | 34 |
| Purchase of financial assets at fair value through profit or loss | | **(648)** | (1,296) |
| Purchase of investment properties | | **(26,697)** | – |
| Purchase of property, plant and equipment | 11 | **(1,927)** | (3,481) |
| | | | |
| **Net cash used in investing activities** | | **(28,224)** | (10,483) |

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

| | Note | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Acquisition of non-controlling interests | | **(4,392)** | – |
| Dividend paid to non-controlling interests | | **(252)** | (1,600) |
| Dividends paid to shareholders | | **(2,009)** | (4,019) |
| Funds (placed in)/withdrawn from non-liquid deposits | | **(360)** | 21 |
| Interest expenses on borrowings paid | 29 | **(230)** | (102) |
| Interest portion on lease liabilities paid | 30 | **(848)** | (792) |
| Payment of lease liabilities | 30 | **(13,832)** | (13,069) |
| Proceeds from/(repayment of) short-term borrowings | 29 | **59** | (6) |
| Proceeds from term loan | 29 | **20,702** | – |
| Repayment of term loans | 29 | **(1,352)** | – |
| **Net cash used in financing activities** | | **(2,514)** | (19,567) |
| **Net decrease in cash and cash equivalents** | | **(9,162)** | (11,041) |
| Cash and cash equivalents at beginning of financial year | | **41,953** | 52,923 |
| Effect of exchange rate fluctuations on cash and cash equivalents | | **(396)** | 71 |
| **Cash and cash equivalents at end of financial year** | 23 | **32,395** | 41,953 |

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

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 1967 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.

*New and revised standards that are adopted*

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. 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.

***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 2022 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 Summary of significant accounting policies (cont'd)**

**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.

*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.

**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.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

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.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

**2 Summary of significant accounting policies (cont'd)**

**2.4 Goodwill**

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

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**

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 method to allocate the depreciable amounts of all property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

| | **Years** |
|---|---|
| Buildings and structural improvements | 15 – 50 |
| Leasehold property | 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.

**2 Summary of significant accounting policies (cont'd)**

**2.6 Investment properties**

Investment properties comprise freehold and leasehold properties, 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** |
|---|---|
| Freehold and leasehold properties | 40 – 50 |
| Land | 30 |

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.

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.

**2 Summary of significant accounting policies (cont'd)**

**2.7 Intangible assets (cont'd)**

*ii) Other intangible assets (cont'd)*

Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line method 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 investments, 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 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.

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.

**2 Summary of significant accounting policies (cont'd)**

**2.9 Associated companies and joint ventures (cont'd)**

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.

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.

**2 Summary of significant accounting policies (cont'd)**

**2.11 Financial assets (cont'd)**

***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.

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.

***Subsequent measurement***

*i) Debt instruments*

Debt instruments include fixed deposits, structured deposit, cash and bank balances, loans receivables and 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.

*Fair value through other comprehensive income ("FVOCI")*

The Group measures debts instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2 Summary of significant accounting policies (cont'd)**

**2.11 Financial assets (cont'd)**

***Subsequent measurement (cont'd)***

*i) Debt instruments (cont'd)*

*Fair value through other comprehensive income ("FVOCI") (cont'd)*

Movements in fair values for debts instruments at FVOCI are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and presented in "other income". Interest income from these financial assets is recognised in profit or loss using the EIR method.

*Fair value through profit or loss ("FVTPL")*

Debts instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "other income".

*ii) 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.

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.

**2 Summary of significant accounting policies (cont'd)**

**2.11 Financial assets (cont'd)**

***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.

**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 Summary of significant accounting policies (cont'd)**

**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 include trade and other payables (excluding advance receipts and refundable deposits from customers, deferred income and GST payables). Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the profit or loss when the liabilities are derecognised and through the amortisation process.

**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 measured 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 leases, 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.

**2 Summary of significant accounting policies (cont'd)**

**2.18 Leases (cont'd)**

*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.

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 – 5 |
| Plant and machinery | 12.5 |
| Office spaces, production rooms, store rooms and warehouses | 3 – 3.2 |
| 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.

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.

**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. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct cost incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

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.

**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 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 are recognised when they accrue to employees. A provision is made for the estimated liability for annual 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.

*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.

**2 Summary of significant accounting policies (cont'd)**

**2.22 Foreign currencies (cont'd)**

*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.

**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 spaces, 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 be 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 2022, potential future cash outflows of $16,199,000 (2021: $14,985,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the lease will be extended.

***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 impairment assessment of goodwill and intangible assets with indefinite life annually, or more frequently if there are indications of impairment. The recoverable amount of the cash-generating unit ("CGU") is estimated by management and used to compare against its carrying amount. In estimating the recoverable amount, value in use calculations were undertaken where management estimated the expected future cash flows from the CGU and a suitable discount rate in order to determine the present value of the cash flows.

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.

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

***Key sources of estimation uncertainty (cont'd)***

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

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 Note 11 and Note 12. The carrying values of the Group's intangible assets with finite lives are disclosed in Note 14. The carrying values of the investments in subsidiaries are disclosed in Note 15. The carrying values of the interests in equity-accounted investees are disclosed in Note 16. 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 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.

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 35.

*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 Note 30 and Note 12.

**4 Revenue**

| | **Group** | |
|---|---|---|
| | **2022** **$'000** | **2021** **$'000** |
| *At a point in time* | | |
| Sales and service charges – Food and beverage | **101,544** | 74,454 |
| *Over time* | | |
| Royalty income | **189** | 171 |
| | **101,733** | 74,625 |

## 5a Other income

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Rental income | **396** | 268 |
| Dividend income | **77** | 78 |
| Wage Credit Scheme and other wage support schemes | **470** | 435 |
| Management fee income | **572** | 348 |
| Fair value gain on financial assets at fair value through profit or loss | **400** | 1,853 |
| Modification gain on derecognition of right-of-use assets | **–** | 26 |
| Jobs Support Scheme ("JSS")* | **740** | 4,883 |
| Jobs Growth Incentive ("JGI")** | **268** | 465 |
| Other government grant income | **255** | 2,277 |
| Foreign exchange gain, net | **–** | 94 |
| Rent concessions | **367** | 1,152 |
| Others | **262** | 461 |
| | **3,807** | 12,340 |

* JSS grant income of $740,000 (2021: $4,883,000) 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.

** JGI grant income of $268,000 (2021: $465,000) was recognised during the financial year. JGI was introduced by Singapore Government to support employers to expand their local hiring.

## 5b Interest income

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Interest from deposits with banks | **276** | 57 |
| Interest on loans to joint ventures (Note 20) | **373** | 340 |
| | **649** | 397 |

## 6 Finance costs

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Deemed finance costs | **–** | 91 |
| Banker's acceptance interests (Note 29) | **4** | 2 |
| Interest expense on bank loans (Note 29) | **315** | 100 |
| Interest expense on lease liabilities (Note 30) | **848** | 792 |
| | **1,167** | 985 |

## 7 Profit before tax

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

| | Note | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|---|
| Allowance for impairment on amounts due from equity-accounted investees | 20 | **3** | 6 |
| Allowance for impairment on loans to a joint venture | 20 | **–** | 124 |
| Amortisation of intangible assets | 14 | **292** | 300 |
| Audit fees payable to: | | | |
| – auditor of the Company | | **176** | 158 |
| – other auditors** | | **26** | 26 |
| Bad debts written off | | **21** | 1 |
| Cost of inventories included in cost of sales | | **26,558** | 18,724 |
| Currency translation on liquidation of a subsidiary | | **(69)** | – |
| Depreciation of property, plant and equipment | 11 | **2,847** | 2,756 |
| Depreciation of right-of-use assets | 12 | **14,298** | 13,720 |
| Depreciation of investment properties | 13 | **295** | 161 |
| Fees for non-audit services payable to: | | | |
| – auditor of the Company | | **24** | 26 |
| – other auditors** | | **–*** | –* |
| Impairment loss on property, plant and equipment | 11 | **127** | 86 |
| Loss on derecognition of call option | | **–** | 1,237 |
| Loss on disposal of property, plant and equipment, net | | **23** | 11 |
| Modification loss on payable to NCI | | **–** | 156 |
| Remuneration of the directors of the Company: | 8 | | |
| – salaries, fees and benefits-in-kind | | **1,272** | 1,376 |
| – contribution to defined contribution plans | | **33** | 33 |
| Remuneration of the directors of the subsidiaries: | | | |
| – salaries, fees and benefits-in-kind | | **299** | 263 |
| – contribution to defined contribution plans | | **11** | 9 |
| Remuneration of key management personnel (non-directors): | | | |
| – salaries and related costs | | **1,245** | 1,011 |
| – contribution to defined contribution plans | | **84** | 78 |
| Remuneration of staff: | | | |
| – salaries and related costs | | **31,409** | 26,096 |
| – contribution to defined contribution plans | | **2,773** | 2,406 |
| Rental expenses | 12 | **1,932** | 1,394 |
| Write-back of allowance for impairment on trade receivables | 22 | **(14)** | – |
| Write-offs: | | | |
| – property, plant and equipment | | **72** | 105 |
| – inventories | | **31** | 102 |

* Amount less than $1,000

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

## 8 Remuneration bands of directors of the Company

Number of directors of the Company in remuneration bands:

| | Group 2022 | Group 2021 |
|---|---|---|
| $250,000 to below $500,000 | **3** | 3 |
| Below $250,000 | **3** | 4 |
| | **6** | 7 |

## 9 Income tax expense/(credit)

| | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|
| Tax expense attributable to profits is made up of: | | |
| – current income tax provision | **349** | 12 |
| – deferred tax (Note 26) | **152** | (499) |
| | **501** | (487) |
| Over provision in respect of previous financial years | | |
| – current income tax | **(6)** | (83) |
| – deferred tax (Note 26) | **(236)** | (296) |
| | **259** | (866) |

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 2022 $'000 | Group 2021 $'000 |
|---|---|---|
| Profit before tax | **2,773** | 1,136 |
| Income tax expense at statutory rate of the respective entities | **471** | 105 |
| Statutory stepped income exemption | **(63)** | (12) |
| Income not subject to tax | **(282)** | (1,591) |
| Expenses not deductible for tax purposes | **410** | 528 |
| Effect of tax incentive and tax rebate | **–** | (115) |
| Over provision in preceding financial years | **(242)** | (379) |
| Deferred tax asset not recognised | **22** | 502 |
| Utilisation of previously unrecognised tax losses | **(232)** | – |
| Effect of results of equity-accounted investees presented net of tax | **128** | 118 |
| Others | **47** | (22) |
| | **259** | (866) |

The statutory income tax rate applicable is 17% (2021: 17%) for companies incorporated in Singapore, 24% (2021: 24%) for companies incorporated in Malaysia and 16.5% (2021: 16.5%) for companies incorporated in Hong Kong.

Subject to the satisfaction of the conditions for group relief, tax losses of $408,000 (2021: $1,491,000) and capital allowances of $62,000 (2021: $40,000) 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 $10,220,000 (2021: $11,687,000), and unabsorbed capital allowances of approximately $1,953,000 (2021: $1,979,000), 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 2022 $'000 | Group 2021 $'000 |
|---|---|---|
| Unabsorbed tax losses | **8,316** | 11,049 |
| Unabsorbed capital allowances | **1,817** | 1,807 |
| | **10,133** | 12,856 |

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.

## 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:

| | 2022<br>$'000 | 2021<br>$'000 |
|---|---|---|
| Profit for the financial year attributable to owners of the Company | **2,433** | 2,487 |

| | 2022 | 2021 |
|---|---|---|
| Weighted average number of ordinary shares in issue for basic earnings per share ('000) | **200,996** | 200,996 |
| Basic earnings per share (cents) | **1.21** | 1.24 |
| Diluted earnings per share (cents) | **1.21** | 1.24 |

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 2022 and 31 December 2021, diluted earnings per share is similar to basic earnings per share as there were no dilutive potential ordinary shares.

## 11 Property, plant and equipment

| | Freehold land<br>$'000 | Buildings and structural improvements<br>$'000 | Leasehold property<br>$'000 | Leasehold improvements<br>$'000 | Furniture, fixtures and fittings<br>$'000 | Plant and equipment<br>$'000 | Motor vehicles<br>$'000 | Restaurant supplies, crockery and cutlery<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | |
| **2022** | | | | | | | | | |
| **Cost** | | | | | | | | | |
| At 1.1.2022 | 359 | 12,389 | 2,300 | 16,342 | 6,454 | 17,398 | 2,519 | 666 | 58,427 |
| Additions | – | – | – | 1,074 | 117 | 846 | 73 | 6 | 2,116 |
| Disposals/write-off | – | – | – | (260) | (195) | (848) | (102) | (43) | (1,448) |
| Translation | (21) | (97) | – | (86) | (97) | (267) | (33) | (1) | (602) |
| **At 31.12.2022** | 338 | 12,292 | 2,300 | 17,070 | 6,279 | 17,129 | 2,457 | 628 | 58,493 |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| At 1.1.2022 | – | 6,727 | 1,449 | 12,329 | 4,455 | 13,590 | 2,092 | –* | 40,642 |
| Depreciation charge | – | 188 | 46 | 940 | 432 | 1,059 | 182 | – | 2,847 |
| Disposals/write-off | – | – | – | (225) | (174) | (807) | (97) | (12) | (1,315) |
| Impairment loss | – | – | – | 62 | 48 | 5 | – | 12 | 127 |
| Translation | – | (50) | – | (50) | (58) | (204) | (28) | – | (390) |
| **At 31.12.2022** | – | 6,865 | 1,495 | 13,056 | 4,703 | 13,643 | 2,149 | –* | 41,911 |
| **Net carrying value** | | | | | | | | | |
| **At 31.12.2022** | 338 | 5,427 | 805 | 4,014 | 1,576 | 3,486 | 308 | 628 | 16,582 |

* Less than $1,000

## 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 | | | | | | | | | |
| 2021 | | | | | | | | | |
| Cost | | | | | | | | | |
| At 1.1.2021 | 365 | 12,416 | 2,300 | 15,212 | 6,526 | 17,609 | 2,799 | 685 | 57,912 |
| Additions | – | – | – | 1,948 | 510 | 992 | 20 | 11 | 3,481 |
| Disposals/write-off | – | – | – | (788) | (552) | (1,125) | (290) | (30) | (2,785) |
| Translation | (6) | (27) | – | (30) | (30) | (78) | (10) | –* | (181) |
| At 31.12.2021 | 359 | 12,389 | 2,300 | 16,342 | 6,454 | 17,398 | 2,519 | 666 | 58,427 |
| Accumulated depreciation and impairment losses | | | | | | | | | |
| At 1.1.2021 | – | 6,549 | 1,403 | 12,181 | 4,553 | 13,679 | 2,170 | 7 | 40,542 |
| Depreciation charge | – | 191 | 46 | 863 | 397 | 1,039 | 220 | – | 2,756 |
| Disposals/write-off | – | – | – | (744) | (509) | (1,086) | (289) | (7) | (2,635) |
| Impairment loss | – | – | – | 44 | 30 | 12 | – | –* | 86 |
| Translation | – | (13) | – | (15) | (16) | (54) | (9) | – | (107) |
| At 31.12.2021 | – | 6,727 | 1,449 | 12,329 | 4,455 | 13,590 | 2,092 | –* | 40,642 |
| Net carrying value | | | | | | | | | |
| At 31.12.2021 | 359 | 5,662 | 851 | 4,013 | 1,999 | 3,808 | 427 | 666 | 17,785 |

* Less than $1,000

## 11 Property, plant and equipment (cont'd)

| | 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 |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **2022** | | | | | | | |
| **Cost** | | | | | | | |
| At 1.1.2022 | **2,300** | **7,166** | **3,889** | **8,974** | **–** | **643** | **22,972** |
| Additions | **–** | **92** | **116** | **551** | **–** | **–** | **759** |
| Disposals/write-off | **–** | **(15)** | **(30)** | **(574)** | **–** | **(31)** | **(650)** |
| **At 31.12.2022** | **2,300** | **7,243** | **3,975** | **8,951** | **–** | **612** | **23,081** |
| **Accumulated depreciation** | | | | | | | |
| At 1.1.2022 | **1,449** | **5,928** | **2,736** | **6,918** | **–** | **–** | **17,031** |
| Depreciation charge | **46** | **404** | **271** | **586** | **–** | **–** | **1,307** |
| Disposals/write-off | **–** | **(15)** | **(24)** | **(553)** | **–** | **–** | **(592)** |
| **At 31.12.2022** | **1,495** | **6,317** | **2,983** | **6,951** | **–** | **–** | **17,746** |
| **Net carrying value** | | | | | | | |
| **At 31.12.2022** | **805** | **926** | **992** | **2,000** | **–** | **612** | **5,335** |
| 2021 | | | | | | | |
| Cost | | | | | | | |
| At 1.1.2021 | 2,300 | 7,247 | 3,787 | 9,070 | 151 | 652 | 23,207 |
| Additions | – | 337 | 429 | 759 | – | 10 | 1,535 |
| Disposals/write-off | – | (418) | (327) | (855) | (151) | (19) | (1,770) |
| At 31.12.2021 | 2,300 | 7,166 | 3,889 | 8,974 | – | 643 | 22,972 |
| Accumulated depreciation | | | | | | | |
| At 1.1.2021 | 1,403 | 5,879 | 2,829 | 7,253 | 147 | – | 17,511 |
| Depreciation charge | 46 | 454 | 200 | 494 | 3 | – | 1,197 |
| Disposals/write-off | – | (405) | (293) | (829) | (150) | – | (1,677) |
| At 31.12.2021 | 1,449 | 5,928 | 2,736 | 6,918 | – | – | 17,031 |
| Net carrying value | | | | | | | |
| At 31.12.2021 | 851 | 1,238 | 1,153 | 2,056 | – | 643 | 5,941 |

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 | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| Freehold land | **338** | 359 | **–** | – |
| Buildings and structural improvements | **5,427** | 5,662 | **–** | – |
| Leasehold property | **805** | 851 | **805** | 851 |
| Leasehold improvements | **1,310** | 1,453 | **–** | – |
| | **7,880** | 8,325 | **805** | 851 |

**11 Property, plant and equipment (cont'd)**

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

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Aggregate cost of property, plant and equipment acquired | **2,116** | 3,481 |
| Less: Purchases unpaid | **(189)** | – |
| Cash payments to acquire property, plant and equipment | **1,927** | 3,481 |

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.

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 35(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 | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Carrying amount of right-of-use assets | | | | |
| Food and beverage outlets | **22,455** | 21,697 | **18,348** | 20,138 |
| Plant and machinery | **243** | 295 | **–** | – |
| Office spaces, production rooms, store rooms and warehouses | **1,170** | 1,322 | **3,442** | 337 |
| Leasehold land | **121** | 348 | **–** | – |
| | **23,989** | 23,662 | **21,790** | 20,475 |
| Additions to right-of-use assets | **14,656** | 12,573 | **14,444** | 10,739 |

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

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

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

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Depreciation charge for the year | | |
| Food and beverage outlets | **13,406** | 12,818 |
| Plant and machinery | **35** | 37 |
| Office spaces, production rooms, store rooms and warehouses | **620** | 633 |
| Leasehold land | **237** | 232 |
| Total (Note 7) | **14,298** | 13,720 |
| Lease expense not included in the measurement of lease liabilities | | |
| Lease expense – short-term leases | **119** | 312 |
| Lease expense – low value assets leases | **493** | 512 |
| Variable lease payments which do not depend on an index or rate | **1,320** | 570 |
| Total (Note 7) | **1,932** | 1,394 |
| Rent concessions from lessors (Note 5a) | **367** | 1,152 |
| Interest expense on lease liabilities (Note 30) | **848** | 792 |

Total Group's and Company's cash flow for leases amounted to $16,612,000 (2021: $15,255,000) and $15,243,000 (2021: $14,007,000) respectively.

As at 31 December 2022, the Group is committed to $1,300 (2021: $6,000) 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% (2021: 0.5% to 20%), on top of the fixed lease payments. Overall, the variable lease payments constitute up to 8% and 7% (2021: 4% and 4%) 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 $1,320,000 and $1,087,000 (2021: $570,000 and $515,000) for the Group and the Company respectively for the financial year ended 31 December 2022.

*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**

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

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 2022 $'000 | Group 2021 $'000 | Company 2022 $'000 | Company 2021 $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At beginning of financial year | **7,008** | 6,993 | **1,863** | 1,863 |
| Additions | **26,697** | – | **–** | – |
| Translation | **(134)** | 15 | **–** | – |
| At end of financial year | **33,571** | 7,008 | **1,863** | 1,863 |
| **Accumulated depreciation** | | | | |
| At beginning of financial year | **3,074** | 2,913 | **1,010** | 973 |
| Depreciation charge (Note 7) | **295** | 161 | **37** | 37 |
| At end of financial year | **3,369** | 3,074 | **1,047** | 1,010 |
| **Net carrying value** | | | | |
| At end of financial year | **30,202** | 3,934 | **816** | 853 |

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

| | Group 2022 $'000 | Group 2021 $'000 | Company 2022 $'000 | Company 2021 $'000 |
|---|---|---|---|---|
| Investment properties | **27,379** | 853 | **816** | 853 |

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

| | Group 2022 $'000 | Group 2021 $'000 | Company 2022 $'000 | Company 2021 $'000 |
|---|---|---|---|---|
| Rental and other income from investment properties | **394** | 278 | **64** | 65 |
| Direct operating expenses arising from investment properties that generated rental income (including depreciation charge) | **(570)** | (189) | **(51)** | (51) |
| Direct operating expenses arising from investment properties that did not generate rental income (including depreciation charge) | **(73)** | (72) | **–** | – |

Based on valuations carried out by external professional valuers, the fair values of the investment properties of the Group and Company on 31 December 2022 are $37,649,000 (2021: $10,255,000) and $3,000,000 (2021: $2,950,000) respectively (Note 36(f)).

**13 Investment properties (cont'd)**

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) |
| Three adjoining 3-storey conservation shophouses with attic | 1, 3, 5 Club Street Singapore 069400, 069401, 069402 | 453 | 99 years from 15 January 1996 (Rental) |
| A pair of 2-storey conservation shophouses | 7, 9 Club Street Singapore 069403, 069404 | 218 | 99 years from 15 January 1996 (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 |

## 14 Intangible assets

| | Goodwill $'000 | Trade-marks $'000 | Customer relationships $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2022** | | | | | |
| **Cost** | | | | | |
| **At 1.1.2022 and 31.12.2022** | **8,303** | **5,381** | **2,797** | **1,745** | **18,226** |
| **Accumulated amortisation and impairment losses** | | | | | |
| At 1.1.2022 | **–** | **–** | **1,260** | **1,450** | **2,710** |
| Amortisation charge | **–** | **–** | **280** | **12** | **292** |
| **At 31.12.2022** | **–** | **–** | **1,540** | **1,462** | **3,002** |
| **Net carrying value** | | | | | |
| **At 31.12.2022** | **8,303** | **5,381** | **1,257** | **283** | **15,224** |
| 2021 | | | | | |
| Cost | | | | | |
| At 1.1.2021 | 8,303 | 5,381 | 2,797 | 2,217 | 18,698 |
| Write-off | – | – | – | (472) | (472) |
| At 31.12.2021 | 8,303 | 5,381 | 2,797 | 1,745 | 18,226 |
| Accumulated amortisation and impairment losses | | | | | |
| At 1.1.2021 | – | – | 980 | 1,902 | 2,882 |
| Amortisation charge | – | – | 280 | 20 | 300 |
| Write-off | – | – | – | (472) | (472) |
| At 31.12.2021 | – | – | 1,260 | 1,450 | 2,710 |
| Net carrying value | | | | | |
| At 31.12.2021 | 8,303 | 5,381 | 1,537 | 295 | 15,516 |

*Composition of intangible assets*

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

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

(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 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 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.

**14 Intangible assets (cont'd)**

*Amortisation*

The amortisation of intangible assets of $11,000 (2021: $11,000) and $281,000 (2021: $289,000) is included in cost of sales and administrative expenses respectively in the consolidated statement of profit or loss and other comprehensive income.

*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 | |
|---|---|---|
| | **2022** | **2021** |
| | **%** | **%** |
| Forecast revenue growth (average over next five years) | **9.5** | 18.9 |
| Terminal value growth rate | **0.5** | 0.5 |
| Discount rate | **16.7** | 13.9 |

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 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 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.

**15 Investments in subsidiaries**

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| **Unquoted equity shares, at cost** | | |
| At beginning of financial year | **47,306** | 47,433 |
| Add: Acquisition during the financial year | **4,392** | – |
| Less: Allowance for impairment in value | **(7,975)** | (8,045) |
| Less: Exercise of put option | **–** | (127) |
| Less: Struck-off during the financial year | **(70)** | – |
| At end of financial year | **43,653** | 39,261 |
| **Non-current loans** | | |
| At beginning of financial year | **12,560** | 11,310 |
| Advances during the financial year | **8,100** | 1,250 |
| At end of financial year | **20,660** | 12,560 |
| **Total** | **64,313** | 51,821 |

**15 Investments in subsidiaries (cont'd)**

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

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| At beginning of financial year | **8,045** | 8,045 |
| Struck-off during the financial year | **(70)** | – |
| At end of financial year | **7,975** | 8,045 |

i) Details of the Company's subsidiaries at 31 December 2022 are as follows:

| Name of subsidiary | Principal activities | Country of incorporation | Effective equity interest held by the Group 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Lawry's (Singapore) Ltd[a] | Investment holding and provision of processing, supply, warehousing and distribution activities | Singapore | **100** | 100 |
| ABR (HK) Limited[b] | 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 |
| Swensen's of Singapore (1996) Pte Ltd[d] | Dormant | Singapore | **100** | 100 |
| Food Creations Pte Ltd[a] | Provision of services for the manufacture and production of ice cream and related products | Singapore | **100** | 100 |
| Europa Lounge and Restaurant Pte Ltd[a] | Investment holding | Singapore | **100** | 100 |
| Hippopotamus Restaurants Pte Ltd[d] | Dormant | Singapore | **100** | 100 |
| Eat In Progress Pte Ltd[d] | Dormant | Singapore | **100** | 100 |
| Europa Entertainment Pte Ltd[d] | Dormant | Singapore | **100** | 100 |
| ABR Swensen's Pte Ltd[a] | Investment holding | Singapore | **100** | 100 |
| Europa Ridley's (1992) Pte Ltd[d] | Dormant | Singapore | **100** | 100 |
| Cine Art Pictures Pte Ltd[d] | Dormant | Singapore | **55** | 55 |

**15 Investments in subsidiaries (cont'd)**

i) Details of the Company's subsidiaries at 31 December 2022 are as follows: (cont'd)

| Name of subsidiary | Principal activities | Country of incorporation | Effective equity interest held by the Group 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the Company (cont'd)** | | | | |
| Team-Up Investments (HK) Limited[(b)] | Dormant | Hong Kong | **50** | 50 |
| Bistro Europa Pte Ltd[(d)] | Dormant | Singapore | **100** | 100 |
| Europa Specialty Restaurants (S) Pte Ltd[(d)] | Dormant | Singapore | **100** | 100 |
| ABR Property Investments Pte Ltd[(a)] | Investment holding | Singapore | **100** | 100 |
| Team-Up Overseas Investment Pte Ltd | Struck-off | Singapore | **–** | 70 |
| Oishi Japanese Pizza Pte Ltd[(d)] | Dormant | Singapore | **84.1** | 84.1 |
| E.Y.F. (S) Pte Ltd[(d)] | Dormant | Singapore | **100** | 100 |
| Kitchen Alchemy Pte Ltd[(a)] | Investment holding | Singapore | **51** | 51 |
| All Best Foods Pte Ltd[(a)] | Manufacturing, retailing of food products and operator of café and snack bars | Singapore | **100** | 100 |
| ABR Land (S) Pte Ltd[(a)] | Investment holding | Singapore | **100** | 100 |
| ABR Land Australia Pty Ltd[(c)] | Dormant | Australia | **100** | 100 |
| Chilli Padi Holding Pte Ltd[(a)] | Investment holding | Singapore | **100** | 80 |
| Permai Puncakmas Sdn. Bhd.[(b)] | Investment holding | Malaysia | **100** | 100 |
| All Best Realty Pte Ltd[(a)] | Investment holding | Singapore | **100** | 100 |

**15 Investments in subsidiaries (cont'd)**

i) Details of the Company's subsidiaries at 31 December 2022 are as follows: (cont'd)

| Name of subsidiary | Principal activities | Country of incorporation | Effective equity interest held by the Group 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the subsidiaries** | | | | |
| ***Held by Swensen's of Singapore (1996) Pte Ltd*** | | | | |
| Team-Up Investments (HK) Limited[(b)] | Dormant | Hong Kong | **50** | 50 |
| ***Held by ABR (HK) Limited*** | | | | |
| E.D. Swensen's B.V. | Liquidated | The Netherlands | **–** | 100 |
| ***Held by Europa Entertainment Pte Ltd*** | | | | |
| Europa (Beijing) Food & Beverage Management Co., Ltd[(c)] | Dormant | People's Republic of China | **100** | 100 |
| ***Held by Team-Up Investments (HK) Limited*** | | | | |
| Win Win Food (Shenzhen) Co., Ltd[(c)] | Dormant | People's Republic of China | **100** | 100 |
| ***Held by Lawry's (Singapore) Ltd*** | | | | |
| Lawry's PRC Investment Pte Ltd[(d)] | Dormant | Singapore | **100** | 100 |
| Season Confectionary & Bakery Sdn. Bhd.[(b)] | Manufacturing and retailing of bread, cakes and confectionery | Malaysia | **80** | 80 |
| Season's Café Sdn. Bhd.[(b)] | Operation of a chain of cafeteria | Malaysia | **80** | 80 |
| ***Held by Season Confectionary & Bakery Sdn. Bhd.*** | | | | |
| Swensen's (Malaysia) Sdn. Bhd.[(b)] | Ice cream manufacturing and franchising and operator of restaurants | Malaysia | **80** | 80 |
| SSCB Pte Ltd[(a)] | Commission agents | Singapore | **80** | 80 |
| ***Held by E.Y.F. (S) Pte Ltd*** | | | | |
| EY. Food (SH) Pte Ltd[(c)] | Dormant | People's Republic of China | **100** | 100 |
| EY. Food (BJ) Pte Ltd[(c)] | Dormant | People's Republic of China | **100** | 100 |

**15 Investments in subsidiaries (cont'd)**

i) Details of the Company's subsidiaries at 31 December 2022 are as follows: (cont'd)

| Name of subsidiary | Principal activities | Country of incorporation | Effective equity interest held by the Group 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the subsidiaries (cont'd)** | | | | |
| ***Held by Kitchen Alchemy Pte Ltd*** | | | | |
| 21 Tanjong Pagar Pte Ltd (formerly known as TT Hara Food Pte Ltd) | Operation of food and beverage outlet | Singapore | **–** | 12.75 |
| ***Held by All Best Foods Pte Ltd*** | | | | |
| 21 Tanjong Pagar Pte Ltd[(a)] (formerly known as TT Hara Food Pte Ltd) | Operation of food and beverage outlet | Singapore | **100** | 75 |
| ***Held by Chilli Padi Holding Pte Ltd*** | | | | |
| Chilli Api Catering Pte Ltd[(a)] | Catering service and foodstuff manufacturing | Singapore | **100** | 80 |
| Chilli Padi Nonya Restaurant Pte Ltd[(a)] | Operation of food and beverage outlets | Singapore | **100** | 80 |
| Chilli Padi Nonya Catering Pte Ltd[(a)] | Operation of food and beverage outlets | Singapore | **100** | 80 |
| Peppercorn Concepts Pte Ltd[(d)] | Dormant | Singapore | **100** | 80 |
| ***Held by Europa Lounge and Restaurant Pte Ltd*** | | | | |
| PT ABR Bintan Investments[(c)] | Investment holding | Indonesia | **1** | 1 |
| ***Held by ABR Property Investments Pte Ltd*** | | | | |
| PT ABR Bintan Investments[(c)] | 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 2022 as company is dormant during the financial year.

**15 Investments in subsidiaries (cont'd)**

ii) Non-current loans to subsidiaries

During the financial year, the Company advanced non-current interest-free equity loans totalling $8,100,000 (2021: $1,250,000) to various subsidiaries to finance the subsidiaries' investments in associated companies and purchase of investment properties. The loans are not expected to be repaid within the next twelve months or 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 subsidiaries. As a result, management considers the loans to be in substance part of the Company's net investment in the subsidiaries.

iii) Acquisition of non-controlling interest without a change in control

On 15 March 2022, the Company completed the acquisition of the remaining 20% shares in the capital of Chilli Padi Holding Pte Ltd ("Chilli Padi") from its non-controlling interest at the consideration of $4,392,000 (Note 31) and accordingly, Chilli Padi has become a wholly-owned subsidiary of the Company.

The following summarises the effect of the change in the Group's ownership interest in Chilli Padi on the equity attributable to owners of the Company:

| | Group 2022 $'000 |
|---|---|
| Carrying amount of non-controlling interest acquired, representing increase in equity attributable to owners of the Company | **1,649** |

iv) Other changes in ownership interest in subsidiaries

During the financial year, Team-Up Overseas Investment Pte Ltd was struck-off with no return of investment.

During the financial year, All Best Foods Pte Ltd, a wholly-owned subsidiary of the Company, acquired the remaining 25% equity interest in 21 Tanjong Pagar Pte Ltd from Kitchen Alchemy Pte Ltd, a partially-owned subsidiary of the Company, at a consideration of $222,000. Accordingly, 21 Tanjong Pagar Pte Ltd has became a wholly-owned subsidiary of the Group.

During the financial year, E.D. Swensen's B.V. was liquidated. Arising from the liquidation, the foreign currency translation reserve relating to E.D. Swensen's B.V. of $69,000 was reclassified from equity to profit or loss of the Group.

**16 Interests in equity-accounted investees**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| Interests in associated companies | **20,627** | 20,320 | **–** | – |
| Interests in joint ventures | **–** | 273 | **500** | 500 |
| | **20,627** | 20,593 | **500** | 500 |

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

**a) Interests in associated companies**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| At beginning of financial year | **9,472** | 9,472 | **97** | 97 |
| Less: Allowance for impairment in value | **–** | – | **(7)** | (97) |
| Less: Struck-off during the financial year | **(90)** | – | **(90)** | – |
| At end of financial year | **9,382** | 9,472 | **–** | – |
| Group's share of post-acquisition reserves | **(1,569)** | (1,318) | **–** | – |
| Translation | **10** | (15) | **–** | – |
| | **7,823** | 8,139 | **–** | – |
| **Non-current loans** | | | | |
| At beginning of financial year | **12,181** | 11,130 | **–** | – |
| Advances during the financial year | **1,361** | 1,230 | **–** | – |
| Translation | **(738)** | (179) | **–** | – |
| At end of financial year | **12,804** | 12,181 | **–** | – |
| Total | **20,627** | 20,320 | **–** | – |

During the financial year, the Group has advanced non-current interest-free equity loans totalling $1,361,000 (2021: $1,230,000) through its subsidiaries to finance its associated companies. 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 companies. As a result, management considers the loans to be in substance part of the Group's net investment in the associated companies.

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| At beginning of financial year | **–** | – | **97** | 97 |
| Struck-off during the financial year | **–** | – | **(90)** | – |
| At end of financial year | **–** | – | **7** | 97 |

**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 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Swensen's Ice Cream Company (Australia) Pty Ltd | Dormant | Australia | **50** | 50 |
| Chinoiserie Wine Bar and Discotheque Pte Ltd | Struck-off | Singapore | **–** | 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.

During the financial year, Chinoiserie Wine Bar and Discotheque Pte Ltd was struck-off with no return of investment.

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

| | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|
| *Carrying amount:* | | |
| Goodwill Influx | **8,808** | 8,623 |
| Sering Manis | **11,819** | 11,697 |
| | **20,627** | 20,320 |

**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 | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| Loss after tax | **(573)** | (739) | **(1,169)** | (942) |
| Other comprehensive income/(loss) | **353** | 80 | **(208)** | (156) |
| Total comprehensive loss | **(220)** | (659) | **(1,377)** | (1,098) |
| Non-current assets | **90,383** | 86,788 | **115,733** | 113,564 |
| Current assets | **2,571** | 3,131 | **1,852** | 1,311 |
| Non-current liabilities | **(90,526)** | (90,087) | **(31,052)** | (25,873) |
| Current liabilities | **(5,701)** | (2,885) | **(4,694)** | (4,463) |
| Net (liabilities)/assets | **(3,273)** | (3,053) | **81,839** | 84,539 |
| Less: Non-controlling interest | **–** | – | **(40,101)** | (41,424) |
| | **(3,273)** | (3,053) | **41,738** | 43,115 |
| Group's share of net (liabilities)/assets based on proportion of ownership interest | **(621)** | (581) | **8,347** | 8,623 |
| Goodwill on acquisition | **97** | 97 | **–** | – |
| Loans to an associate | **12,343** | 12,181 | **461** | – |
| | **11,819** | 11,697 | **8,808** | 8,623 |

**b) Interests in joint ventures**

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| **Unquoted equity shares, at cost** | | | | |
| At beginning of financial year | **831** | 331 | **500** | – |
| Additions | **–** | 500 | **–** | 500 |
| At end of financial year | **831** | 831 | **500** | 500 |
| Group's share of post-acquisition reserves | **(831)** | (558) | **–** | – |
| | **–** | 273 | **500** | 500 |

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

**b) Interests in joint ventures (cont'd)**

The following information relates to the joint venture companies:

| Name of joint venture company | Principal activities | Country of incorporation | Effective equity interest held by the Group 2022 % | 2021 % |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Baywind Properties Pte. Ltd. ("Baywind Properties") | Property developer | Singapore | **50** | 50 |
| ***Held by ABR Property Investments Pte Ltd*** | | | | |
| ABR CCH Land Sdn. Bhd. ("ABR CCH Land") | Property developer | Malaysia | **49** | 49 |

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

The Group's investments in joint venture companies are summarised below:

| | Group 2022 $'000 | 2021 $'000 |
|---|---|---|
| *Carrying amount:* | | |
| Baywind Properties | **–** | 273 |
| ABR CCH Land | **–** | – |
| | **–** | 273 |

Summarised financial information for the material joint venture company 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:

| | Baywind Properties 2022 $'000 | 2021 $'000 |
|---|---|---|
| Interest expense | **751** | 305 |
| Loss after tax, representing total comprehensive loss | **1,290** | 458 |
| Non-current asset | **130** | – |
| Current assets | **34,224** | 26,658 |
| Non-current liabilities | **(28,089)** | (25,988) |
| Current liabilities | **(7,013)** | (125) |
| Net (liabilities)/assets | **(748)** | 545 |
| Group's share of net (liabilities)/assets based on proportion of ownership interest | **–** | 273 |

Included in the current assets and non-current liabilities above are cash and cash equivalents of $5,560,000 (2021: $614,000) and borrowings of $17,700,000 (2021: $17,700,000) respectively.

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

**b) Interests in joint ventures (cont'd)**

The Group has not recognised its share of losses of Baywind Properties amounting to $372,000 (2021: 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 $372,000 (2021: Nil).

Financial information of ABR CCH Land (based on the Group's share of those results) are as follows:

| | ABR CCH Land | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Loss after tax, representing total comprehensive loss | **–** | – |

The Group has not recognised its share of losses of ABR CCH Land amounting to $362,000 (2021: $128,000) 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 $572,000 (2021: $210,000).

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

| | Group and Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| *Equity investments designated at FVOCI* | | |
| Unquoted equity investment | **35** | 35 |

Unquoted equity investment represents interest in a company in Singapore, which is engaged in pharmaceutical research and development. 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 transacted prices of the investee's equity, 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 | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| *Financial assets measured at FVTPL* | | |
| Quoted equity investments in Singapore | **4,258** | 6,372 |
| Structured deposit | **94** | – |
| | **4,352** | 6,372 |

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

## 19 Due from subsidiaries

### i) Loans to subsidiaries, non-current

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Loans to subsidiaries | **14,372** | 16,539 |
| Less: Allowance for impairment | **(3,810)** | (5,667) |
| | **10,562** | 10,872 |

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

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| At beginning of financial year | **5,667** | 5,667 |
| Written off as uncollectible | **(1,857)** | – |
| At end of financial year | **3,810** | 5,667 |

The non-current loans to subsidiaries are interest-free and unsecured, except for an advance to a subsidiary of $110,000 (2021: $110,000) with an interest of 5% (2021: 5%) per annum. The advance is not expected to be repaid within the next twelve months.

The non-current loans to subsidiaries of $14,262,000 (2021: $16,429,000) 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.

### ii) Due from subsidiaries, current

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Trade | **3,642** | 4,079 |
| Less: Allowance for impairment | **(3,618)** | (4,066) |
| Note 22 | **24** | 13 |
| Non-trade | **4,003** | 4,006 |
| Less: Allowance for impairment | **(3,826)** | (3,876) |
| Note 22 | **177** | 130 |
| | **201** | 143 |

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

**19 Due from subsidiaries (cont'd)**

**ii) Due from subsidiaries, current (cont'd)**

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

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| *Trade* | | |
| At beginning of financial year | **4,066** | 4,066 |
| Write-back of allowance | **(448)** | – |
| At end of financial year | **3,618** | 4,066 |

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

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| *Non-trade* | | |
| At beginning of financial year | **3,876** | 4,503 |
| Allowance made | **270** | – |
| Write-back of allowance | **(194)** | (627) |
| Written off as uncollectible | **(126)** | – |
| At end of financial year | **3,826** | 3,876 |

**20 Due from equity-accounted investees**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| *Non-current* | | | | |
| Loans to joint venture companies | **9,942** | 8,892 | **5,194** | 4,144 |
| Less: Allowance for impairment | **(331)** | (331) | **–** | – |
| | **9,611** | 8,561 | **5,194** | 4,144 |
| *Current* | | | | |
| Due from equity-accounted investees (non-trade) | **1,367** | 1,148 | **211** | 274 |
| Less: Allowance for impairment | **(60)** | (214) | **(60)** | (214) |
| Note 22 | **1,307** | 934 | **151** | 60 |

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

The Group's non-current loans receivable from joint venture companies (excluding a non-interest bearing loan of $567,000 (2021: $567,000)) bear interest at 2% and 6.72% (2021: 2% and 6.72%) per annum, are unsecured and not expected to be repayable within the next twelve months.

The Company's non-current loans receivable from a joint venture company bear interest at 2% (2021: 2%) per annum, are unsecured and not expected to be repayable within the next twelve months.

Interest income on the loans receivable from joint venture companies totalled $373,000 (2021: $340,000) during the financial year. This related party transaction is based on terms agreed between the parties concerned.

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

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| *Non-current* | | | | |
| At beginning of financial year | **331** | 207 | **–** | – |
| Allowance made (Note 7) | **–** | 124 | **–** | – |
| At end of financial year | **331** | 331 | **–** | – |
| *Current* | | | | |
| At beginning of financial year | **214** | 208 | **214** | 208 |
| Allowance made (Note 7) | **3** | 6 | **3** | 6 |
| Written off as uncollectible | **(157)** | – | **(157)** | – |
| At end of financial year | **60** | 214 | **60** | 214 |

**21 Inventories**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Ice cream and ingredients | **1,233** | 909 | **1,229** | 903 |
| Confectionery and ingredients | **681** | 509 | **–** | – |
| Food and beverages | **730** | 560 | **595** | 466 |
| Packaging materials, consumables and merchandise | **571** | 582 | **372** | 378 |
| | **3,215** | 2,560 | **2,196** | 1,747 |

Cost of inventories included in cost of sales of the Group and the Company amounted to $26,558,000 (2021: $18,724,000) and $17,478,000 (2021: $13,952,000) respectively.

The Group and the Company wrote off inventories amounted to $31,000 (2021: $102,000) and $24,000 (2021: $66,000) respectively.

## 22 Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Trade receivables | **2,428** | 1,775 | **793** | 921 |
| Less: Allowance for impairment | **(21)** | (82) | **–** | – |
| Due from subsidiaries (Note 19(ii)) | **–** | – | **24** | 13 |
| | **2,407** | 1,693 | **817** | 934 |
| Rental and sundry deposits | **3,681** | 3,931 | **3,066** | 3,246 |
| Prepayments | **946** | 582 | **340** | 231 |
| Sundry receivables | **246** | 518 | **209** | 340 |
| Tax recoverable | **5** | 4 | **–** | – |
| | **4,878** | 5,035 | **3,615** | 3,817 |
| Less: Allowance for impairment | **(45)** | (45) | **(45)** | (45) |
| | **4,833** | 4,990 | **3,570** | 3,772 |
| Due from subsidiaries (Note 19(ii)) | **–** | – | **177** | 130 |
| Due from equity-accounted investees (Note 20) | **1,307** | 934 | **151** | 60 |
| | **6,140** | 5,924 | **3,898** | 3,962 |
| Total | **8,547** | 7,617 | **4,715** | 4,896 |

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| At beginning of financial year | **82** | 82 | **–** | – |
| Write-back of allowance (Note 7) | **(14)** | – | **–** | – |
| Receivables written off as uncollectible | **(47)** | – | **–** | – |
| At end of financial year | **21** | 82 | **–** | – |

ii) Movements in allowance for impairment for sundry receivables during the financial year are as follows:

| | Group and Company | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| At beginning of financial year | **45** | 1,768 |
| Receivables written off as uncollectible | **–** | (1,723) |
| At end of financial year | **45** | 45 |

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.

## 23 Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash and bank balances | **15,222** | 25,304 | **5,880** | 17,996 |
| Fixed deposits | **17,634** | 16,755 | **6,240** | 4,511 |
| Cash and cash equivalents as per statements of financial position | **32,856** | 42,059 | **12,120** | 22,507 |
| Fixed deposits (pledged) | **(461)** | (106) | **–** | – |
| As per consolidated statement of cash flows | **32,395** | 41,953 | **12,120** | 22,507 |

The Group's fixed deposits of $461,000 (2021: $106,000) are pledged to banks for banking facilities granted to the Group.

## 24 Share capital

| | Group and Company | | | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **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.

## 25 Other reserves

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Foreign currency translation reserve | **(1,958)** | (1,003) |
| Capital reserve | **826** | 826 |
| Option reserve | **–** | (1,900) |
| | **(1,132)** | (2,077) |

**25 Other reserves (cont'd)**

Movements in other reserves are as follows:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| *Foreign currency translation reserve* | | |
| At beginning of financial year | **(1,003)** | (769) |
| Net exchange differences on translation of financial statements of foreign subsidiaries | **(141)** | (32) |
| Translation loss of loan that forms part of net investment in foreign subsidiary | **(738)** | (179) |
| Share of other comprehensive loss of equity-accounted investees | **(7)** | (23) |
| Currency translation on liquidation of a subsidiary in profit or loss | **(69)** | – |
| At end of financial year | **(1,958)** | (1,003) |
| *Capital reserve* | | |
| At beginning and end of financial year | **826** | 826 |
| *Option reserve* | | |
| At beginning of financial year | **(1,900)** | (1,900) |
| Acquisition of non-controlling interest without a change in control | **1,900** | – |
| At end of financial year | **–** | (1,900) |

Option reserve balance arose from the initial recognition of the NCI put liability in the consolidated financial statements.

Following the completion of the acquisition of the remaining 20% shares in the capital of Chilli Padi Holding Pte Ltd (Note 15), the option reserve was derecognised during the financial year.

**26 Deferred tax (assets)/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 | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| At beginning of financial year | **1,587** | 2,389 | **(250)** | 44 |
| Tax (credit)/expense to | | | | |
| – Profit or loss (Note 9) | **(84)** | (795) | **50** | (294) |
| – Translation difference | **(13)** | (7) | **–** | – |
| At end of financial year | **1,490** | 1,587 | **(200)** | (250) |
| Representing: | | | | |
| *Non-current* | | | | |
| Deferred tax assets | **(450)** | (250) | **(200)** | (250) |
| Deferred tax liabilities | **1,940** | 1,837 | **–** | – |
| | **1,490** | 1,587 | **(200)** | (250) |

**26 Deferred tax (assets)/liabilities (cont'd)**

Representing:

Deferred tax (assets)/liabilities arising from:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| Accelerated tax depreciation | **1,222** | 986 | **332** | 312 |
| Intangible assets | **1,128** | 1,176 | **–** | – |
| Leases | **(218)** | (170) | **(209)** | (168) |
| Provisions | **(378)** | (355) | **(293)** | (293) |
| Unabsorbed tax losses and capital allowances | **(330)** | (118) | **–** | (112) |
| Others | **66** | 68 | **(30)** | 11 |
| | **1,490** | 1,587 | **(200)** | (250) |

At the end of the reporting period, the Group has undistributed earnings amount of $11,617,000 (2021: $11,064,000) 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 $193,000 (2021: $145,000) 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 $1,133,000 (2021: $852,000) at the end of the reporting period.

**27 Trade and other payables**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| Trade payables | **5,446** | 4,508 | **2,641** | 2,687 |
| Due to subsidiaries, trade | **–** | – | **539** | 616 |
| | **5,446** | 4,508 | **3,180** | 3,303 |
| Other payables | **1,996** | 1,974 | **1,045** | 1,029 |
| Accrued operating expenses | **4,614** | 3,778 | **2,748** | 2,360 |
| Deferred income | **888** | 1,392 | **429** | 1,070 |
| Due to subsidiaries, non-trade | **–** | – | **2,318** | 2,326 |
| Payable for acquisition of trademarks, and related knowhow and goodwill | **256** | 256 | **–** | – |
| | **7,754** | 7,400 | **6,540** | 6,785 |
| Total | **13,200** | 11,908 | **9,720** | 10,088 |

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

## 28 Provisions

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| Provision for restoration costs | **1,597** | 1,562 | **954** | 954 |
| Provision for unutilised annual leave | **1,149** | 1,028 | **775** | 770 |
| | **2,746** | 2,590 | **1,729** | 1,724 |
| Represented by: | | | | |
| Non-current liabilities | **1,121** | 968 | **646** | 699 |
| Current liabilities | **1,625** | 1,622 | **1,083** | 1,025 |
| | **2,746** | 2,590 | **1,729** | 1,724 |

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| At beginning of financial year | **1,562** | 1,600 | **954** | 956 |
| Provision/(utilised/reversed) during the financial year, net | **48** | (34) | **–** | (2) |
| Translation | **(13)** | (4) | **–** | – |
| At end of financial year | **1,597** | 1,562 | **954** | 954 |

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 | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| At beginning of financial year | **1,028** | 1,048 | **770** | 810 |
| Provision/(utilised/reversed) during the financial year, net | **121** | (20) | **5** | (40) |
| At end of financial year | **1,149** | 1,028 | **775** | 770 |

## 29 Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| **Non-current** | | | | |
| *Unsecured* | | | | |
| Bank loan | **2,550** | 3,787 | **2,550** | 3,787 |
| *Secured* | | | | |
| Bank loan | **19,729** | – | **–** | – |
| | **22,279** | 3,787 | **2,550** | 3,787 |
| **Current** | | | | |
| *Unsecured* | | | | |
| Bank loan | **1,237** | 1,213 | **1,237** | 1,213 |
| *Secured* | | | | |
| Bank loan | **834** | – | **–** | – |
| Banker's acceptance | **131** | 76 | **–** | – |
| | **2,202** | 1,289 | **1,237** | 1,213 |
| | **24,481** | 5,076 | **3,787** | 5,000 |

*Bank loans*

i) The unsecured bank loan of the Group and the Company bears fixed interest rate of 2% (2021: 2%) per annum and repayable over 48 monthly instalments commencing from January 2022.

ii) The secured bank loan of a subsidiary bears average interest rate at 4.14% per annum (2021: Nil) at the end of the reporting period.

It is secured by the following:

a) legal mortgage on the subsidiary's investment properties;

b) legal assignment of all rights and benefits under the subsidiary's sales and purchase agreements and tenancy agreements;

c) corporate guarantee given by the Company;

d) deed of subordination of all loans and advances extended by the Company and its related corporations; and

e) a charge over the subsidiary's fixed deposit.

The secured bank loan has a tenure of 15 years which is repayable over 180 monthly instalments commencing from 1 November 2022.

*Banker's acceptance*

The banker's acceptance of $131,000 (2021: $76,000) of a subsidiary is secured by way of fixed charges over the subsidiary's properties with net carrying value of $1,086,000 (2021: $1,187,000), 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 3.75% (2021: 2.75%) per annum at the end of the reporting period.

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

## 29 Borrowings (cont'd)

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

| | Banker's acceptance $'000 | Group Bank loans $'000 | Total $'000 |
|---|---|---|---|
| **2022** | | | |
| At beginning of financial year | **76** | **5,000** | **5,076** |
| Changes from financing cash flows: | | | |
| – Proceeds | **59** | **20,702** | **20,761** |
| – Repayments | **–** | **(1,352)** | **(1,352)** |
| – Interest paid | **(4)** | **(226)** | **(230)** |
| Non-cash changes: | | | |
| – Interest expense (Note 6) | **4** | **315** | **319** |
| – Interest payable | **–** | **(89)** | **(89)** |
| Effect of changes in foreign exchange rates | **(4)** | **–** | **(4)** |
| At end of financial year | **131** | **24,350** | **24,481** |
| 2021 | | | |
| At beginning of financial year | 84 | 5,000 | 5,084 |
| Changes from financing cash flows: | | | |
| – Repayments | (6) | – | (6) |
| – Interest paid | (2) | (100) | (102) |
| Non-cash changes: | | | |
| – Interest expense (Note 6) | 2 | 100 | 102 |
| Effect of changes in foreign exchange rates | (2) | – | (2) |
| At end of financial year | 76 | 5,000 | 5,076 |

## 30 Lease liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| Represented by: | | | | |
| Non-current | **12,824** | 12,873 | **11,732** | 11,194 |
| Current | **12,861** | 12,199 | **11,386** | 10,273 |
| | **25,685** | 25,072 | **23,118** | 21,467 |

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

| | Group | |
|---|---|---|
| | 2022 $'000 | 2021 $'000 |
| At beginning of financial year | **25,072** | 26,727 |
| Changes from financing cash flows: | | |
| – Payments | **(13,832)** | (13,069) |
| – Interest paid | **(848)** | (792) |
| Non-cash changes: | | |
| – Interest expense (Note 6 and Note 12) | **848** | 792 |
| – Additions of new leases | **14,494** | 12,488 |
| – Derecognition of leases | **–** | (1,046) |
| Effect of changes in foreign exchange rates | **(49)** | (28) |
| At end of financial year | **25,685** | 25,072 |

## 31 Other liabilities

| | Group | |
|---|---|---|
| | 2022 $'000 | 2021 $'000 |
| Payable to NCI | – | 4,392 |

The payable to NCI represents the consideration of the acquisition of the remaining 20% shares in the capital of Chilli Padi. The amount was fully paid during the financial year following the completion of the acquisition (Note 15).

The payable to NCI arose from the NCI put liability for the Group which represents the present value of the estimated option consideration payable by the Group for the potential future acquisition of the remaining 20% shares of Chilli Padi. In the previous financial year, following the exercise of the put option by the non-controlling shareholder of Chilli Padi, the Group adjusted the amortised cost of the payable to NCI to reflect the actual contractual cash flows.

## 32 Dividends

The directors have proposed a final tax exempt dividend for 2022 of 0.75 cents per share of approximately $1,507,000. 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 2023.

## 33 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 $1.8 million) (2021: RM6 million (approximately $1.9 million)) executed together with a wholly-owned subsidiary to a bank for banking facilities taken by a subsidiary of RM680,000 (approximately $207,000) (2021: RM486,000 (approximately $157,000)) at the end of the reporting period;

ii) The Company has provided a corporate guarantee of RM4.4 million (approximately $1.3 million) (2021: RM4.4 million (approximately $1.4 million)) to a bank for banking facility taken by a joint venture company. The banking facility has been fully utilised as at the end of the reporting period;

iii) The Company has provided a proportionate corporate guarantee of $13.7 million (2021: $13.7 million) to a bank for banking facility taken by a joint venture company. The banking facility taken up by the joint venture company amounted to $20 million (2021: $20 million) at the end of the reporting period; and

iv) The Company has provided a corporate guarantee of $20.7 million (2021: Nil) to a bank for banking facility taken by a subsidiary. The banking facility taken up by the subsidiary amounted to $20.7 million (2021: Nil) 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 ventures will be able to meet the contractual cash flow obligation and does not expect significant credit losses arising from these financial guarantees.

## 34 Capital commitments

Capital commitments not provided for in the financial statements:

| | Group 2022 $'000 | Group 2021 $'000 |
|---|---|---|
| Capital commitment in respect of property, plant and equipment | **508** | – |

## 35 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 | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| *Financial assets* | | | | |
| Financial assets at cost | **13,040** | 12,417 | **31,112** | 23,322 |
| Financial assets at amortised cost | **49,827** | 57,071 | **21,799** | 31,152 |
| Financial asset at FVOCI | **35** | 35 | **35** | 35 |
| Financial assets at FVTPL | **4,352** | 6,372 | **4,352** | 6,372 |
| *Financial liabilities* | | | | |
| At amortised cost | **61,273** | 44,888 | **35,623** | 35,485 |

### 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").

It is not the Group's policy to take speculative positions in foreign currencies.

The Company does not have significant exposure to foreign exchange risk.

**35 Financial instruments (cont'd)**

**b) Financial risks management (cont'd)**

***Market risk (cont'd)***

*Foreign exchange risk (cont'd)*

The Group's foreign currency exposure is as follows:

| | **Denominated in USD $'000** |
|---|---|
| **Group** | |
| **2022** | |
| *Financial assets* | |
| Cash and cash equivalents | **9,126** |
| 2021 | |
| *Financial assets* | |
| Cash and cash equivalents | 8,993 |

The following table demonstrates the sensitivity to a reasonably possible change in USD 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** | |
|---|---|---|---|---|
| | **2022 $'000** | **2021 $'000** | **2022 $'000** | **2021 $'000** |
| USD/SGD | | | | |
| – strengthened 3% (2021: 3%) | **227** | 224 | **–** | – |
| – weakened 3% (2021: 3%) | **(227)** | (224) | **–** | – |

*Interest rate risk*

The Group's exposure to changes in interest rates relate 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.

**35 Financial instruments (cont'd)**

**b) Financial risks management (cont'd)**

***Credit risk (cont'd)***

*Maximum exposure and concentration of credit risk*

At the end of the reporting period, 34% (2021: 52%) and 44% (2021: 56%) of the Group's and Company's trade receivables were due from 5 major debtors. Loans to equity-accounted investees, as disclosed in Note 16 and Note 20, represent a significant portion of the Group's receivables while loans to subsidiaries, as disclosed in Note 15 and Note 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 33.

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.

**35 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.

**35 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 | Sundry receivables $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| Balance at 1 January 2022 | **331** | **214** | **82** | **45** |
| Loss allowance measured/(reversed): | | | | |
| Lifetime ECL | | | | |
| – Significant increase in credit risk | **–** | **3** | **–** | **–** |
| – Write-back of allowance | **–** | **–** | **(14)** | **–** |
| Receivables written off as uncollectible | **–** | **(157)** | **(47)** | **–** |
| Balance at 31 December 2022 | **331** | **60** | **21** | **45** |
| Balance at 1 January 2021 | 207 | 208 | 82 | 1,768 |
| Loss allowance measured: | | | | |
| Lifetime ECL | | | | |
| – Significant increase in credit risk | 124 | 6 | – | – |
| Receivables written off as uncollectible | – | – | – | (1,723) |
| Balance at 31 December 2021 | 331 | 214 | 82 | 45 |

| | Loans to subsidiaries (Non-current) $'000 | Due from subsidiaries (Current) $'000 | Due from equity-accounted investees (Current) $'000 | Sundry receivables $'000 |
|---|---|---|---|---|
| **Company** | | | | |
| Balance at 1 January 2022 | **5,667** | **7,942** | **214** | **45** |
| Loss allowance measured/(reversed): | | | | |
| Lifetime ECL | | | | |
| – Significant increase in credit risk | **–** | **270** | **3** | **–** |
| – Write-back of allowance | **–** | **(642)** | **–** | **–** |
| Receivables written off as uncollectible | **(1,857)** | **(126)** | **(157)** | **–** |
| Balance at 31 December 2022 | **3,810** | **7,444** | **60** | **45** |
| Balance at 1 January 2021 | 5,667 | 8,569 | 208 | 1,768 |
| Loss allowance measured/(reversed): | | | | |
| Lifetime ECL | | | | |
| – Significant increase in credit risk | – | – | 6 | – |
| – Write-back of allowance | – | (627) | – | – |
| Receivables written off as uncollectible | – | – | – | (1,723) |
| Balance at 31 December 2021 | 5,667 | 7,942 | 214 | 45 |

**35 Financial instruments (cont'd)**

**b) Financial risks management (cont'd)**

***Credit risk (cont'd)***

*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 current macroeconomic conditions 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.

*Credit quality of financial assets*

The table below details the credit quality of the Group's financial assets:

| **Group 2022** | **12-month or lifetime ECL** | **Gross carrying amount $'000** | **Loss allowance $'000** | **Net carrying amount $'000** |
|---|---|---|---|---|
| Trade receivables | Lifetime | **2,428** | **(21)** | **2,407** |
| Other receivables | 12-month (Exposure limited) | **3,681** | **–** | **3,681** |
| | Lifetime | **246** | **(45)** | **201** |
| Loans to equity-accounted investees | Lifetime | **22,746** | **(331)** | **22,415** |
| Due from equity-accounted investees (non-trade) | Lifetime | **1,367** | **(60)** | **1,307** |
| Cash and cash equivalents | Not applicable (Exposure limited) | **32,856** | **–** | **32,856** |

| 2021 | 12-month or lifetime ECL | Gross carrying amount $'000 | Loss allowance $'000 | Net carrying amount $'000 |
|---|---|---|---|---|
| Trade receivables | Lifetime | 1,775 | (82) | 1,693 |
| Other receivables | 12-month (Exposure limited) | 3,931 | – | 3,931 |
| | Lifetime | 174 | (45) | 129 |
| Loans to equity-accounted investees | Lifetime | 21,073 | (331) | 20,742 |
| Due from equity-accounted investees (non-trade) | Lifetime | 1,148 | (214) | 934 |
| Cash and cash equivalents | Not applicable (Exposure limited) | 42,059 | – | 42,059 |

**35 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 Company's financial assets:

| **Company 2022** | **12-month or lifetime ECL** | **Gross carrying amount $'000** | **Loss allowance $'000** | **Net carrying amount $'000** |
|---|---|---|---|---|
| Trade receivables | Lifetime | **793** | **–** | **793** |
| Other receivables | 12-month (Exposure limited) | **3,066** | **–** | **3,066** |
| | Lifetime | **209** | **(45)** | **164** |
| Due from subsidiaries | 12-month (Exposure limited) | **31,145** | **–** | **31,145** |
| | Lifetime | **11,532** | **(11,254)** | **278** |
| Loans to equity-accounted investees | Lifetime | **5,194** | **–** | **5,194** |
| Due from equity-accounted investees (non-trade) | Lifetime | **211** | **(60)** | **151** |
| Cash and cash equivalents | Not applicable (Exposure limited) | **12,120** | **–** | **12,120** |

| 2021 | 12-month or lifetime ECL | Gross carrying amount $'000 | Loss allowance $'000 | Net carrying amount $'000 |
|---|---|---|---|---|
| Trade receivables | Lifetime | 921 | – | 921 |
| Other receivables | 12-month (Exposure limited) | 3,246 | – | 3,246 |
| | Lifetime | 66 | (45) | 21 |
| Due from subsidiaries | 12-month (Exposure limited) | 23,133 | – | 23,133 |
| | Lifetime | 14,051 | (13,609) | 442 |
| Loans to equity-accounted investees | Lifetime | 4,144 | – | 4,144 |
| Due from equity-accounted investees (non-trade) | Lifetime | 274 | (214) | 60 |
| Cash and cash equivalents | Not applicable (Exposure limited) | 22,507 | – | 22,507 |

**35 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 the measurement of the impairment loss allowance using lifetime ECL is appropriate.

***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.

| | Within 1 year $'000 | Within 2 to 5 years $'000 | More than 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| **2022** | | | | |
| **Group** | | | | |
| Trade and other payables | **11,107** | **–** | **–** | **11,107** |
| Borrowings | **3,222** | **9,365** | **22,130** | **34,717** |
| Lease liabilities | **13,583** | **13,401** | **–** | **26,984** |
| Financial guarantee contracts | **11,300** | **–** | **–** | **11,300** |
| | | | | |
| **Company** | | | | |
| Trade and other payables | **8,718** | **–** | **–** | **8,718** |
| Borrowings | **1,302** | **2,603** | **–** | **3,905** |
| Lease liabilities | **12,023** | **12,209** | **–** | **24,232** |
| Financial guarantee contracts | **32,207** | **–** | **–** | **32,207** |
| | | | | |
| 2021 | | | | |
| Group | | | | |
| Trade and other payables | 10,348 | – | – | 10,348 |
| Borrowings | 1,378 | 3,905 | – | 5,283 |
| Lease liabilities | 12,796 | 13,369 | – | 26,165 |
| Financial guarantee contracts | 11,400 | – | – | 11,400 |
| Other liabilities | 4,392 | – | – | 4,392 |
| | | | | |
| Company | | | | |
| Trade and other payables | 9,018 | – | – | 9,018 |
| Borrowings | 1,302 | 3,905 | – | 5,207 |
| Lease liabilities | 10,778 | 11,650 | – | 22,428 |
| Financial guarantee contracts | 12,127 | – | – | 12,127 |

**36 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<br>$'000 | Level 2<br>$'000 | Level 3<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Group and Company** | | | | |
| **2022** | | | | |
| Financial assets at FVTPL | **4,258** | **–** | **94** | **4,352** |
| Financial asset at FVOCI | **–** | **–** | **35** | **35** |
| | | | | |
| 2021 | | | | |
| Financial asset at FVTPL | 6,372 | – | – | 6,372 |
| Financial asset at FVOCI | – | – | 35 | 35 |

**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 $9,611,000 (2021: $8,561,000) (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 31 and non-current borrowings as disclosed in Note 29 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.

**36 Fair value of assets and liabilities (cont'd)**

**d) Movements in Level 3 assets and liabilities measured at fair value**

Other than additions of $100,000 (2021: Nil) and fair value loss recognised in profit or loss of $6,000 (2021: Nil) for financial asset at FVTPL, there is no movement in Level 3 fair value measurements during the current and prior financial year.

**e) 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) 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.

**f) 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.

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 current macroeconomic conditions, in particular rising interest rates and other unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from these estimates.

**37 Related party transactions**

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

| | Group | |
|---|---|---|
| | **2022** **$'000** | **2021** **$'000** |
| **Close family members of key management personnel** | | |
| Remuneration: | | |
| – Salaries and related costs | **296** | 303 |
| – Contribution to defined contribution plans | **50** | 52 |
| Expenses paid on behalf of the Group | **171** | 105 |
| | | |
| **Key management personnel** | | |
| Expenses paid on behalf of the Group | **388** | 199 |
| Rental paid to a Director of the Company | **42** | – |
| Professional fees paid to a firm related to a Director of a Company | **39** | – |

## 38 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 |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Revenue from external customers | 101,681 | – | 52 | – | 101,733 |
| Inter-segment revenue | – | – | 2,168 | (2,168) | – |
| Total revenue | 101,681 | – | 2,220 | (2,168) | 101,733 |
| Segment results | 6,515 | 302 | (2,263) | – | 4,554 |
| Finance costs | (930) | (228) | (9) | – | (1,167) |
| Share of results of equity-accounted investees | – | (614) | – | – | (614) |
| Profit before tax | 5,585 | (540) | (2,272) | – | 2,773 |
| Income tax expense | | | | | (259) |
| Profit after tax | | | | | 2,514 |
| Non-controlling interests | | | | | (81) |
| Net profit attributable to owners of the Company | | | | | 2,433 |
| **Assets** | | | | | |
| Investment in equity-accounted investees | – | 20,627 | – | – | 20,627 |
| Segment assets | 94,565 | 44,105 | 23,849 | (17,906) | 144,613 |
| Unallocated assets | | | | | 450 |
| **Total assets** | | | | | 165,690 |
| **Liabilities** | | | | | |
| Segment liabilities | 52,722 | 48,202 | 8,149 | (42,961) | 66,112 |
| Unallocated liabilities | | | | | 2,322 |
| **Total liabilities** | | | | | 68,434 |
| Additions to non-current assets | 16,751 | 26,697 | 22 | – | 43,470 |
| Depreciation and amortisation | 16,873 | 295 | 564 | – | 17,732 |
| Impairment loss on property, plant and equipment | 127 | – | – | – | 127 |
| Other non-cash expenses/ (income) | 95 | – | (466) | – | (371) |

**38 Segment information (cont'd)**

The segment information provided to management for the reportable segments are as follows: (cont'd)

| | Food and beverage $'000 | Property investments $'000 | Others $'000 | Eliminations/ adjustment $'000 | Group $'000 |
|---|---|---|---|---|---|
| 2021 | | | | | |
| Revenue from external customers | 74,581 | – | 44 | – | 74,625 |
| Inter-segment revenue | – | – | 1,726 | (1,726) | – |
| Total revenue | 74,581 | – | 1,770 | (1,726) | 74,625 |
| Segment results | 3,987 | 223 | (138) | – | 4,072 |
| Finance costs | (877) | – | (108) | – | (985) |
| Share of results of equity-accounted investees | – | (558) | – | – | (558) |
| Others | – | – | – | (1,393) | (1,393) |
| Profit before tax | 3,110 | (335) | (246) | (1,393) | 1,136 |
| Income tax credit | | | | | 866 |
| Profit after tax | | | | | 2,002 |
| Non-controlling interests | | | | | 485 |
| Net profit attributable to owners of the Company | | | | | 2,487 |
| Assets | | | | | |
| Investment in equity-accounted investees | – | 20,593 | – | – | 20,593 |
| Segment assets | 100,919 | 15,675 | 26,889 | (15,382) | 128,101 |
| Unallocated assets | | | | | 250 |
| Total assets | | | | | 148,944 |
| Liabilities | | | | | |
| Segment liabilities | 48,795 | 19,276 | 9,512 | (32,937) | 44,646 |
| Unallocated liabilities | | | | | 6,298 |
| Total liabilities | | | | | 50,944 |
| Additions to non-current assets | 14,762 | – | 1,292 | – | 16,054 |
| Depreciation and amortisation | 16,327 | 161 | 449 | – | 16,937 |
| Impairment loss on property, plant and equipment | 86 | – | – | – | 86 |
| Allowance for impairment on loans to a joint venture | – | 124 | – | – | 124 |
| Other non-cash expenses/ (income) | 96 | – | (369) | – | (273) |

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.

**38 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 the reportable segments based on the operations of the segments other than deferred tax 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 31), 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 | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Singapore | **92,691** | 68,992 | **80,385** | 55,076 |
| Malaysia | **9,042** | 5,633 | **12,083** | 12,689 |
| Rest of Asia | **–** | – | **1,352** | 1,544 |
| | **101,733** | 74,625 | **93,820** | 69,309 |

**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 2022 and 31 December 2021.

**39 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 plus net debt. Net debt comprises borrowings, lease liabilities, less cash and cash equivalents.

The total capital 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 2021.

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **$'000** | **$'000** |
| Borrowings (Note 29) | **(24,481)** | (5,076) |
| Lease liabilities (Note 30) | **(25,685)** | (25,072) |
| Add: Cash and cash equivalents (Note 23) | **32,395** | 41,953 |
| Net (debt)/cash | **(17,771)** | 11,805 |
| Equity attributable to owners of the Company | **96,827** | 95,729 |
| Net debt | **17,771** | – |
| Total capital and net debt | **114,598** | 95,729 |

The Group will continue to be guided by prudent financial policies of which gearing is monitored.

**40 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 2022 were authorised for issue in accordance with a resolution of the directors on 3 April 2023.

# LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

| 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) |
| Three adjoining 3-storey conservation shophouses with attic | 1, 3, 5 Club Street Singapore 069400, 069401, 069402 | 453 | 99 years from 15 January 1996 (Rental) |
| A pair of 2-storey conservation shophouses | 7, 9 Club Street Singapore 069403, 069404 | 218 | 99 years from 15 January 1996 (Rental) |
| **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 |

| | | |
|---|---|---|
| Class of Shares | : | Ordinary Shares |
| Voting Rights | : | One (1) Vote per Ordinary Share |
| No. of Issued shares | : | 200,995,734 Ordinary Shares |
| Treasury shares | : | NIL |
| No. of subsidiary holdings held | : | NIL |

**Distribution of Shareholdings as at 24 March 2023**

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 – 99 | 6 | 0.58 | 247 | 0.00 |
| 100 – 1,000 | 153 | 14.86 | 139,337 | 0.07 |
| 1,001 – 10,000 | 622 | 60.39 | 3,177,572 | 1.58 |
| 10,001 – 1,000,000 | 239 | 23.20 | 12,336,419 | 6.14 |
| 1,000,001 and above | 10 | 0.97 | 185,342,159 | 92.21 |
| Total | 1,030 | 100.00 | 200,995,734 | 100.00 |

**Substantial Shareholders as at 24 March 2023**

| | Direct Interest | | Indirect Interest | |
|---|---|---|---|---|
| **Name of Substantial Shareholders** | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Ang Yee Lim | 104,750,901[1] | 52.12 | – | – |
| 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 |

Notes:

1. 60,546,400 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

**Twenty Largest Shareholders as at 24 March 2023**

| No. | Name of Shareholders | No. of shares | % |
|---|---|---|---|
| 1 | BNP Paribas Nominees Singapore Pte Ltd | 60,077,000 | 29.89 |
| 2 | Ang Yee Lim | 44,204,501 | 21.99 |
| 3 | Hong Leong Finance Nominees Pte Ltd | 30,030,000 | 14.94 |
| 4 | Kechapi Pte Ltd | 26,925,858 | 13.40 |
| 5 | UOB Kay Hian Pte Ltd | 11,967,900 | 5.95 |
| 6 | So Tai Lai | 3,630,300 | 1.81 |
| 7 | DBS Nominees Pte Ltd | 2,461,600 | 1.22 |
| 8 | Yap Boh Sim | 2,310,000 | 1.15 |
| 9 | Ang Lian Seng | 2,300,000 | 1.14 |
| 10 | Yit Teng Yuet | 1,435,000 | 0.71 |
| 11 | HSBC (Singapore) Nominees Pte Ltd | 783,000 | 0.39 |
| 12 | Ong Kheng Ho | 495,000 | 0.25 |
| 13 | Ong Kok Foo | 350,000 | 0.17 |
| 14 | United Overseas Bank Nominees (Private) Limited | 324,200 | 0.16 |
| 15 | Ronald Lim Cheng Aun | 305,000 | 0.15 |
| 16 | Chua Tiang Choon Keith | 300,000 | 0.15 |
| 17 | Lim Meng Hong | 300,000 | 0.15 |
| 18 | Quek Mong Hua | 300,000 | 0.15 |
| 19 | Allan Chua Tiang Kwang | 300,000 | 0.15 |
| 20 | OCBC Nominees Singapore Pte Ltd | 293,800 | 0.15 |
| | **Total:** | **189,093,159** | **94.07** |

Based on Shareholders' Information as at 24 March 2023 approximately 17.73% of the total numbers 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 IS HEREBY GIVEN** that the 44th Annual General Meeting of the Company will be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Thursday, 27 April 2023 at 10:00 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 2022 together with the Independent Auditor's Report thereon. ***Resolution 1***

2. To approve the payment of a tax exempt (1-tier) Final Dividend of 0.75 Singapore cents per ordinary share for the financial year ended 31 December 2022. ***Resolution 2***

3. To approve the payment of the Directors' fees of S$205,000 for the financial year ended 31 December 2022 (2021: S$205,000). ***Resolution 3***

4. To re-elect Mr Lim Jen Howe, 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 Quek Mong Hua, the director retiring by rotation pursuant to Article 98 of the Company's Constitution. ***Resolution 5***

   *[See Explanatory Note (ii)]*

6. 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 6***

**AS SPECIAL BUSINESS:**

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:

7. **Authority to allot and issue shares** ***Resolution 7***

   "THAT pursuant to Section 161 of the Companies Act 1967 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;

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 (iii)]*

8. 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

10 April 2023

***Explanatory Notes:***

(i) Key information on Mr Lim Jen Howe can be found on pages 54 to 59 of the Annual Report 2022. Mr Lim Jen Howe will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, and a member of the Remuneration and Nominating Committees. Mr Lim is considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"). There is no relationship (including family relationship) between Mr Lim and the other Directors of the Company or its substantial shareholders.

(ii) Key information on Mr Quek Mong Hua can be found on pages 54 to 59 of the Annual Report 2022. Mr Quek Mong Hua will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration and Nominating Committees, and a member of the Audit Committee. Mr Quek is considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"). There is no relationship (including family relationship) between Mr Quek and the other Directors of the Company or its substantial shareholders.

(iii) Ordinary Resolution No. 7 is to empower the Directors, from the date of the passing of Ordinary Resolution No. 7 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.

***Important Notes:***

1. The members of the Company are invited to **attend physically** at the Annual General Meeting (the "Meeting" or "AGM") 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. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM (the "**Notice**") will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL http://www.abr.com.sg and on the SGXNet at https://www.sgx.com/securities/company-announcements.

2. **Arrangements for participation in the AGM physically**

   Members (including Central Provident Fund Investment Scheme investors ("**CPFIS Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the AGM by:–

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM

      (i) themselves personally; or (ii) through their duly appointed proxy(ies).

   CPFIS and SRS investors who wish to appoint the Chairman of the Meeting as proxy shall approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 6 below for details.

   In the event members encountered Covid-19 like symptoms prior to the Meeting, members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the Meeting.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy **but** this is **not mandatory**. The Chairman of the AGM, as proxy, need not be a member of the Company.

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators:

   (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes at least 7 working days prior to the date of AGM i.e. **by 10.00 a.m. on 17 April 2023**, in order to allow sufficient time for their respective intermediaries to in turn, submit his/her voting **by 10.00 a.m. on 25 April 2023**.

7. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company 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, be submitted via email to agm2023@abr.com.sg.

   in either case, not less than 48 hours before the time appointed for holding the Meeting **i.e. by 10.00 a.m. on 25 April 2023**, and failing which, the Proxy Form will not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

8. The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **before 10.00 a.m. on 25 April 2023** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 10.00 a.m. on 25 April 2023.

9. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

10. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.

11. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by **10.00 a.m. on 18 April 2023**:

    (a) by email to agm2023@abr.com.sg; or

    (b) by post to the Registered Office of the Company at 41 Tampines Street 92, ABR Building, Singapore 52888.

    The Management and the Board of Directors of the Company will endeavour to address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from members by publishing the responses to those questions on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at http://www.abr.com.sg, **by 21 April 2023**.

12. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at http://www.abr.com.sg, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

13. The 2022 Annual Report has been published on 10 April 2023 on the Company's website at http://www.abr.com.sg, and on the SGX website at https://www.sgx.com/securities/company-announcements.

14. Important reminder. Members are reminded to check SGXNet for any latest updates on the status of the AGM.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) 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), 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) 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 2023 up to (and including) 11 May 2023 for the purposes of determining shareholders' entitlements to the proposed final one-tier tax exempt dividend for the financial year ended 31 December 2022 ("FY2022 Final Dividend") of 0.75 Singapore cents per ordinary share.

The proposed FY2022 Final Dividend, if approved by shareholders at the Annual General Meeting, will be paid on 25 May 2023.

FOR AND ON BEHALF OF THE BOARD

Chua Tiang Choon, Keith
Executive Chairman
10 April 2023

**ABR HOLDINGS LIMITED**
(Company Registration No.: 197803023H)
(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING**
**PROXY FORM**

**IMPORTANT**
1. The Annual General Meeting ("AGM") will be held physically at the registered office of the Company. **Members have no option to participate virtually**.
2. For CPF Investors/SRS Investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid to use by CPF Investors/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

*I/We ______________________________ (Name) NRIC/Passport no.* ______________________

of ______________________________________________________________
being *a member/members of ABR Holdings Limited (the "Company"), hereby appoint

| Name | Address | NRIC/ Passport No. | Proportion of shareholdings to be represented by proxy (%) | |
|---|---|---|---|---|
| | | | No. of shares | (%) |
| | | | | |

*and/or

| Name | Address | NRIC/ Passport No. | Proportion of shareholdings to be represented by proxy (%) | |
|---|---|---|---|---|
| | | | No. of shares | (%) |
| | | | | |

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on **Thursday, 27 April 2023 at 10.00 a.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the Annual General Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Annual General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

***(If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.)***

| No. | Ordinary Resolutions | For | Against | Abstain |
|---|---|---|---|---|
| 1. | Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. | | | |
| 2. | Approval of payment of a tax exempt (1-tier) Final Dividend of 0.75 Singapore cents per ordinary share for the financial year ended 31 December 2022. | | | |
| 3. | Approval of payment of Directors' fees of S$205,000 for the financial year ended 31 December 2022. | | | |
| 4. | Re-election of Mr Lim Jen Howe as Director. | | | |
| 5. | Re-election of Mr Quek Mong Hua as Director. | | | |
| 6. | Re-appointment of Messrs Baker Tilly TFW LLP as Auditor. | | | |
| 7. | Authority to allot and issue shares. | | | |

* *Delete accordingly*

Dated this ________ day ______________________ 2023

| Total Number of Shares Held |
|---|
| |

______________________________
Signature(s) of Member(s)/Common Seal

**IMPORTANT.** Please read notes overleaf.

***Notes:***

1. *A member* who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. *Please insert* the total number of shares of the Company ("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 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, 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.
3. *A member* who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. The Chairman of the AGM, as proxy, need not be a member of the Company.

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

AFFIX STAMP

The Company Secretary
**ABR HOLDINGS LIMITED**
41 Tampines Street 92
ABR Building
Singapore 528881

6. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM i.e. **by 10.00 a.m. on 17 April 2023**, in order to allow sufficient time for their respective relevant intermediaries to in turn, submit his/her voting by 10.00 a.m. on 25 April 2023. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies 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 of proxy.
8. The instrument appointing the proxy(ies), together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:–

   (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, be submitted via email to agm2023@abr.com.sg.

   in either case, not less than 48 hours before the time appointed for holding the Meeting i.e. by **10.00 a.m. on 25 April 2023**, and failing which, the Proxy Form will not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
9. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

**General:**

The Company shall be entitled to reject the instrument appointing the proxy(ies) 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 the proxy(ies). In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the proxy(ies) lodged if such members are not shown to have shares entered against their names in the Depository Register 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 AGM dated **10 April 2023**.

**ABR Holdings Limited**

41 Tampines Street 92 ABR Building Singapore 528881
Tel: (65) 6786 2866 Fax: (65) 6782 1311