ABR HOLDINGS LIMITED

Annual Report 2015

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ABR Holdings Limited ("ABR") began as the owner and operator of the first full-service Swensen's ice cream restaurant in Singapore back in 1979. The Swensen's brand, with over 20 restaurants in Singapore, remains one of the market leaders in the western casual dining category and one of the preferred choices in good value family dining.

For the past 36 years, we have continuously honed our craft in managing, developing and offering families in Singapore and the region quality F&B selections that cater to the palates of everyone - young and old. Our brands, in particular Swensen's, have come of age, growing and maturing alongside generations of Singaporeans. Moving forward, we will continue to develop and evolve our brands and offerings to ensure that our customers continue to enjoy each and every experience with us, and for many more years to come.

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Once again, it gives us great pleasure in presenting you with the Annual Report of ABR Holdings Limited ("ABR" or the "Group") for the financial year ended 31 December 2015 ("FY2015"). Despite a challenging year, the Group registered a reasonable performance for the year and has continued to maintain its profitability.

Review of Performance

Group revenue for FY2015 registered at S$100.4 million, a slight decrease of 2% when compared to S$102.5 million achieved in the previous financial year ("FY2014"). Our restaurant operation in Singapore recorded a slight decrease in revenue, while revenue from the Malaysian operations was reduced by the translation effect of the weaker Malaysian Ringgit against the Singapore Dollar.

Group profit before tax registered at S$8.9 million in FY2015, a decrease of 4% as compared to S$9.4 million in FY2014. The restaurant operation in Singapore continues to be the main profit contributor though its profit was impacted by lower revenue and the write-off of plant and equipment arising from the closure of outlets during the year. The profit contribution from our operations in Malaysia was affected by the weaker Malaysian Ringgit.

With a lower provision for income tax expense, the Group recorded a profit after tax of approximately S$7.6 million, a marginal increase compared to FY2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of S$7.6 million, 3% lower when compared to S$7.9 million in FY2014.

The operations of Swensen's in Singapore remained the key contributor to Group revenue and profit in FY2015. While most of our brands continued to be profitable, Tip Top Curry Puffs saw an encouraging improvement in performance compared to FY2014.

Dividends

In view of our satisfactory results, a final tax exempt (1-tier) cash dividend of 1.5 cents per share has been recommended for FY2015, pending shareholders' approval at the upcoming Annual General Meeting. Together with the interim dividend of 1.0 cent per share paid out on 18 September 2015, this brings the total payout for FY2015 to 2.5 cents per share.

A Challenging FY2015

FY2015 continued to be a challenging year characterised by rising cost pressures, a tight labour market, intense competition in the F&B industry and weak consumer sentiments. Faced with the possibility of an impending economic slowdown, consumers tend to be more budget conscious with some

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

trading down from fine dining establishments to more affordable casual dining environments. While this bodes well for the Group's Swensen's operations, competition remains keen with new F&B players and more Halal-certified establishments entering the market. With these new players in the F&B industry, rental prices of premier locations are further pushed upwards. Manpower costs continue to require careful attention. Increases in foreign worker levies, reduction in quotas, staffing shortages and the resultant efforts in expanding the pool of local service staff have also impacted our operating margins.

FY2015 was an opportune time for the Group to focus on strengthening its business foundations by consolidating its brands and realigning its resources and competencies to meet the challenges ahead. In FY2015, the Group ceased its operations of the underperforming brands and repositioned its focus on its core brands – Swensen's and Tip Top Curry Puffs in Singapore; and Season Confectionary and Season's Café in Malaysia. In addition, during the year in review the Group recognised the potential of the Swensen's brand in Malaysia and proceeded to open a corporate-owned Malaysian Swensen's restaurant at Sunway Putra Mall in Kuala Lumpur.

On the property business, the Group has identified and evaluated several property development and investment projects. Negotiations and evaluations on some of these projects are still on-going and we have yet to commit to any specific property project as at this date. As these property projects tend to involve the commitment of significant financial resources, investment in any such project will be carried out prudently and selectively. Amidst the regional and global economic headwinds, the Group will continue to monitor the various markets closely and seek quality investments that yield reasonable potential returns. We are confident that with a healthy balance sheet, we are well positioned to take advantage of the opportunities in the markets as they arise.

Outlook

Although the market is expected to be challenging, we are confident that our brands are well positioned to continue to appeal to a broad base of customers. Moving forward, we will continue to focus on our core values of providing a variety of quality products at affordable prices.

In view of the uncertain economic outlook, the Group will remain focused on driving revenue, managing its operating costs and improving operational efficiencies. In addition, the Group continues to explore opportunities to expand our portfolio of brands in the F&B sector.

Acknowledgements

To our Board of Directors, we are grateful for your stewardship and counsel. To our customers, partners and shareholders, we thank you for your unstinting support and unwavering faith in our mission to create long-term sustainable value for all our stakeholders. To our employees and staff, your invaluable commitment and devotion to the Group are greatly appreciated.

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

OPERATIONS REVIEW

SWENSEN'S & EARLE SWENSEN'S

Swensen's arrived on the shores of Singapore in the year 1979 and became a household name for the delightful variety of ice cream sundaes and affordable hearty "Western" meals that it offered.

Shrouded in a warm, casual and unpretentious ambience, Swensen's was the ideal restaurant for friends and family to gather in cozy and comfortable booth seats amidst trademark Tiffany lamps for relaxing meals or to celebrate special occasions.

Over the years, Swensen's has grown to become synonymous with sweet memories of good times spent with loved ones. Since the opening of our first 200-seater restaurant at Thomson Plaza, more than 180 flavours of Swensen's ice cream have been created and enjoyed by both young and old, while Swensen's has expanded to over 20 full-service restaurants serving an all-day menu of food and ice cream sundaes.

Earle Swensen's was created in the year 2006 with our flagship restaurant situated at the popular Vivo City mall. A fresh and innovative dining concept conceived to meet the demand for healthier meal options and quality ingredients, the menu incorporated its signature gelato flavours and sundaes with an extensive range of specialty grilled entrees. To top it off, diners could choose from a wide variety of fresh compound salads, mixed greens and garnishing, as well as fresh fruits and homemade dressings.

Today, our restaurants and menus are constantly updated and re-engineered to stay trendy and relevant to diners. Nevertheless, like the timeless Tiffany lamps that continue to be a recognisable feature of the brand, Swensen's continues to honour and uplift our heritage in bringing people together for hearty meals and shared memories.

Financial Review

In FY2015, the Group's operations of Swensen's and Earle Swensen's restaurants continued to record credible results. Although there was a slight decline in revenue when compared to results achieved in FY2014, Swensen's and Earle Swensen's continued to post strong revenue, contributing 80% of Group revenue for the year. The slight decline in revenue is in line with lower consumer spending as a result of general consumer sentiments of an uncertain market in the near future.

In tandem with the decline in revenue, profit before tax was reduced. Nevertheless, the segment continued to maintain its pole position as the key contributor to Group profit before tax. The decline in profit before tax for the segment was due to the drop in revenue, further aggravated by cost pressures and high write-offs resulting from the closure of some outlets.

Year in Review

Our operating environment in FY2015 was a challenging one plagued by cost pressures resulting from escalating rental and rising wages. Against the backdrop of these challenges, Swensen's put up a reasonable performance in FY2015, as it continued

to generate stable revenue and maintained profitability. Concurrently, a spectrum of initiatives is still ongoing with the objective of yielding performance improvements amidst a challenging operating environment.

During the year, Swensen's also maintained its focus on the key areas of its operations, namely: developing productivity initiatives, enhancing the dining experience, developing our human capital, and strategically strengthening our island-wide presence.

Developing Productivity Initiatives
In the year under review, productivity continued to be a key priority, with continuous refinements and improvements being made to the operations workflow processes on the service floor at all our restaurants, and these have continued to result in higher productivity output, faster turns and heightened sales potential at the frontline.

Leveraging on the latest advancements in IT solutions, the Group continued to invest in technology to further increase efficiency and to ensure that we are ready to engage and interact with customers in the most optimal and efficient manner. To this end, Swensen's successfully launched an upgraded integrated cloud-based Point-of-Sales System with real-time reporting solutions and handheld ordering for faster response time. The overall dining experience at our restaurants is enhanced as waiting time is reduced for our customers. Alongside this, an automated feedback system was also successfully rolled out to replace the manual feedback system, ensuring less paperwork and higher efficiency.

One of the initiatives was to focus on e-commerce and to upgrade the online ordering system to improve the customer ordering interface. This enhanced customer experience and seamless user interface has already resulted in improved sales conversions. During the year, online ordering of festive products such as mooncakes, log cakes and Christmas roast items was made possible. With the use of e-payment, customers can get instant confirmation of their orders any time of the day.

A large proportion of our media spend is channelled towards digital advertising and social media engagement. This has been an intentional shift in approach to take into account the growing importance of an omnichannel marketing strategy. In 2015, our efforts in engaging the online media and social media influencers generated very encouraging results. Various social media activities and contests were launched using dedicated Facebook Apps. Food tasting sessions for food, parenting and lifestyle bloggers cater to the interests of customers who like to know more about online food reviews before deciding where to dine. This has allowed us to reach out to many new top-tier as well as up-and-coming influencers. There was also greater emphasis on online advertising based on interesting content creation. YouTube videos were used extensively in the year under review to promote our food launches and promotional offers. Other online platforms used include Facebook, Google Display Network, 8 Days' Eat App, HungryGoWhere and So Shiok, amongst others.

Investments were also made in digital signages for all our restaurants so as to better communicate our offers and promotions to customers in a more precise, consistent and informative way.

Enhancing the Dining Experience
In recognition of the Swensen's brand as Singapore's leading family restaurant serving up good value and quality food amidst a conducive dining environment, Swensen's was conferred the Gold Award by the Reader's

Digest Trusted Brand Awards. The winning of this award also validates the hard work we have invested in developing, cultivating and keeping the brand relevant.

In addition, efforts to keep our menu offerings interesting and refreshing through continuous menu engineering while our operations workflow redesign initiative to improve service and operational efficiency continued through 2015.

In celebration of Singapore's Golden Jubilee, SG50, in 2015, Swensen's implemented a year-long marketing campaign to celebrate alongside the nation with dishes that boast a local twist. The specially created celebratory menu, which featured Instagram-worthy favourites such as *Super Nasi Lemak* sundae and *Milo Dinosaur Sundae Dirt Pot*, gave customers many attractive and delectable reasons to visit Swensen's restaurants.

In our efforts to increase revenue during the traditional off peak hours, Afternoon Tea sets with free flow coffee and tea was introduced in 2015, in addition to our very well-received and on-going Happy Hour promotions. Alongside the introduction of this menu, our range of teas offered has been upgraded while our coffee is a custom roasted

blend supplied by a local coffee supplier. Our coffee machines have also been upgraded to provide our customers with a superior experience.

As part of our on-going efforts to keep our restaurants trendy, updated and relevant, as well as to provide our diners with a conducive family dining environment, we have unveiled our next generation look for Swensen's restaurants at The Seletar Mall, Sun Plaza and Terminal 2 of Changi Airport, which is bright, airy, and contemporary yet true to the brand with touches of the classic Swensen's look and feel. Feedback from our customers has so far been very positive.

In line with its objective of offering diners healthier menu selections, Earle Swensen's continued to work closely with the Health Promotion Board ("HPB") in the year under review as a Healthier Dining Partner, with a strong emphasis on creating healthy yet tasty dishes without compromising on flavour.

Human Capital Development
While the effective management of our human capital continues to be a challenge in 2015, it remains a priority to focus on the retention and development of our core employees .

The Group also faced the dilemma of having to strike a balance between actual working hours and training hours for our employees, as one takes time away from the other. Moving forward, this would likely be a perennial challenge as we brace ourselves for an impending economic slowdown.

Consolidating Our Footprint
Efforts were made during the year to consolidate our restaurants and outlets to gain more mileage and footfall while at the same time, still maintain broad nationwide coverage. Changes include the closure of our Centrepoint

OPERATIONS REVIEW

and Compass Point outlets in May 2015 and September 2015 respectively due to major mall upgrading work; a short-term closure of our Terminal 2 outlet for branding and upgrading work in October and November 2015; and the opening of our Sun Plaza outlet in July 2015.

The closure of the outlet at The Centrepoint enabled a redeployment of manpower for better productivity yield, whereas the temporary closures at Compass Point and Changi Airport Terminal 2 impacted the profitability of the Swensen's brand. Fortunately, the opening of our new outlet at Sun Plaza in July 2015 contributed positively to the Group's results.

Outlook

For Swensen's and Earle Swensen's, our strategy moving forward is to push ahead with our efforts to consolidate the business and streamline our operations. Expansion of our Singapore footprint will be carried out prudently and selectively, with location as the key strategic criterion. Special focus will be given to improve the experience of our customers through continuous product innovation and customer centric initiatives.

Pushing ahead with our training programmes for our employees, there will be increased focus on training that reinforce the values of the Company.

In the pipeline are other exciting developments such as the investment and pilot of a mobile learning programme that goes beyond e-learning, as well as, in response to the manpower issues that we are currently facing, the pilot programme of a *JobsOnDemand* portal is being trialled as we aim to build up a pool of freelancers and part-timers which we can tap into during our busy periods.

TIP TOP CURRY PUFFS

Backed by strong brand heritage and rich in wholesome traditional home-cooked flavours, Tip Top Curry Puffs continues to be a popular snack in Singapore amongst locals and visitors alike. Besides our core range of curry puffs that feature fillings inspired by local Asian cuisine such as Nonya Beef Rendang and Spicy Sardine, our menu includes a wide variety of local snacks such as deep fried chicken wings and fish cakes, as well as local favourites such as Laksa and Nasi Lemak. Over the years, Tip Top Curry Puffs continually refines and enhances its range of menu offerings to cater to the discerning palates of its loyal customers and supporters.

Review

FY2015 was a year in which focus and emphases were placed on strengthening our business foundations, in particular product quality, retail operations and management experience.

Our focus on operational improvements and alignment with organisational policies in the second half of the year brought about an improvement in sales performance across all our stores island-wide, with strong results achieved in the final quarter of FY2015.

In the year under review, a total of three new Tip Top outlets were opened - one at The Seletar Mall in January 2015, and two at Changi Airport, the first of which was at Terminal 3 in February 2015 and the second store at Terminal 1 in July 2015.

In tandem with the opening of these three new outlets, Tip Top Curry Puffs achieved a creditable 64% increase in revenue.

During the year, a fresh design for our staff uniform was adopted and rolled out in the last quarter of the year to project a cleaner, more professional image for our frontline colleagues. In addition, a new look for new Tip Top stores was developed, with the first store to use the new design at Bugis Junction, which opened in January 2016.

Outlook

Moving forward into 2016, Tip Top Curry Puffs will focus on refining and strengthening operational capabilities as well as creating and promoting brand awareness. In our efforts to extend our reach through the expansion of our retail network, we have new Tip Top outlets opening in 2016. In January 2016, we opened a new outlet at Bugis Junction, another new outlet will be opened at 1 Sengkang Mall in the final quarter of 2016.

SEASON CONFECTIONARY & BAKERY AND SEASON'S CAFÉ

Season Confectionary & Bakery was established in the year 1975 as an artisanal bakery and cake shop in Taman Sentosa, Johor Bahru. Over the years, its freshly baked cakes, bread, confectionery, pastries and mooncakes have gained increasing popularity and the brand has grown and developed into a household name in Johor Bahru, Malaysia. From amongst its wide variety of confectionery offerings, Season mooncakes have become a widely recognised feature of the Season brand. A highlight of the Mid-Autumn Festival celebrated by Chinese all around the world, Season mooncakes have found their way into the homes and hearts of many Malaysians, and some Singaporeans.

With 40 years of operational heritage and experience, Season Confectionary and Season's Cafés are well-known for quality confectionery products and local favourites, with over 20 outlets strategically located within prime residential areas and popular shopping malls across Johor Bahru city.

Financial Review

In FY2015, Season Confectionary & Bakery achieved a 9% increase in revenue compared to FY2014, while Season's Café suffered a decline of 5% in revenue for FY2015 as compared to FY2014. In tandem with the trend in revenue, Season Confectionary & Bakery recorded a 14% increase in profit before tax as compared to FY2014, while Season's Café suffered a 48% drop in profit before tax in FY2015 compared to FY2014.

Review of Operations

The beginning of the new year 2015 was especially symbolic for the Season Confectionary & Bakery as it represented the turn of a chapter with the launch of a "new look" for Season. In celebration of its 40th Anniversary, we launched our new packaging to reflect the celebratory mood. In addition, promotional activities were ramped up during the year while the weaker Malaysian Ringgit made Johor Bahru an attractive shopping haven for visitors from neighbouring Singapore. This in turn boosted our sales.

The revamp of the Season brand image was further channelled across to its outlets. Towards the end of 2014, we upgraded our Season Confectionary & Bakery outlet at Taman Pelangi and the response upon completion was encouraging. As a result, in 2015, Season Confectionary & Bakery focused on the upgrading of its outlets. Renovation work for the three outlets at Holiday Plaza, Sutera Mall and Johor Jaya were completed in June, July and November of 2015 respectively. The newly renovated outlets, coupled with attractive marketing and promotions such as monthly confectionery specials, served to attract more customers. In addition to the existing outlets, a new outlet at Nusantara opened its doors in June 2015. The refurbished look of our new outlet at Nusantara was visibly more elegant and contemporary, and garnered better response from our younger generations of customers.

The upgrading of two of our Season's Cafés at Sutera Mall and Johor Jaya, with the aim of rejuvenating their look and feel, was successfully completed in July and November 2015 respectively.

OPERATIONS REVIEW

Challenges

One of the challenges we faced in 2015 was the implementation of Goods and Services Tax ("GST") throughout Malaysia. The implementation of GST has impacted both our Confectionary and Café operations. In compliance with the GST requirements, all prices displayed have to be inclusive of GST, and this does not bode well for our business as prices then appear to have increased, resulting in a negative impact on consumption.

Boosting Sales

In response to the implementation of GST in Malaysia and the drop in business volume that subsequently followed, Season's Café refined its promotion strategy. A variety of creative marketing initiatives were implemented throughout 2015, many of which involved promotions on menu items, the creation of affordable set menus, and the introduction of innovative and interesting menu themes.

In October 2015, we launched our Disney-themed ice cream cakes over a weekend amidst a party-like atmosphere at our cafés where balloons were distributed, to the excitement and delight of our child diners. Even our adult diners were entertained and enjoyed themselves amidst the launch event.

During the year, going beyond our outlets, Season's Café continued to promote its catering services introduced in 2014 in order to bring our business to our customers.

For Season Confectionary & Bakery, our promotion events such as the Lunar New Year Lucky Draw, the introduction of new products such as new flavours of cookies and goodies during the Lunar New Year, and the increased variety of festive hampers launched contributed to the increase in sales. With the celebration of every festivity, such as Valentine's Day or the Mid-Autumn Festival, there would always be a specially designed cake or pastry to commemorate the event. These festival-themed products help to attract a younger generation of customers and play an instrumental role in extending our reach beyond our regular pool of loyal customers.

From April to May 2015, Season Confectionary & Bakery's 40th Anniversary promotion of collecting stamps with expenditure in exchange for vouchers was conceived as a strategy to counter the possibility of lower spending as a result of the GST implementation on 1 April 2015. This promotion was well received and contributed towards improving our results.

As families get more nucleic in terms of living arrangements, large celebration cakes are no longer as popular as small ones. With this in mind, concerted efforts were made to keep the majority of celebration cakes small. This helped reduce wastage and in fact, increased the popularity of our celebration cakes, and in turn, resulted in better sales and profits.

Towards the end of the year, we launched our exclusive Christmas cookies, buns and cakes. To celebrate the approaching New Year, we also gave away Season calendars for the year 2016, together with discount vouchers to our customers.

Outlook

As we push on ahead beyond 2015, Season Confectionary & Bakery will continue in our efforts to improve performance by expanding our presence, as well as persisting in the research, development and re-engineering of our product range. Our dual pronged strategy of constantly updating our product offerings and continuously seeking new locations to expand our business will continue to be on-going priorities. In addition, we will explore the extension of our corporate sales to the Singapore market as was proven to be lucrative in year 2015 as export of our Frozen-theme products contributed to an increase in sales.

Investments in new machinery to keep us updated and relevant, as well as investments in our human capital, will continue to be key priorities. Besides upgrading our service quality, training will also be intensified to boost the product knowledge of our frontline employees.

Moving ahead, Season's Café will continue to focus on the creation of innovative promotional activities to drive sales, leveraging on the advantage of the weaker Malaysian Ringgit to attract diners from Singapore.

For 2016, we expect to be doing mostly below the line advertising and marketing and also looking into various tie-ups with landlords and office staff through electronic direct mailer and corporate discounts. There will be constant updates of the various promotions and events through this medium to entice them to increase their visit to the outlets.

Going beyond 2015, in our continuing efforts to improve performance, Season's Café will strengthen its focus on continually refining its service level and offer customers an exciting menu of value-for-money quality dishes and creative sundaes.

SWENSEN'S MALAYSIA

The Group has been managing several Swensen's restaurants under its franchise model in various parts of West Malaysia, with two outlets in Kuala Lumpur ("KL") and two outlets in Penang.

Recognising the potential of the Swensen's brand in Malaysia, we opened a corporate-owned Swensen's restaurant at Sunway Putra Mall in KL in May 2015. Covering an area of 1,862 square feet with seating capacity of 86, an ice cream buffet was a key feature at the opening of the Sunway Putra Mall Swensen's restaurant. For our customers, it was both a fun and novel event that created much awareness of Swensen's presence at the mall. This also represents a key milestone as we embark on our next phase of strategic expansion of the Swensen's brand in Malaysia.

Together with our franchised outlets, the Group now operates five Swensen's outlets in Malaysia.

The performance of the new outlet at Sunway Putra Mall was not spared the negative impact of the implementation of the Malaysian GST in April 2015 and further aggravated by the lack of footfall as the mall was extremely new and had not fully opened in 2015. Despite these challenges faced in 2015, we are optimistic that this outlet is likely to perform better in 2016.

Moving forward, Swensen's Malaysia will proceed with its expansion strategy. For 2016, we will be opening two outlets in KL, one at Empire City Mall in Petaling Jaya and the second at Sunway Velocity Mall in Cheras, as well as one outlet in Johor Bahru, all of which are corporate-owned restaurants. All three outlets are scheduled to open in the third quarter of 2016.

To capture the middle and upper market, we will be bringing the Earle Swensen's brand, first to Johor Bahru, then perhaps the rest of Malaysia at a later date. Our flagship restaurant in Malaysia will be strategically located at the popular Komtar JBCC with easy access to both Johor locals and Singaporeans.

CORPORATE SOCIAL RESPONSIBILITY

ABR places strong emphasis on helping the less fortunate within our community. Alongside our value proposition that we bring "treats to everyone in the family", we recognise that for the less privileged, treats come in the form of a helping hand to help them cope with the demands of getting through each day.

Throughout the year under review, the Group participated in a host of activities to raise funds and help society's less privileged as part of its Corporate Social Responsibility efforts.

#SgEatWithUs Celebrates by The Bay

In 2015, ABR participated in the #SgEatWithUs initiative, held in conjunction with the National Day Parade 2015 from 1 to 9 August 2015 at Gardens by the Bay, which aimed to bring communities together through the sharing of home-cooked meals. In collaboration with #SgHomeChefs, ABR created a special Onde-Onde ice cream and this was served to thousands of participants at the mass celebration event. This event was particularly meaningful for ABR as our restaurants are similarly themed around the bonding of family and friends.

CRSS-Yishun

To celebrate the grand opening of Swensen's outlet at Sun Plaza on 31 August 2015, ABR and its business partners presented a donation of S$50,000 to the Singapore Anglican Community Services ("SACS") to support its Community Rehabilitation and Support Service Centre in Yishun ("CRSS-Yishun"), which is located in the vicinity of the new restaurant. CRSS-Yishun provides day care and counseling for a wide demography of people who suffer from mental illness. Many whose daily lives are challenged and hampered by mental conditions such as depression and dementia spend their days at the Centre to immerse themselves in therapeutic activities with the aim of managing their mental health.

The Santa Run for Wishes 2015

During the year, ABR sponsored The Santa Run for Wishes 2015, a fundraising initiative organised by the Make-A-Wish Foundation, a wish-granting organisation in Singapore that aims to grant the wishes of children with life-threatening medical conditions between the ages of 3 and 18 years. The event, a part of the Care and Share Movement by the Singapore Government and in conjunction with the SG50 celebrations, was held on 28 November 2015 and brought people from all walks of life together through a 2km Fun Run or 5km Run around Sentosa. All registration and donation proceeds were matched dollar-for-dollar by the government and went towards the Make-A-Wish Foundation, Singapore.

The Purple Parade 2015

In 2015, Swensen's sponsored The Purple Parade, a carnival held on 31 October 2015 in support of a more inclusive society and to celebrate the abilities of persons with special needs. Organised by a number of social welfare organisations including the National Council of Social Service ("NCSS") and Autism Association (Singapore), the event drew a huge crowd. Purple Products were sold to raise funds and the crowd was entertained with a wide variety of food and games. Proceeds from the carnival's charity and sponsored booths were distributed to the participating charities.

Woodbridge Hospital Charity Fund

ABR was one of the main sponsors for the Institute of Mental Health ("IMH") Fund-Raiser play entitled "8-5" held on 29 & 30 August 2015 with proceeds raised going towards the Woodbridge Hospital Charity Fund. The play featured three types of mental illnesses – Obsessive Compulsive Disorder ("OCD"), Schizophrenia and Dementia — as experienced in the daily lives of ordinary people. It also showcased the challenges faced by caregivers of people who suffer from these illnesses. The play sought to improve understanding and awareness of how it feels to be suffering from mental health issues.

Association for Persons with Special Needs ("APSN") – Delta Senior School

ABR's engagement with APSN – Delta Senior School has been on-going since 2008 and this collaboration continued throughout 2015.

In April 2015, ABR signed a Memorandum of Understanding ("MOU") with APSN – Delta Senior School for a further period of two years to provide a training platform for the school's students and graduates.

Under the Work Experience Program ("WEP") organised by APSN, the ABR Group provides Swensen's restaurants as venues for real-life on-the-job training for Delta's students aged 16 and above.

Swensen's collaborated with Delta Senior School to set up an on-campus Swensen's training "café" in 2013 to better prepare students for work by enhancing their employability. ABR continues to render technical support and resources for the training café in 2015.

The career pathway in training and development for the graduates of Delta Senior School culminate in a career at Swensen's as they are then offered employment opportunities at one of our Swensen's restaurants.

Metta School-to-Work Program

Initiated by ABR in 2013, the Metta "School-to-Work Program" is a work attachment program whereby students are trained within a real work venue as they prepare to join the workforce. In view of the success of this program, ABR signed an MOU with Metta School on 20 January 2015 to extend its partnership to 20 December 2017 in the care of the community through education and the imparting of vocational skills.

SCORE

In partnership with the Singapore Corporation of Rehabilitative Enterprises ("SCORE"), ABR worked towards providing employment opportunities to ex-offenders. ABR feels strongly that there should always be a second chance, an opportunity to learn from mistakes and an avenue to build a career pathway in order to reintegrate oneself into society.

Community Development Council

The ABR Group has been actively working with various CDC Career Centres since 2012 to offer job opportunities to the general public who seek help from CDC Career Centres for job placements. The collaboration continued throughout 2015.

Club Rainbow

Since year 2005, ABR has been sending Swensen's ice cream birthday cakes on a monthly basis to the beneficiaries of Club Rainbow – children who suffer from chronic illnesses. In 2015, more than 500 ice cream cakes were given out. ABR's annual sponsorship of Club Rainbow's fund raising initiatives, including Ride for Rainbows which is a cycling marathon, began in 2013 and has continued through 2015.

HCA Hospice Care – Star PALS

Star PALS ("Paediatric Advance Life Support") is a paediatric palliative care service dedicated to improving the quality of life for children with life-threatening or life-limiting conditions, in the comfort of their homes.

ABR has been sponsoring birthday cakes for terminally ill members of Star PALS since 2013 and this sponsorship continued in 2015.

Nanyang Polytechnic ("NYP") Industry Scholarship

ABR has been a co-sponsor of the Swensen's–NYP Scholarship for deserving students pursuing a diploma in Food Science and Nutrition since 2013 and this sponsorship continued into 2015.

Ngee Ann Polytechnic

Since year 2012, ABR has been sponsoring The ABR Prize for Business & Social Enterprise presented to deserving students graduating from Ngee Ann Polytechnic's Business and Social Enterprise faculties. This collaboration has been extended to 2017.

HUMAN CAPITAL

Staff Development & Retention

ABR Group is keenly aware that its human capital has and continues to play an instrumental role in its strive towards realising the business mission and objectives of the organisation. As such, the development and well-being of our human capital is an on-going priority.

In the year under review, the Group continued to push on ahead with its training and development efforts in order to upgrade the skillsets and enhance the capabilities of its workforce.

While the ABR Group is backed by a strong heritage of business experience, it also boasts a strong core of relatively young and dynamic employees. Baby Boomers make up approximately 16% of the Group's employees with the oldest employee at age 78 years while the median age group registers at 33 years old. The experience and wisdom of our older staff serve to reinforce the solid foundations of our business and is complemented by the eagerness and vigour of our younger colleagues.

Retirement and Re-Employment – As more of our employees reach the official retirement age in 2015, we have taken an active policy of encouraging the re-employment of our retired staff as they are able to continue to contribute positively to the Group. Such employees remain valuable assets to the Group as they have years of vast experience.

With our Employee Referral Programme ("ERP") in place, 16% of our new hires were referred by our existing employees. ERP is considered a positive programme for the Group because staff hired through this referral programme tend to stay longer than other types of hires.

Recruitment of Effective Human Capital

In the year under review, the Group participated in a total of seven external recruitment fairs organised by agencies such as the Community Development Councils ("CDCs"), the Employment and Employability Institute ("E2i") and the Chinese Development Assistance Council ("CDAC"). In addition, two internal recruitment fairs were held at our Swensen's restaurants.

Staff Welfare

In appreciation and recognition of the hard work our Management and staff have invested in the Group, the ABR Dinner & Dance ("D&D") was held on 27 April 2015 at the Grand Ballroom of the Orchard Hotel. The D&D is an opportunity for our people to engage, bond and enjoy themselves in a fun and relaxed environment over a hearty meal, away from the demands of their daily work.

During the D&D, ABR Long Service Awards ("LSA") were presented, validating the years of quality service our people have dedicated to the Group. A total of 50 staff received their LSAs.

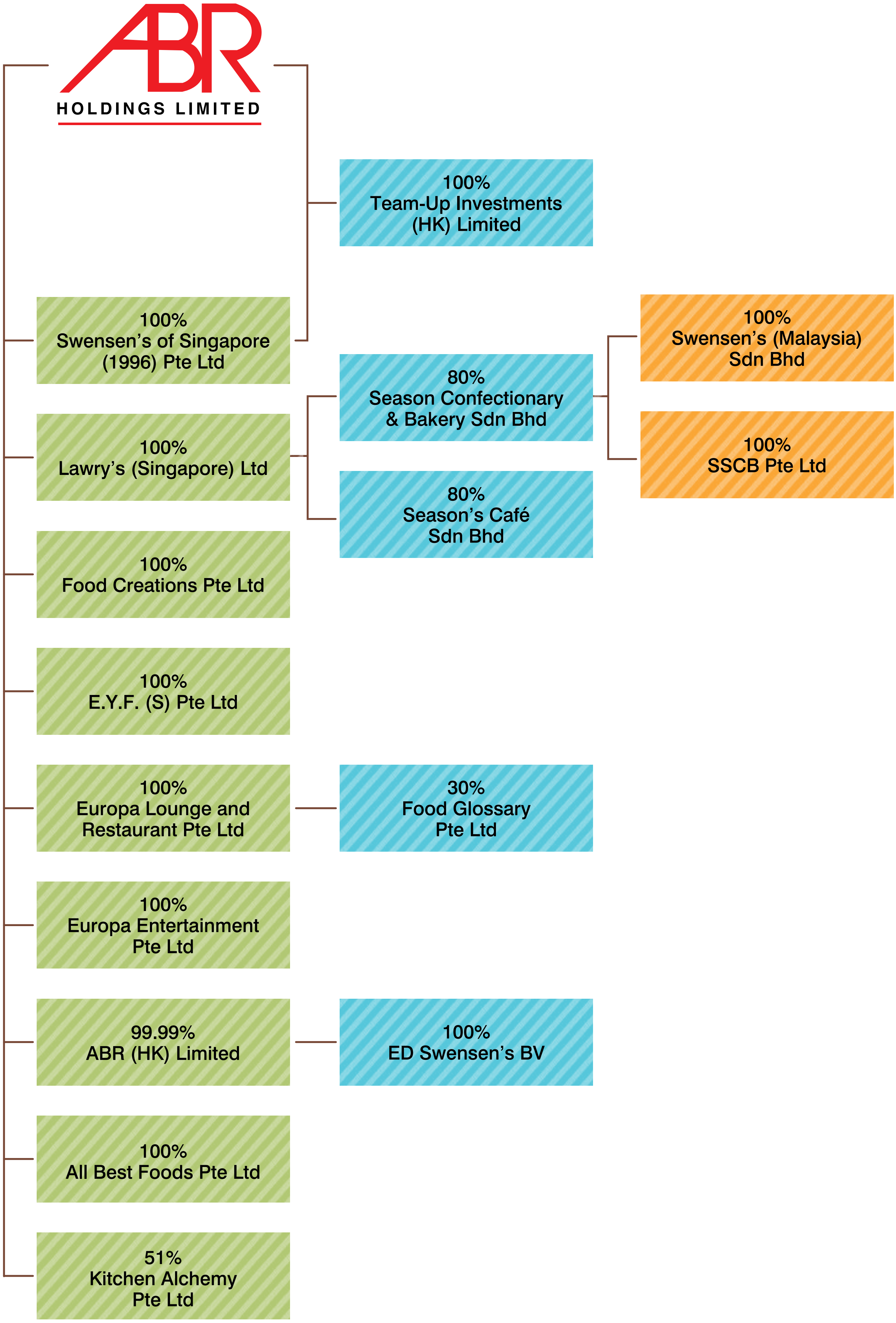
Health and Overall Wellness

The Group acknowledges that in order for our human capital to contribute effectively to our operations and to sustain a high level of productivity, the health and overall wellness of our people have to be well taken care of. Besides ensuring a conducive environment within which to work, a host of activities were organised in 2015 to help our employees proactively manage their health and wellness.

The ABR Sports & Wellness Bazaar was held on 25 May 2015 at our ABR headquarters, wherein a total of six vendors participated to offer a host of products and services geared towards helping our people achieve a better quality of life.

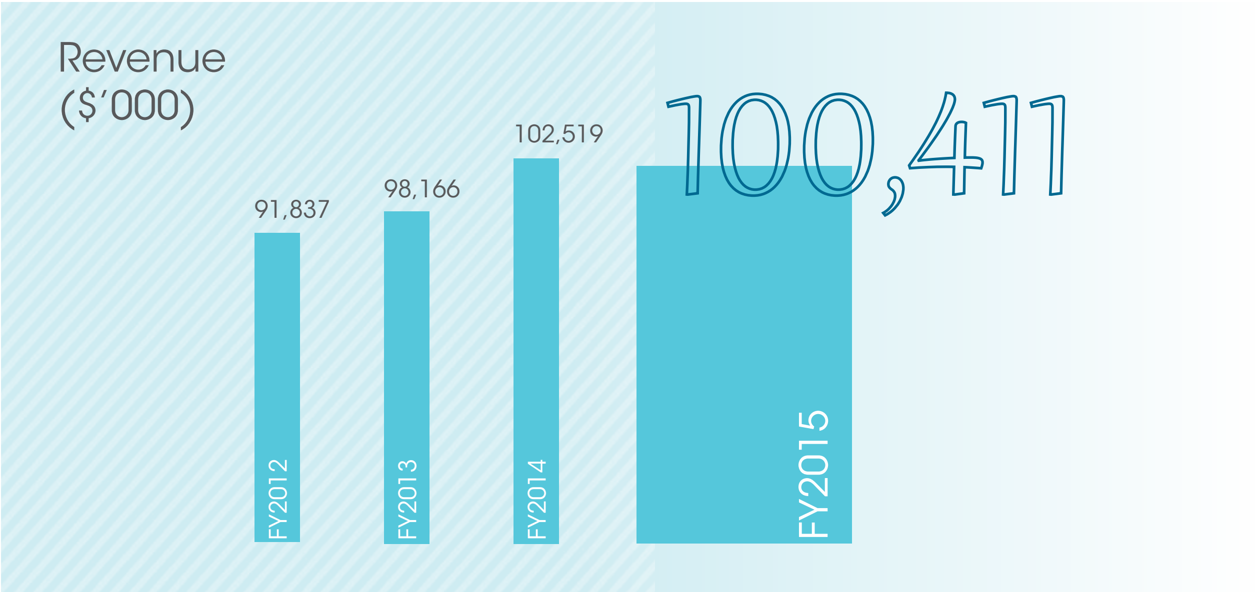
The National Kidney Foundation ("NKF") Annual Health Screening for all employees was held on 9 June 2015 at the ABR headquarters. Employee participation was overwhelming as it was an opportunity for our employees to check their health status for free.

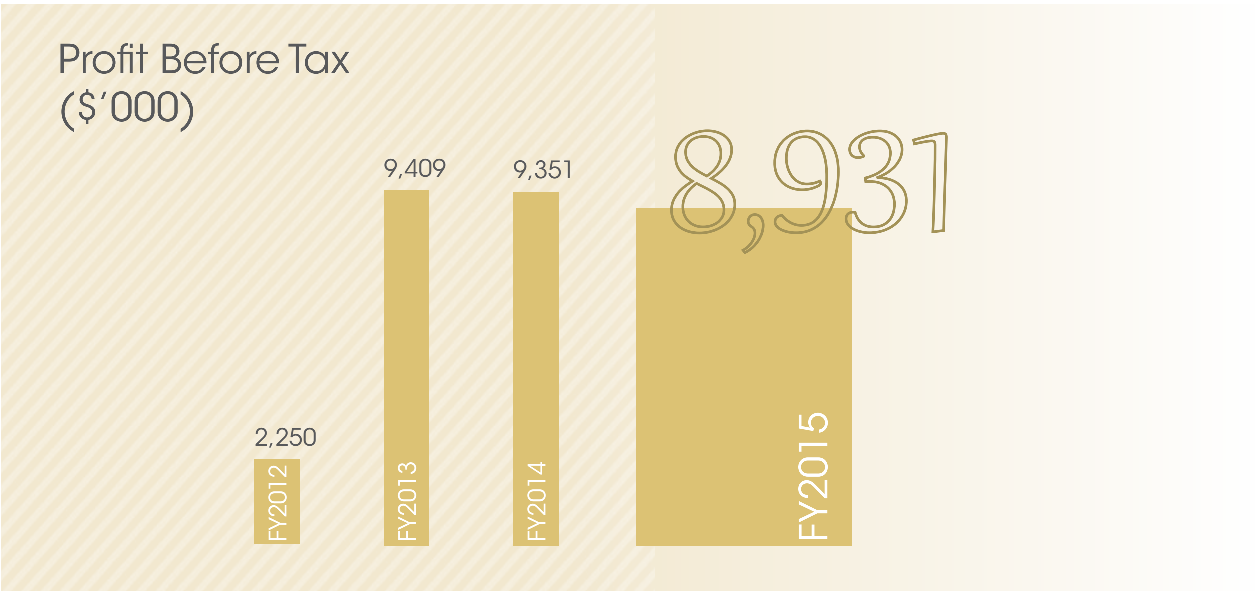
GROUP STRUCTURE

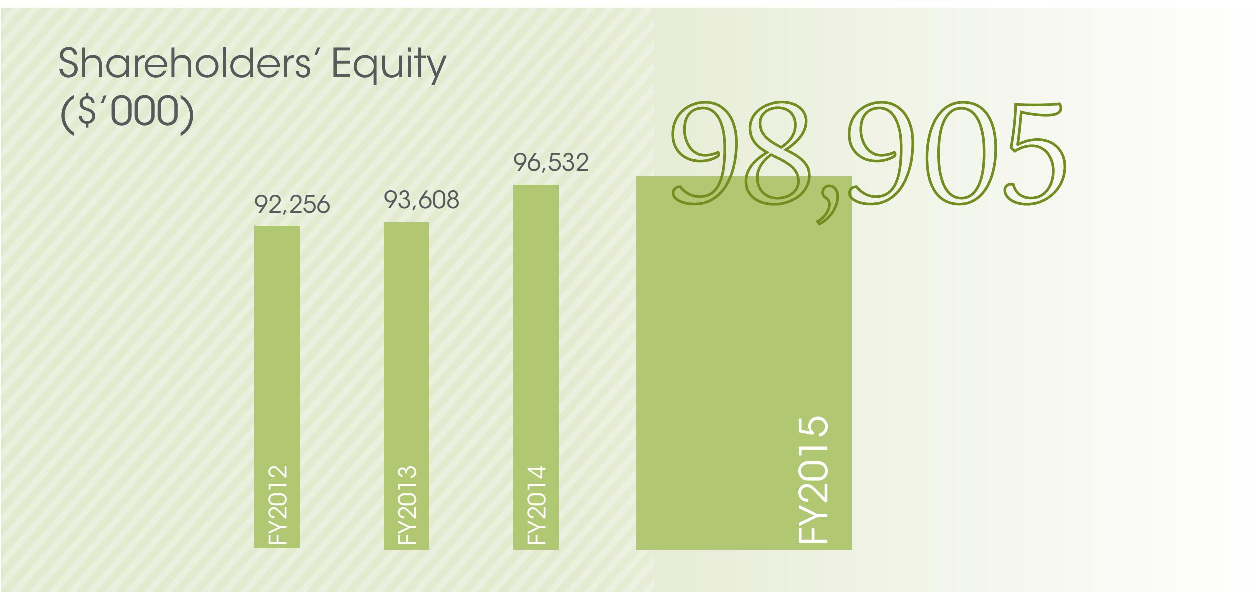


Note: Group Structure as at 31 December 2015 and it excludes dormant/inactive companies except for intermediate holding companies.

FINANCIAL HIGHLIGHTS







FINANCIAL HIGHLIGHTS

For the Year ($'000)	FY2015	FY2014	Change
Revenue	100,411	102,519	(2.1%)
Profit Before Tax	8,931	9,351	(4.5%)
Profit for the Year	7,581	7,523	0.8%
Profit Attributable to Owners of the Company	7,637	7,906	(3.4%)

At Year End ($'000)	FY2015	FY2014	Change
Total Assets	115,250	116,863	(1.4%)
Equity Attributable to Owners of the Company	98,905	96,532	2.5%
Total Equity	99,222	99,717	(0.5%)
Total Liabilities	16,028	17,146	(6.5%)
Fixed Deposits, Cash and Bank Balances	82,222	82,450	(0.3%)

Earnings per share

FY2015	FY2014
Basic : 3.80 cents	Basic : 3.93 cents
Diluted : 3.80 cents	Diluted : 3.93 cents

Dividend per share

FY2015	FY2014
Interim : 1.0 cent	Interim : 1.0 cent
Final : 1.5 cents	Final : 1.5 cents

Net Asset Value per share

FY2015	FY2014
49.2 cents	48.0 cents

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 also 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 20 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 2014.

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 10 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 is a substantial shareholder of the Company.

ANG LIAN SENG

Executive Director

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

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

Mr Ang was last re-elected as a director on 28 April 2015.

LECK KIM SENG

Executive Director

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

Mr Leck has over 20 years of experience in property and resort development in Singapore, Malaysia, Indonesia and the People's Republic of China. Mr Leck currently also serves on the boards of a number of property development and investment private companies in Singapore. Mr Leck also sits on the boards of some of the Group's subsidiaries.

Mr Leck was last re-elected as a director on 29 April 2014.

BOARD OF DIRECTORS

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 the 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.

He was last re-elected as a director on 28 April 2015.

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 a director on 30 April 2013.

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 35 years of experience in finance and accounting. He has been a practising Public Accountant for more than 25 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 30 April 2013.

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 was promoted to Group Chief Financial Officer from 4 January 2016.

Ms Ng has over 20 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 position 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.

KHOO BOO YEOW ANDREW

Chief Operating Officer of Swensen's and Director of the Group Business Development
ABR Holdings Limited

Mr Khoo Boo Yeow Andrew is responsible for the overall management of the various brands under the food division of the Company in Singapore and is also involved in corporate activities and strategic Group initiatives.

Mr Khoo was promoted to Chief Operating Officer of Swensen's and Director of Group Business Development from 4 January 2016.

Prior to joining the Company in January 2012, he was the Executive Director of a food company based in Singapore.

Mr Khoo graduated with a Bachelor of Arts (Major in Political Science & Minor in Economics) from the University of Victoria, Victoria, Canada in 1994 and a Bachelor of Arts and Master of Arts in Law from Cambridge University, Cambridge in 2000. He also obtained an AHMA Hotel Diploma (Major in Sales & Marketing) from the London Hotel School, London UK in 2001 and completed the BPP Bar Vocational Course in London UK and was called as a Barrister-At-Law, Lincolns in 2002.

NG CHENG WEE

General Manager, Swensen's Operation
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 oversees franchise 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 organisation set up in Singapore and Malaysia from 2006 to 2009 before re-joining ABR in 2009 as Operations Manager.

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

LIEW HOCK MENG

Executive Chef
ABR Holdings Limited

Mr Liew Hock Meng is responsible for menu creation, menu engineering, kitchen workflow designing as well as oversees franchise auditing for the Group.

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

Prior to joining the Company, Mr Liew had over 10 years of experience with various F&B chains.

LECK KIM SONG

Group General Manager
Season Confectionary & Bakery Sdn Bhd

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.

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

The Board of Directors of ABR Holdings Limited (the "Company") is committed to maintaining good standards of corporate governance and has applied the principles of the Code of Corporate Governance (the "Code"). This report discusses the Company's corporate governance processes and activities with specific references to the principles set out in the Code.

BOARD MATTERS

Principle 1 – The Board's conduct of affairs

The Board's principal functions are:

- to formulate procedures and strategies to ensure good corporate governance within the Group;
- to review and approve financial policies, investments and strategies to be implemented by the Management;
- to approve the Company's annual business plan including the annual budget, capital expenditure and operational plans;
- to oversee the processes for risk management, financial reporting and compliance;
- to consider sustainability issues in the formulation of its strategies; and
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation.

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

The Board is assisted by three Board sub-committees, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") whose functions are described overleaf.

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

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Director's name	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**
Chua Tiang Choon, Keith	5	5	NA	NA	NA	NA	1	1
Ang Yee Lim	5	5	NA	NA	NA	NA	NA	NA
Ang Lian Seng	5	5	NA	NA	1	1	NA	NA
Leck Kim Seng	5	5	NA	NA	NA	NA	NA	NA
Allan Chua Tiang Kwang	5	5	5	5	NA	NA	NA	NA
Quek Mong Hua	5	4	5	5	1	1	1	1
Lim Jen Howe	5	5	5	5	1	1	1	1

NA : Not Applicable

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

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

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 updated on the following: (1) amendments to the SGX-ST Listing Manual; (2) changes to the Companies Act, Cap 50; and (3) changes to the Financial Reporting Standards.

Principle 2 – Board composition and guidance

The Board comprises seven Directors – an Executive Chairman, a Managing Director, two Executive Directors, one Non-Executive Director and two Independent Non-Executive Directors. The Directors bring to the Company a combination of knowledge and expertise in the areas of law, accounting, finance, banking and business management.

Two out of the seven Directors are independent and the Board recognises that this is not in accordance with the Code's guidelines that Independent Directors should make up at least one-third of the Board. The Board is of the view that the current Board size and composition are appropriate and effective to provide the necessary objective inputs to the various decisions made by the Board. The Board will constantly examine its composition from time to time to ensure a strong and independent element on the Board.

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

On an annual basis and upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommends to the Board as to whether the Director is to be considered independent.

The Board is of the opinion that the current Board size and composition, with diversified background and experience provides core competencies such as finance, accounting, legal, business management, industry knowledge and strategic planning experience, is appropriate and effective to ensure the balance of power and authority to facilitate effective decision making. The Company does not have any gender diversity policy and all appointments and employment are based strictly on merit and not driven by any gender bias.

The Non-Executive Directors are constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting agreed objectives and monitor the reporting performance.

The Independent Directors have full access to and co-operation of the Company's Management and officers. They also have full discretion to convene separate meetings without the presence of Management and to invite any Directors or officers to the meetings as and when warranted by certain circumstances.

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

The Board is of the view that Mr Lim Jen Howe and Mr Quek Mong Hua continue to demonstrate strong independence in character and judgment in the discharge of their responsibilities as directors of the Company. 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, and also having weighed the need for Board refreshment against tenure for relative benefit, the Board has determined Mr Lim and Mr Quek continue to be considered independent directors, notwithstanding they have served on the Board for more than nine years from the date of their first appointment.

Principle 3 – Chairman and Chief Executive Officer

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 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.

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

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

Principle 4 – Board membership

Nominating Committee

The NC is formed to look into, amongst other matters, the appointment of new Directors to the Board and 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 main duties and 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; and
- reviewing training program.

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 annual general meeting ("AGM"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. The following Directors will retire and seek re-election at the forthcoming AGM:

- Mr Lim Jen Howe
- Mr 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 Company's Constitution provides that Managing Director not to be subject to retirement by rotation while he continues to hold that office.

During the financial year ended 31 December 2015 ("FY2015"), the NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Group, notwithstanding that some of the directors have multiple board representations, and there is presently no need to implement internal guidelines to address their competing time commitments. The NC is also of the opinion that the current board size is adequate for the effective functioning of the Board.

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.

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.

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.

Principle 5 – Board performance

The NC is responsible for setting the performance criteria to assess 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 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 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.

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.

Principle 6 – Access to information

The Directors are provided with relevant Board papers and information prior to each Board meeting. The Company Secretary or representative from the Secretary's office administers, attends and prepares minutes of Board meetings, and assists the 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.

REMUNERATION MATTERS

Principle 7 – Procedures for developing remuneration policies
Principle 8 – Level and mix of 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.

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, the member and Executive Director, also abstains from all discussions, deliberations and decision of his own remuneration.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee responsibilities. Executive Directors do not receive Directors' fees. Non-Executive Directors are paid Directors' fees, subject to approval of the shareholders at the AGM.

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

The RC ensures that the remuneration packages of the Executive Chairman and the Managing Director are in line with the Company's Compensation Policy. They also consider and review the disclosure of Directors' remuneration in the annual report. The RC will also ensure that the Non-Executive Directors are not over-compensated to the extent that their independence may 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 committee has access to the Company's Human Resource Manager as well as to external human resource professionals' expert advice where necessary.

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.

Principle 9 – Disclosure on remuneration

The remuneration of the Directors and the top six key management personnel, who are not Directors of the Company, for FY2015, 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 six key management personnel has been disclosed in the respective bands. The remuneration for the Executive Directors and the top six key management personnel comprises fixed and variable components. The fixed component is in the form of monthly salary whereas the variable component is linked to the performance of the Group and individual. The Board is of the opinion that given the confidentiality of and commercial sensitivity attached to remuneration matters and to be in line with the interest of the Company, the remuneration will not be disclosed in dollar terms.

The breakdown (in percentage terms) of each Director and the top six key management personnel's remuneration for FY2015, are as follows:

Directors	Salary[1] %	Bonus[1] %	Fees[2] %	Allowances and other benefits %	Total %
$250,000 to below $500,000					
Chua Tiang Choon, Keith	67	33	–	–	100
Ang Yee Lim	65	33	–	2	100
Ang Lian Seng	75	25	–	–	100
Below $250,000					
Leck Kim Seng	85	15	–	–	100
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 %
Below $250,000					
Ng Soo Noi	79	21	–	–	100
Khoo Boo Yeow Andrew	76	20	–	4	100
Ng Cheng Wee	75	20	–	5	100
Liew Hock Meng	76	20	–	4	100
Leck Kim Song *	70	25	–	5	100
Kevin Khoo Min Chuen *	100	–	–	–	100

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

* *Mr Kevin Khoo Min Chuen is the nephew of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith. Salary paid to him for FY2015 was for his position as the Director of Business Development of the Company. Mr Kevin Khoo Min Chuen ceased to be the Director of Business Development of the Company with effect from 15 May 2015.*

In aggregate, the total remuneration paid to the top six key management personnel in FY2015 is $949,762.

Employees who are the immediate family members of the Directors with remuneration exceeding $50,000 during FY2015 are as follows:

Executives	Salary[1] %	Bonus[1] %	Fees %	Allowances and other benefits %	Total %
From $100,000 to $150,000					
Ang Lian Tiong	80	19	–	1	100
Ang Pheck Choo	77	18	–	5	100

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

The RC is of the view that their remunerations are in line with the Company's staff remuneration guidelines and commensurate with their job scopes and level of responsibilities.

Notes:
(1) The salary and bonus percentages shown are inclusive of CPF.
(2) Fees for FY2015 are subject to shareholders' approval at the AGM.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

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 order for shareholders to better comprehend the Group's performance, position and prospect, periodic and timely announcements of the Group's developments, price sensitive public reports and all necessary information are made.

The Board reports to the shareholders at each AGM. The Exco is accountable to the Board and provides regular reports of the business to the Board.

Principle 11 – Risk management and internal controls

The internal auditors have reviewed the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls during the year. There were no significant internal control weaknesses highlighted by the internal auditors during their course of audit. Their reports were provided to the relevant department or business unit for follow-up action. Implementation of the required improvement measures were monitored.

In addition, no major control 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 controls 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 judgment in decision-making, human error, losses, fraud or other irregularities.

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

The Board has received assurance from the Executive Directors and the Group Chief Financial Officer that:

(a) the financial records have been properly maintained and the financial statements for the year ended 31 December 2015 give a true and fair view of the Group's operations and finances; and
(b) the Group's risk management and internal control systems are adequate and effective.

Principle 12 – Audit committee

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 five times during the year. During the financial year, the AC has:

(a) reviewed the scope of work of the external auditor;
(b) reviewed the scope of work of the internal auditors;
(c) reviewed the audit plans and discussed the results of the findings and evaluation of the Group's system of internal controls;
(d) reviewed interested party transactions of the Group and the procedures set up to monitor and report on such transactions;
(e) met with the Company's external auditor and internal auditors without the presence of Management;
(f) reviewed the independence of external auditor;
(g) reviewed the quarterly and full year financial results announcements, as well as the annual financial statements of the Group before submission to the Board for approval;
(h) reviewed the Company's procedures for detecting fraud and whistle-blowing matters; and
(i) reviewed the major acquisitions and disposal of the Company.

The AC is also responsible for the nomination of the external auditor for re-appointment. Before nomination, the AC has conducted an annual review of the external auditor's services provided to the Group during the year. 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 the 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 $105,700 for audit services and $33,150 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 whistle-blowing policy, whereby employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

Principle 13 – Internal audit

The Group has outsourced its internal audit function to JF Virtus Pte Ltd.

The internal auditors ("IA") report directly to the Chairman of the AC.

The role of the IA and scope of its responsibilities are as follows:

- review the Group's key business segments in the different territories in which they operate, on a risk-oriented process based audit;

- apprise Management and report to the AC concerning the adequacy and effectiveness of the system of internal control in all areas of the business of the Group. The system includes the policies, systems and procedures pertaining to procurement, operations, sales and marketing, manufacturing, accounting and financial processes, information technology infrastructure and human resources; 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.

To achieve its objectives, the IA has unrestricted access to all records, properties and personnel of the Group. The IA has carried out the internal audit function according to the standards set by recognised professional bodies including standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the year, the IA reviewed the retail operations of the Group in Singapore; support functions of the Group in Singapore and Malaysia, namely, marketing, human resources and payroll, cash and banking, and information technology security and control.

The AC will review the adequacy of the function of the IA annually. Based on the review of IA, the AC believes that the IA have adequate resources to perform its function effectively and objectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 – Shareholder rights
Principle 15 – Communication with shareholders
Principle 16 – Conduct of shareholder meetings

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's quarterly and full year financial results for the year in review were released within 45 days and 60 days respectively for each of the relevant period. The Group ensures that it does not practise selective disclosure of information to any particular group of persons.

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

Shareholders are given the opportunity to participate actively during the AGMs and query the Board and management regarding the Group's business and financial statements. The Company's Constitution allow a shareholder 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. If appointing a proxy, a shareholder may appoint one or two proxies to attend and vote in place of the shareholder. The Constitution currently do not allow a shareholder to vote in absentia.

The members of the AC, NC and RC were present together with the external auditor at the last AGM held on 28 April 2015 to address questions raised by shareholders.

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 issue either formally or informally. These meetings provide excellent opportunity for the Board to engage with shareholders to solicit their feedback.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Company has been declaring interim and final dividends and any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

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 are not prejudicial to the interests of the shareholders.

During the financial year ended 31 December 2015, 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 employees of the Company are reminded at the appropriate time, that dealings in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's interim results or one (1) month before the announcement of the Company's full year results, as the case may be, 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 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.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company as set out on pages 35 to 92 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 2015 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 in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; and

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

Directors

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

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

Arrangement to enable directors to acquire benefits

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

Directors' interest in shares or debentures

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

	Shares held by directors			Shareholdings in which the directors are deemed to have an interest		
Name of directors	**At 1.1.2015**	**At 31.12.2015**	**At 21.1.2016**	**At 1.1.2015**	**At 31.12.2015**	**At 21.1.2016**
The Company - Ordinary shares						
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	88,011,301	92,004,901	92,004,901	–	–	–
Ang Lian Seng	2,300,000	2,300,000	2,300,000	–	–	–
Leck Kim Seng	300,000	300,000	300,000	–	–	–
Lim Jen Howe	300,000	300,000	300,000	–	–	–
Quek Mong Hua	300,000	300,000	300,000	40,000	40,000	40,000

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

The deemed interests of Mr Chua Tiang Choon, Keith and Mr Allan Chua Tiang Kwang in the shares of the Company are by virtue of their shareholdings in Alby (Private) Limited, which in turn holds shares in Kechapi Pte Ltd. At 31 December 2015, Kechapi Pte Ltd holds 56,925,858 shares in the Company.

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

	Number of ordinary shares	
	At 1.1.2015	At 31.12.2015
ABR (HK) Limited	8,001	8,001
Cine Art Pictures Pte Ltd	55,000	55,000
Kitchen Alchemy Pte Ltd	255,000	255,000
Oishi Japanese Pizza Pte Ltd	925,000	925,000
Team-Up Overseas Investment Pte Ltd	70,000	70,000

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

During the financial year, no options to take up unissued shares of the Company or its subsidiary corporations were granted.

During the financial year, there were no shares of the Company or its subsidiary corporations issued by virtue of the exercise of options to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Audit Committee

The Audit Committee comprises three members, two of whom are independent directors. The members of the Audit Committee for the financial year 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 Companies 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 2015 and the independent external auditor's report thereon;

Audit Committee (cont'd)

(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 has recommended to the Board of Directors that the independent auditor, Baker Tilly TFW LLP, be re-appointed as auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

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

On behalf of the directors

Chua Tiang Choon, Keith
Director

Ang Yee Lim
Director

29 March 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABR HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ABR Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 35 to 92, which comprise the statements of financial position of the Group and Company as at 31 December 2015, 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 financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

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.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

29 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group	
		2015	2014
	Note	**$'000**	$'000
Revenue	4	**100,411**	102,519
Cost of sales		**(54,355)**	(55,071)
Gross profit		**46,056**	47,448
Other items of income			
Other income	5	**2,088**	1,649
Other items of expense			
Selling, distribution and outlet expenses		**(26,211)**	(27,335)
Administrative expenses		**(12,014)**	(11,994)
Other expenses		**(932)**	(348)
Finance costs	6	**(5)**	(6)
Share of results of equity-accounted investee, net of tax		**(51)**	(63)
Profit before tax	7	**8,931**	9,351
Income tax expense	9	**(1,350)**	(1,828)
Profit for the year		**7,581**	7,523
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		**(104)**	30
Other comprehensive (loss)/income for the year, net of tax		**(104)**	30
Total comprehensive income for the year		**7,477**	7,553
Profit/(loss) attributable to:			
Owners of the Company		**7,637**	7,906
Non-controlling interests		**(56)**	(383)
Profit for the year		**7,581**	7,523
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**7,618**	7,949
Non-controlling interests		**(141)**	(396)
Total comprehensive income for the year		**7,477**	7,553
Earnings per share for the year attributable to owners of the Company			
Basic	10	**3.80 cents**	3.93 cents
Diluted	10	**3.80 cents**	3.93 cents

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

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2015

		Group		Company	
		2015	2014	**2015**	2014
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**19,844**	20,886	**8,806**	9,479
Investment properties	12	**3,508**	3,392	**1,076**	1,113
Intangible assets	13	**292**	482	**107**	140
Investments in subsidiaries	14	**–**	–	**7,426**	4,871
Investments in associated companies	15	**–**	57	**–**	–
Held-to-maturity financial assets	16	**–**	–	**–**	–
Available-for-sale financial assets	17	**35**	35	**35**	35
Loans to subsidiaries	18(i)	**–**	–	**6,719**	7,159
Total non-current assets		**23,679**	24,852	**24,169**	22,797
Current assets					
Inventories	20	**2,374**	2,537	**1,677**	1,801
Trade and other receivables	21	**6,975**	7,024	**5,771**	5,803
Fixed deposits	22	**53,219**	30,673	**52,084**	29,408
Cash and bank balances	22	**29,003**	51,777	**13,097**	37,566
Total current assets		**91,571**	92,011	**72,629**	74,578
Total assets		**115,250**	116,863	**96,798**	97,375
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**43,299**	43,299	**43,299**	43,299
Other reserves	24	**(336)**	(317)	**–**	–
Accumulated profits		**55,942**	53,550	**41,472**	40,919
Equity attributable to owners of the Company		**98,905**	96,532	**84,771**	84,218
Non-controlling interests		**317**	3,185	**–**	–
Total equity		**99,222**	99,717	**84,771**	84,218
Non-current liability					
Deferred tax liabilities	25	**1,333**	1,299	**540**	520
Total non-current liability		**1,333**	1,299	**540**	520
Current liabilities					
Trade and other payables	26	**11,718**	12,252	**9,047**	9,716
Provisions	27	**1,647**	1,655	**1,479**	1,482
Borrowings	28	**–**	116	**–**	–
Tax payable		**1,330**	1,824	**961**	1,439
Total current liabilities		**14,695**	15,847	**11,487**	12,637
Total liabilities		**16,028**	17,146	**12,027**	13,157
Total equity and liabilities		**115,250**	116,863	**96,798**	97,375

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group

	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Balance at 1.1.2015	99,717	96,532	43,299	(317)	53,550	3,185
Profit/(loss) for the year	7,581	7,637	–	–	7,637	(56)
Other comprehensive loss						
Currency translation differences	(104)	(19)	–	(19)	–	(85)
Other comprehensive loss for the year, net of tax	(104)	(19)	–	(19)	–	(85)
Total comprehensive income/(loss) for the year	7,477	7,618	–	(19)	7,637	(141)
Distributions to owners of the Company						
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2014	(3,015)	(3,015)	–	–	(3,015)	–
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2015	(2,010)	(2,010)	–	–	(2,010)	–
Dividend paid to non-controlling interests	(7)	–	–	–	–	(7)
Total distributions to owners of the Company	(5,032)	(5,025)	–	–	(5,025)	(7)
Change in ownership interests in subsidiaries						
Acquisition of non-controlling interest without a change in control	(2,940)	(220)	–	–	(220)	(2,720)
Total change in ownership interests in subsidiaries	(2,940)	(220)	–	–	(220)	(2,720)
Total transactions with owners of the Company	(7,972)	(5,245)	–	–	(5,245)	(2,727)
Balance at 31.12.2015	**99,222**	**98,905**	**43,299**	**(336)**	**55,942**	**317**

** An analysis of "Other reserves" is presented in note 24.*

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group

	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Balance at 1.1.2014	97,189	93,608	43,299	(360)	50,669	3,581
Profit/(loss) for the year	7,523	7,906	–	–	7,906	(383)
Other comprehensive income/(loss)						
Currency translation differences	30	43	–	43	–	(13)
Other comprehensive income/(loss) for the year, net of tax	30	43	–	43	–	(13)
Total comprehensive income/(loss) for the year	7,553	7,949	–	43	7,906	(396)
Distributions to owners of the Company						
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2013	(3,015)	(3,015)	–	–	(3,015)	–
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2014	(2,010)	(2,010)	–	–	(2,010)	–
Total distributions to owners of the Company	(5,025)	(5,025)	–	–	(5,025)	–
Balance at 31.12.2014	99,717	96,532	43,299	(317)	53,550	3,185

* *An analysis of "Other reserves" is presented in note 24.*

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Company

	Total equity $'000	Share capital $'000	Accumulated profits $'000
Balance at 1.1.2015	84,218	43,299	40,919
Net profit and total comprehensive income for the year	5,578	–	5,578
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2014	(3,015)	–	(3,015)
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2015	(2,010)	–	(2,010)
Balance at 31.12.2015	**84,771**	**43,299**	**41,472**
Balance at 1.1.2014	83,429	43,299	40,130
Net profit and total comprehensive income for the year	5,814	–	5,814
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2013	(3,015)	–	(3,015)
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2014	(2,010)	–	(2,010)
Balance at 31.12.2014	84,218	43,299	40,919

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 $'000	2014 $'000
Cash flows from operating activities		
Profit before tax	**8,931**	9,351
Adjustments for:		
Depreciation and amortisation	**3,169**	3,192
Loss on disposal of property, plant and equipment, net	**5**	–
Impairment in value in held-to-maturity financial assets	**–**	1
Property, plant and equipment written off	**824**	237
Write-back of impairment loss for investment property	**(275)**	–
Impairment in value in an associated company	**6**	–
Impairment of intangible asset	**68**	–
Share of results of equity-accounted investee	**51**	63
Unrealised foreign exchange loss/(gain)	**322**	(203)
Interest expense	**5**	6
Interest income	**(602)**	(386)
Operating cash flows before movements in working capital	**12,504**	12,261
Changes in working capital:		
Inventories	**163**	(16)
Trade and other receivables	**(11)**	131
Trade and other payables	**(532)**	(963)
Provisions	**(43)**	23
Cash from operations	**12,081**	11,436
Income tax paid	**(1,675)**	(1,837)
Net cash generated from operating activities	**10,406**	9,599
Cash flows from investing activities		
Interest received	**602**	386
Purchase of property, plant and equipment	**(3,179)**	(2,590)
Purchase of investment properties	**–**	(115)
Proceeds from disposal of property, plant and equipment	**24**	3
Investment in an associated company	**–**	(120)
Translation differences	**–**	80
Net cash used in investing activities	**(2,553)**	(2,356)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 $'000	2014 $'000
Cash flows from financing activities		
Interest expense paid	**(5)**	(6)
(Repayment of)/proceeds from borrowings, net	**(116)**	116
Acquisition of non-controlling interests	**(2,940)**	–
Funds (placed in)/withdrawn from non-liquid deposits	**(23)**	216
Dividends paid to shareholders	**(5,025)**	(5,025)
Dividends paid to non-controlling interests	**(7)**	–
Net cash used in financing activities	**(8,116)**	(4,699)
Net (decrease)/increase in cash and cash equivalents	**(263)**	2,544
Cash and cash equivalents at beginning of financial year	**82,348**	79,601
Effect of exchange rate fluctuations on cash and cash equivalents	**25**	203
Cash and cash equivalents at end of financial year	**82,110**	82,348

Cash and cash equivalents comprise:		
Fixed deposits	**53,219**	30,673
Cash and bank balances	**29,003**	51,777
	82,222	82,450
Less: Funds placed in non-liquid deposits (note 22)	**(112)**	(102)
	82,110	82,348

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 and its registered office is at 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 14.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements, expressed in Singapore Dollars which is the Company's functional currency, have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). 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 FRS 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.

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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

At the end of the reporting period, the Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 114: Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 109: Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of FRS 115 and FRS 109 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 *Revenue*, FRS 11 *Construction Contracts* and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2018. The Group will reassess its contracts with customers in accordance with FRS 115.

FRS 109 Financial Instruments

FRS 109 includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. FRS 109, when effective will replace FRS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will reassess the potential impact of FRS 109 and plans to adopt the standard on the required effective date.

2 Summary of significant accounting policies (cont'd)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivables for the sales of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

(a) Sales of food and beverages

Revenue from sales of food and beverages is recognised when the food and beverages have been served or upon delivery to customers.

(b) Sales of goods

Revenue from sales of goods is recognised when a Group entity has delivered the products to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

(c) Services

Revenue from rendering of services is recognised when services are performed.

(d) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(e) Royalty income

Royalty income is recognised on a fixed predetermined percentage of revenue from certain restaurants.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Rental income

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

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 period 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)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests 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 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 interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

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

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

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 (i.e. transactions with owner 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.

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 interests 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 accumulated profits if required by a specific FRS.

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.

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

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 associated company is described in note 2.9.

2.5 Property, plant and equipment and depreciation

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value, 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the assets.

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 embodies within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. When restaurant supplies, crockery and cutlery are replaced, the costs of replacement are expensed off.

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

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

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

2 Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment and depreciation (cont'd)

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.

2.6 Investment properties

Investment properties comprise buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties comprise completed investment properties.

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

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.

Depreciation begins when the building is available for use and is calculated on the straight-line method over 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at end of the reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer between investment property to owner occupied property, there is no change in the carrying amount of the property transferred and there is also no change to the cost of the property for measurement.

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.

2 Summary of significant accounting policies (cont'd)

2.7 Intangible assets (cont'd)

(ii) Other intangible assets (cont'd)

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

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

The estimated useful lives are as follows:

- Franchise rights 10 to 20 years
- Trademark 2.75 years
- Knowhow indefinite

2.8 Subsidiaries

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

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

2.9 Associated companies

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

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies 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 Group's share of its associated companies' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, 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 associated company.

2 Summary of significant accounting policies (cont'd)

2.9 Associated companies (cont'd)

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

Where a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

Upon loss of significant influence over the associated company, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's financial statements, investments in associated companies are carried at cost less accumulated impairment losses. On disposal of investment in associated companies, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.10 Impairment of non-financial assets (other than goodwill)

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 Summary of significant accounting policies (cont'd)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting period. The Group's financial assets are loans and receivables, held-to-maturity financial assets and available-for-sale financial assets.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting period which are classified as non-current assets. Loans and receivables comprise trade and other receivables (excluding prepayments) and cash and bank balances.

(ii) Financial assets, held-to-maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iii) Financial assets, available-for-sale

Financial assets, available-for-sale include equity that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the assets within 12 months after the end of the reporting period.

(b) Recognition and derecognition

Regular 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.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less impairment loss. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method, less impairment.

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

(d) Subsequent measurement (cont'd)

Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in fair value reserve/other comprehensive income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in fair value reserve/other comprehensive income, together with the related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

(e) Impairment

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decrease, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(ii) Financial assets, held-to-maturity

If there is objective evidence that an impairment loss on held-to-maturity financial assets has been incurred, the carrying amount of the asset is reduced by an allowance for impairment and the impairment loss is recognised in profit or loss. This allowance, calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognised in the profit or loss in the period in which the impairment occurs.

Impairment loss is reversed through the profit or loss if the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

(e) Impairment (cont'd)

(iii) Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through profit or loss when the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised. However, impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

For available-for-sale financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of impairment loss is recognised in profit or loss and such losses are not reversed in subsequent periods.

(f) Offset

Financial assets and liabilities are offset and the net amount presented on the statement 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 and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using a first-in first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.13 Cash and cash equivalents

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 Summary of significant accounting policies (cont'd)

2.14 Share capital

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

2.15 Borrowing costs

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

2.16 Financial liabilities

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

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in 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.

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

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantee contracts are amortised in profit or loss over the period of the guarantee.

2 Summary of significant accounting policies (cont'd)

2.18 Leases

(a) When a group entity is the lessee

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(b) When a group entity is the lessor

Operating leases

Leases where the Group retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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 in respect of previous years.

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.

2 Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, 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.

Deferred taxes are charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2.20 Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

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 items of property, plant and equipment arising from the acquisition or use of assets (note 2.5). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related property, plant and equipment 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

(a) 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.

(b) Employee leave entitlement

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

2 Summary of significant accounting policies (cont'd)

2.22 Foreign currency translation and transactions

(a) 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 Dollars, which is the Company's functional currency.

(b) 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.

(c) 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 foreign 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 Summary of significant accounting policies (cont'd)

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 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 statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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.

2.26 Related parties

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

3 Significant accounting estimates and judgments

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to carrying amount of the asset or liability affected in the future.

3 Significant accounting estimates and judgments (cont'd)

3.1 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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is any objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period are disclosed in note 32(a) to the financial statements.

(b) Property, plant and equipment and investment properties

The Group assesses whether there are indicators of impairment for property, plant and equipment and investment properties at the end of each reporting period and at other times when such indicators exist. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives within 1 to 50 years. Investment properties are depreciated on a straight-line basis over 50 years. The estimation of useful lives involves significant judgment and the Group reviews the useful lives of property, plant and equipment and investment properties at each reporting period. The carrying amounts of the Group's and the Company's property, plant and equipment and investment properties at 31 December 2015 are disclosed in notes 11 and 12 respectively.

Any changes in the expected useful lives of these assets would affect the net carrying amount of property, plant and equipment and investment properties, and the depreciation charge for the financial year.

(c) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's tax payable and deferred tax liabilities at 31 December 2015 was approximately $1,330,000 (2014: $1,824,000) and $1,333,000 (2014: $1,299,000) respectively.

The carrying amount of the Company's tax payable and deferred tax liabilities at 31 December 2015 was approximately $961,000 (2014: $1,439,000) and $540,000 (2014: $520,000) respectively.

Information on unabsorbed tax losses and other temporary differences for which deferred tax assets had not been recognised are stated in note 9.

4 Revenue

	Group	
	2015	2014
	$'000	$'000
Sales	**93,371**	94,910
Service charges	**6,663**	7,186
Royalty income	**377**	423
	100,411	102,519

5 Other income

	Group	
	2015	2014
	$'000	$'000
Rental income	**285**	359
Interest income	**602**	386
Other income	**204**	250
Foreign exchange gain, net	**–**	75
Special Employment Credit and Wage Credit Scheme	**997**	579
	2,088	1,649

6 Finance costs

	Group	
	2015	2014
	$'000	$'000
Term loan interests	**5**	6

7 Profit before tax

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

		Group	
	Note	**2015 $'000**	2014 $'000
Audit fees payable to:			
- auditor of the Company		**106**	107
- other auditors*		**35**	50
Fees for non-audit services payable to:			
- auditor of the Company		**33**	46
- other auditors*		**–**	2
Amortisation of intangible assets	13(b), (c)	**132**	146
Cost of inventories included in cost of sales		**25,692**	26,796
Depreciation of property, plant and equipment	11	**2,878**	2,911
Depreciation of investment properties	12	**159**	135
Remuneration of the directors of the Company:	8		
- salaries, fees and benefits-in-kind		**1,383**	1,275
- contribution to defined contribution plans		**37**	33
Remuneration of key management personnel (non-directors):			
- salaries and related costs		**1,180**	1,094
- contribution to defined contribution plans		**88**	75
Remuneration of other staff:			
- salaries and related costs		**28,473**	28,204
- contribution to defined contribution plans		**2,234**	2,007
Impairment in value in investment in an associated company	15	**6**	–
Impairment of intangible assets	13(c)	**68**	–
Write-back of impairment loss for investment property	12	**(275)**	–
Loss on disposal of property, plant and equipment, net		**5**	–
Allowances for doubtful non-trade receivables	19,21	**16**	15
Rental expenses - operating leases (see note below)		**16,937**	17,606
Bad debts written off (trade)		**–**	8
Bad debts written off (non-trade)		**–**	9
Write-offs:			
- property, plant and equipment		**824**	237
- inventories		**60**	67
Net foreign exchange losses		**284**	–
Allowance for inventories obsolescences, net		**27**	–
Impairment in value in held-to-maturity financial assets	16	**–**	1
Purchases from related parties		**–**	5

Note - Included in rental expenses are contingent rents of $3,379,000 (2014: $3,035,000).

* 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	
	2015	2014
$250,000 to below $500,000	**3**	3
Below $250,000	**4**	4
	7	7

9 Income tax expense

	Group	
	2015	2014
	$'000	$'000
Tax expense attributable to profits is made up of:		
Current income tax provision	**1,275**	1,849
Deferred tax (note 25)	**84**	31
	1,359	1,880
(Over)/under provision in preceding financial year		
- income tax	**(9)**	(54)
- deferred tax (note 25)	**-**	2
	1,350	1,828

The income tax expense on the results of the financial year varies 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	
	2015	2014
	$'000	$'000
Profit before tax	**8,931**	9,351
Tax calculated at a tax rate of 17%	**1,518**	1,590
Effect of different tax rates in other countries	**91**	149
Statutory stepped income exemption	**(60)**	(40)
Income not subject to tax	**(458)**	(440)
Expenses not deductible for tax purposes	**669**	611
Effect of tax incentive and tax rebate	**(419)**	(103)
Over provision in preceding financial year	**(9)**	(52)
Deferred tax asset not recognised	**33**	169
Others	**(15)**	(56)
	1,350	1,828

9 Income tax expense (cont'd)

The statutory income tax rate applicable is 17% (2014: 17%) for companies incorporated in Singapore and 25% (2014: 25%) for companies incorporated in Malaysia and People's Republic of China.

Subject to the satisfaction of the conditions for group relief, tax losses of $20,000 (2014: nil) and capital allowances of $400,000 (2014: nil) arising in the current year are transferred from a subsidiary to the Company under the group relief system. These tax losses and capital allowances are transferred from the subsidiary at no consideration.

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

	2015	2014
	$'000	$'000
Unabsorbed tax losses	**16,037**	16,083
Unabsorbed capital allowances	**2,345**	1,826
	18,382	17,909

At the end of the reporting period, the Group has potential tax benefits arising from unabsorbed tax losses of approximately $16,076,000 (2014: $16,161,000), and unabsorbed capital allowances of approximately $2,345,000 (2014: $1,826,000), 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.

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:

	2015	2014
	$'000	$'000
Profit for the year attributable to owners of the Company	**7,637**	7,906

	2015	2014
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**200,996**	200,996
Basic earnings per share (cents)	**3.80**	3.93
Diluted earnings per share (cents)	**3.80**	3.93

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 2015 and 2014, diluted earnings per share is similar to basic earnings per share as there were no dilutive potential ordinary shares.

11 Property, plant and equipment

Group

	Freehold land $'000	Building 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
2015									
Cost									
At 1.1.2015	420	12,670	2,300	14,273	5,317	13,652	767	766	50,165
Additions	–	–	–	850	675	1,564	116	9	3,214
Disposals/write-off	–	–	–	(1,422)	(656)	(944)	–	(83)	(3,105)
Translation	(54)	(251)	–	(128)	(138)	(518)	(72)	–	(1,161)
At 31.12.2015	**366**	**12,419**	**2,300**	**13,573**	**5,198**	**13,754**	**811**	**692**	**49,113**
Accumulated depreciation and impairment losses									
At 1.1.2015	–	5,431	1,127	9,817	2,855	9,509	540	–	29,279
Charge for 2015	–	205	46	1,209	424	932	62	–	2,878
Disposals/write-off	–	–	–	(1,073)	(382)	(797)	–	–	(2,252)
Translation	–	(94)	–	(48)	(62)	(387)	(45)	–	(636)
At 31.12.2015	**–**	**5,542**	**1,173**	**9,905**	**2,835**	**9,257**	**557**	**–**	**29,269**
Net carrying value									
At 31.12.2015	**366**	**6,877**	**1,127**	**3,668**	**2,363**	**4,497**	**254**	**692**	**19,844**
2014									
Cost									
At 1.1.2014	428	12,656	2,300	13,806	5,081	13,712	693	789	49,465
Additions	–	54	–	1,290	431	794	84	207	2,860
Disposals/write-off	–	–	–	(809)	(351)	(595)	–	(230)	(1,985)
Reclassification	–	–	–	–	172	(172)	–	–	–
Translation	(8)	(40)	–	(14)	(16)	(87)	(10)	–	(175)
At 31.12.2014	420	12,670	2,300	14,273	5,317	13,652	767	766	50,165
Accumulated depreciation and impairment losses									
At 1.1.2014	–	5,239	1,081	9,176	2,704	9,282	513	–	27,995
Charge for 2014	–	207	46	1,345	421	858	34	–	2,911
Disposals/write-off	–	–	–	(700)	(266)	(560)	–	–	(1,526)
Reclassification	–	–	–	–	6	(6)	–	–	–
Translation	–	(15)	–	(4)	(10)	(65)	(7)	–	(101)
At 31.12.2014	–	5,431	1,127	9,817	2,855	9,509	540	–	29,279
Net carrying value									
At 31.12.2014	420	7,239	1,173	4,456	2,462	4,143	227	766	20,886

11 Property, plant and equipment (cont'd)

Company

	Leasehold property $'000	Leasehold improve-ments $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
2015							
Cost							
At 1.1.2015	2,300	8,509	4,081	8,659	185	766	24,500
Additions	–	552	315	1,051	–	9	1,927
Disposals/write-off	–	(1,276)	(532)	(858)	–	(83)	(2,749)
At 31.12.2015	**2,300**	**7,785**	**3,864**	**8,852**	**185**	**692**	**23,678**
Accumulated depreciation and impairment losses							
At 1.1.2015	1,127	5,294	2,322	6,106	172	–	15,021
Charge for 2015	46	898	294	583	8	–	1,829
Disposals/write-off	–	(952)	(298)	(728)	–	–	(1,978)
At 31.12.2015	**1,173**	**5,240**	**2,318**	**5,961**	**180**	**–**	**14,872**
Net carrying value							
At 31.12.2015	**1,127**	**2,545**	**1,546**	**2,891**	**5**	**692**	**8,806**
2014							
Cost							
At 1.1.2014	2,300	7,952	3,984	8,418	185	790	23,629
Additions	–	967	311	488	–	206	1,972
Disposals/write-off	–	(410)	(214)	(247)	–	(230)	(1,101)
At 31.12.2014	2,300	8,509	4,081	8,659	185	766	24,500
Accumulated depreciation and impairment losses							
At 1.1.2014	1,081	4,732	2,188	5,814	163	–	13,978
Charge for 2014	46	947	307	520	9	–	1,829
Disposals/write-off	–	(385)	(173)	(228)	–	–	(786)
At 31.12.2014	1,127	5,294	2,322	6,106	172	–	15,021
Net carrying value							
At 31.12.2014	1,173	3,215	1,759	2,553	13	766	9,479

11 Property, plant and equipment (cont'd)

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Freehold land	**366**	420	**–**	–
Building and structural improvements	**6,877**	7,239	**–**	–
Leasehold property	**1,127**	1,173	**1,127**	1,173
Leasehold improvements	**57**	69	**–**	–
	8,427	8,901	**1,127**	1,173

Included in the additions of property, plant and equipment of the Group and Company are amounts of $35,000 (2014: $270,000) and $28,000 (2014: $263,000) respectively, representing provision for restoration costs.

12 Investment properties

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Cost				
At beginning of financial year	**5,597**	5,482	**1,863**	1,863
Additions	**–**	115	**–**	–
At end of financial year	**5,597**	5,597	**1,863**	1,863
Accumulated depreciation and impairment losses				
At beginning of financial year	**2,205**	2,070	**750**	713
Depreciation charge for the financial year (note 7)	**159**	135	**37**	37
Write-back of impairment loss (note 7)	**(275)**	–	**–**	–
At end of financial year	**2,089**	2,205	**787**	750
Net carrying value				
At end of financial year	**3,508**	3,392	**1,076**	1,113

During the financial year, the Group wrote back impairment loss for an investment property amounted to $275,000 (2014: nil) by reference to fair value of the investment property at 31 December 2015 determined by an accredited independent valuer.

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

12 Investment properties (cont'd)

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Investment properties	**1,076**	1,113	**1,076**	1,113
Consolidated statement of profit or loss and other comprehensive income				
Rental income from investment properties	**282**	358	**84**	86
Direct operating expenses arising from investment properties that generated rental income	**(276)**	(234)	**(57)**	(57)

At 31 December 2015 and 31 December 2014, the fair values of the investment properties were determined based on the properties' highest-and-best-use valuations performed by accredited independent valuers using direct comparison with recent transactions of comparable properties within the vicinity and elsewhere at the end of the reporting period. The values of the investment properties of the Group and Company are $10,405,000 (2014: $11,194,000) and $4,150,000 (2014: $4,750,000) respectively.

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)
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)

13 Intangible assets

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Composition				
Knowhow and related business goodwill (note (a))	**77**	77	**–**	–
Trademark (note (b))	**–**	51	**–**	–
Franchise rights (note (c))	**215**	354	**107**	140
	292	482	**107**	140

(a) Knowhow and related business goodwill

	Group	
	2015	2014
	$'000	$'000
At cost		
At beginning of financial year	**674**	674
Allowance for impairment loss	**(597)**	(597)
At end of financial year	**77**	77

(b) Trademark

	Group	
	2015	2014
	$'000	$'000
At cost		
At beginning of financial year	**158**	158
Accumulated amortisation	**(158)**	(107)
At end of financial year	**–**	51

Movement in accumulated amortisation of trademark during the financial year are as follows:

	Group	
	2015	2014
	$'000	$'000
At beginning of financial year	**107**	50
Amortisation (note 7)	**51**	57
At end of financial year	**158**	107

The amount of trademark amortised is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The Group's trademark consists of the amount incurred by Kitchen Alchemy Pte Ltd, a subsidiary, for trade name of "Tip Top", registered on 23 November 2005 and has been fully amortised during the year.

13 Intangible assets (cont'd)

(c) Franchise rights

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At cost				
At beginning of financial year	**1,473**	1,465	**406**	406
Translation difference	**10**	8	**–**	–
	1,483	1,473	**406**	406
Accumulated amortisation	**(1,200)**	(1,119)	**(299)**	(266)
Allowance for impairment loss (note 7)	**(68)**	–	**–**	–
At end of financial year	**215**	354	**107**	140

Movements in accumulated amortisation of franchise rights during the financial year are as follows:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At beginning of financial year	**1,119**	1,030	**266**	232
Amortisation (note 7)	**81**	89	**33**	34
At end of financial year	**1,200**	1,119	**299**	266

The amount of franchise rights amortised is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The Group's and Company's franchise rights consist of:

(i) the amount incurred by ABR (HK) Limited, a subsidiary, for exclusive franchise rights of "Swensen's" in Singapore, Malaysia, Brunei and the People's Republic of China. The franchise rights for Singapore, Malaysia and Brunei are for a period of 20 years from 27 November 1998 to 26 November 2018. The franchise rights for the People's Republic of China is for a period of 20 years from 13 August 2001 to 12 August 2021;

(ii) the amount incurred by ABR (HK) Limited, a subsidiary, for exclusive franchise rights of "Yogen Fruz" in Singapore for a period of 20 years from 28 September 2004 to 27 September 2024;

(iii) the amount incurred by the Company, for exclusive rights of "Brasserie Flo" and "Hippopotamus" in Singapore for a period of 12 years from 6 February 2007 to 5 February 2019; and

(iv) the amount incurred by KJ Coffees Singapore Pte Ltd, a subsidiary, for exclusive franchise rights of "Gloria Jean's Coffees" in Singapore for a period of 10 years from 30 June 2006 to 29 June 2016.

14 Investments in subsidiaries

	Company	
	2015	2014
	$'000	$'000
Investment in unquoted equity shares at cost	**21,940**	19,000
Less: Allowance for impairment in value	**(14,514)**	(14,129)
	7,426	4,871

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

	Company	
	2015	2014
	$'000	$'000
At beginning of financial year	**14,129**	13,531
Allowance made	**385**	598
At end of financial year	**14,514**	14,129

During the financial year, management performed an impairment test for investment in certain subsidiaries as these subsidiaries have been incurring losses in the current and past financial years. An impairment loss of $385,000 (2014: $598,000) is recognised for the year ended 31 December 2015 for a subsidiary to its recoverable amount of $5,554,000 (2014: $2,999,000). The estimates of the recoverable amount of investments have been determined by management based on net assets value of the subsidiaries as at 31 December 2015, which approximates the recoverable amount of the investments in the subsidiaries.

(i) Details of the Company's subsidiaries at 31 December 2015 are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2015	2014
			%	%
Held by the Company				
(a) Lawry's (Singapore) Ltd	Investment holding and provision of processing, supply, warehousing and distribution activities	Singapore	**100**	100
(b) ABR (HK) Limited	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream, fast food and restaurant business	Hong Kong	**99.99**	99.99
(d) Swensen's of Singapore (1996) Pte Ltd	Investment holding	Singapore	**100**	100
(a) Food Creations Pte Ltd	Provision of services for the manufacture and production of ice cream and related products	Singapore	**100**	100

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2015 are as follows: (cont'd)

Name of subsidiary		Principal activities	Country of incorporation	Group's equity holding 2015 %	2014 %
Held by the Company (cont'd)					
(a)	Europa Lounge and Restaurant Pte Ltd	Investment holding	Singapore	**100**	100
(d)	Hippopotamus Restaurants Pte Ltd	Dormant	Singapore	**100**	100
(d)	Orchard 501 Café Pub Pte Ltd	Dormant	Singapore	**100**	100
(d)	Europa Entertainment Pte Ltd	Investment holding	Singapore	**100**	100
(d)	Pleasuredome Pte Ltd	Dormant	Singapore	**100**	100
(d)	Europa Ridley's (1992) Pte Ltd	Dormant	Singapore	**100**	100
(d)	Cine Art Pictures Pte Ltd	Dormant	Singapore	**55**	55
(b)	Team-Up Investments (HK) Limited	Investment holding	Hong Kong	**100**	100
(d)	Bistro Europa Pte Ltd	Dormant	Singapore	**100**	100
(d)	Europa Specialty Restaurants (S) Pte Ltd	Dormant	Singapore	**100**	100
(d)	Kads Associates Advertising Pte Ltd	Dormant	Singapore	**100**	100
(d)	Team-Up Overseas Investment Pte Ltd	Dormant	Singapore	**70**	70
(d)	Oishi Japanese Pizza Pte Ltd	Dormant	Singapore	**84.1**	84.1
(a)	KJ Coffees Singapore Pte Ltd	Dormant	Singapore	**100**	100
(a)	E.Y.F. (S) Pte Ltd	Investment holding	Singapore	**100**	100
(a)	Kitchen Alchemy Pte Ltd	Investment holding	Singapore	**51**	51

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2015 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2015 %	2014 %
	Held by the Company (cont'd)				
(a)	All Best Foods Pte Ltd	Manufacturing, retailing of food products and operator of café and snack bars	Singapore	**100**	51
	Held by the subsidiaries				
	Held by ABR (HK) Limited				
(c)	E.D. Swensen's B.V.	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream business	The Netherlands	**100**	100
	Held by Europa Entertainment Pte Ltd				
(c)	Europa (Beijing) Food & Beverage Management Co., Ltd	Dormant	People's Republic of China	**100**	100
	Held by Team-Up Investments (HK) Limited				
(c)	Win Win Food (Shenzhen) Co., Ltd	Dormant	People's Republic of China	**100**	100
(c)	Xuansheng Food & Beverage Management (Chengdu) Co., Ltd	Dormant	People's Republic of China	**100**	100
	Held by Lawry's (Singapore) Ltd				
(d)	Lawry's PRC Investment Pte Ltd	Dormant	Singapore	**100**	100
(b)	Season Confectionary & Bakery Sdn. Bhd.	Manufacturing and retailing of bread, cakes and confectionery	Malaysia	**80**	80
(b)	Season's Café Sdn. Bhd.	Operation of a chain of cafeteria	Malaysia	**80**	80

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2015 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2015	Group's equity holding 2014
				%	%
	Held by the subsidiaries (cont'd)				
	Held by Season Confectionary & Bakery Sdn. Bhd.				
(b)	Season Confectionary & Bakery (KL) Sdn. Bhd.	Dormant	Malaysia	**51**	51
(b)	Swensen's (Malaysia) Sdn. Bhd.	Ice cream manufacturing and franchising	Malaysia	**100**	100
(a)	SSCB Pte Ltd	Commission agents	Singapore	**100**	100
	Held by E.Y.F. (S) Pte Ltd				
(c)	EY. Food (SH) Pte Ltd	Dormant	People's Republic of China	**100**	100
(c)	EY. Food (BJ) Pte Ltd	Dormant	People's Republic of China	**100**	100
	Held by Kitchen Alchemy Pte Ltd				
(a)	TT Hara Food Pte Ltd	Dormant	Singapore	**25**	25
	Held by All Best Foods Pte Ltd				
(a)	TT Hara Food Pte Ltd	Dormant	Singapore	**75**	75

(a) Audited by Baker Tilly TFW LLP.
(b) Audited by overseas independent member firms of Baker Tilly International. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.
(c) Not required to be audited in the country of incorporation.
(d) Exempted from audit in 2015 as company is dormant during the financial year.

14 Investments in subsidiaries (cont'd)

(ii) Changes in ownership in subsidiary

During the financial year ended 31 December 2015, the Company acquired additional equity interest of 49% in a subsidiary, All Best Foods Pte Ltd from the non-controlling interest at a consideration of $2,940,000. As a result of this acquisition, All Best Foods Pte Ltd became a wholly-owned subsidiary of the Company. The effect of the addition is as follows:

	Group 2015 $'000
Carrying amount of non-controlling interest disposed	**2,720**
Consideration paid to a non-controlling interest, net of transaction costs	**(2,940)**
Difference recognised in accumulated profits within equity	**(220)**

(iii) The management does not consider that the subsidiaries' non-controlling interest to be material to the Group. Accordingly, the summarised financial information of the subsidiaries is not being disclosed.

15 Investments in associated companies

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Unquoted equity shares at cost	**217**	217	**97**	97
Less: Allowance for impairment loss	**(6)**	–	**(97)**	(97)
	211	217	**–**	–
Group's share of post-acquisition losses	**(211)**	(160)	**–**	–
	–	57	**–**	–

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

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
At beginning of financial year	**–**	–	**97**	97
Allowance made during the year (note 7)	**6**	–	**–**	–
At end of financial year	**6**	–	**97**	97

15 Investments in associated companies (cont'd)

The following information relates to associated companies:

Name of associated company	Principal activities	Country of incorporation	Group's equity holding 2015	2014
			%	%
Held by the Company				
Swensen's Ice Cream Company (Australia) Pty Ltd	Dormant	Australia	**50**	50
Chinoiserie Wine Bar and Discotheque Pte Ltd	Dormant	Singapore	**30**	30
Held by Europa Lounge and Restaurant Pte Ltd				
Food Glossary Pte Ltd	Operating and management of food and beverage outlet	Singapore	**30**	30
The Dempsey Group Pte Ltd	Dormant	Singapore	**33.3**	–

These associated companies are measured using the equity method of accounting. The activities of the associated companies are strategic to the Group.

During the financial year, management performed an impairment test for investment in an associated company as this associated company has been incurring losses in the current and past financial year. An impairment loss of $6,000 (2014: nil) is recognised for the year ended 31 December 2015 for the associated company to its recoverable amount. The estimates of the recoverable amount of the investments have been determined by management based on the net assets value of the associated companies as at 31 December 2015, which approximates the recoverable amount of the investments in the associated companies.

The management does not consider any of the associated companies to be individually and in aggregate material to the Group. Accordingly, the summarised financial information about the associated companies is not disclosed.

16 Held-to-maturity financial assets

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Unquoted non-equity investments, at cost	**1**	1	**1**	1
Less: Allowance for impairment in value	**(1)**	(1)	**(1)**	(1)
	–	–	**–**	–

Movement in allowance for impairment in value during the financial year is as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1**	–	**1**	–
Allowance for impairment in value (note 7)	**–**	1	**–**	1
At end of financial year	**1**	1	**1**	1

17 Available-for-sale financial assets

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Unquoted equity investments, at cost	**35**	35	**35**	35

The investments are carried at cost as the fair value of these unquoted equity investments cannot be measured reliably.

18 Due from subsidiaries

(i) Loans to subsidiaries, non-current

	Company	
	2015	2014
	$'000	$'000
Loans to subsidiaries	**14,656**	15,143
Less: Allowance for doubtful receivables	**(7,937)**	(7,984)
	6,719	7,159

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

	Company	
	2015	2014
	$'000	$'000
At beginning of financial year	**7,984**	7,859
Allowance made	**50**	300
Write-back of allowance	**(97)**	(175)
At end of financial year	**7,937**	7,984

18 Due from subsidiaries (cont'd)

(i) Loans to subsidiaries, non-current (cont'd)

The non-current loans to subsidiaries of $6,719,000 (2014: $7,159,000) are not expected to be repaid within the next twelve months. It is not practicable to estimate the fair value of the portion of the loans that does not have fixed repayment terms.

During the financial year, the Company provided an allowance of $50,000 (2014: $300,000) for impairment of non-current loans to subsidiaries. These subsidiaries have been incurring losses in the current and past financial years.

(ii) Due from subsidiaries, current

	Company	
	2015	2014
	$'000	$'000
Trade	**4,483**	4,456
Less: Allowance for doubtful receivables	**(4,411)**	(4,411)
note 21	**72**	45
Non-trade	**4,093**	3,910
Less: Allowance for doubtful receivables	**(3,711)**	(3,519)
note 21	**382**	391
	454	436

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

	Company	
	2015	2014
	$'000	$'000
Trade		
At beginning of financial year	**4,411**	4,563
Receivables written off against allowances	**-**	(150)
Write-back of allowance	**-**	(2)
At end of financial year	**4,411**	4,411
Non-trade		
At beginning of financial year	**3,519**	3,422
Allowance made	**192**	149
Receivables written off against allowances	**-**	(52)
At end of financial year	**3,711**	3,519

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

During the financial year, the Company provided allowance of $192,000 (2014: $149,000) for non-trade amounts due from subsidiaries. These subsidiaries have been incurring losses in the current and past financial years.

18 Due from subsidiaries (cont'd)

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

Analysis of trade receivables due from subsidiaries at the end of the reporting period:

	Company	
	2015	2014
	$'000	$'000
Not past due and not impaired	**33**	16
Past due and not impaired	**39**	29
	72	45

Trade receivables due from subsidiaries that are past due and not impaired:

	Company	
	2015	2014
	$'000	$'000
Past due 0 - 30 days	**26**	26
Past due 31 - 60 days	**9**	3
Past due 61 - 90 days	**4**	–
	39	29

Trade receivables due from subsidiaries of approximately $4,411,000 (2014: $4,411,000) are past due and fully impaired.

19 Due from associated companies, current

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Non-trade	**209**	193	**196**	193
Less: Allowance for doubtful receivables	**(209)**	(193)	**(196)**	(193)
note 21	**–**	–	**–**	–

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**193**	188	**193**	188
Allowance made (note 7)	**16**	5	**3**	5
At end of financial year	**209**	193	**196**	193

The amounts due from associated companies are unsecured, interest-free and repayable on demand.

20 Inventories

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Ice cream and ingredients	**990**	1,094	**961**	1,067
Confectionery and ingredients	**531**	541	**–**	–
Food and beverages	**624**	656	**511**	511
Merchandise	**229**	204	**205**	181
Wines and liquor	**–**	42	**–**	42
	2,374	2,537	**1,677**	1,801

21 Trade and other receivables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade receivables	**1,077**	1,313	**807**	924
Due from subsidiaries (note 18(ii))	**–**	–	**72**	45
	1,077	1,313	**879**	969
Rental and sundry deposits	**4,506**	4,396	**3,924**	3,709
Prepayments	**955**	921	**478**	663
Sundry receivables	**1,923**	1,862	**1,876**	1,839
Tax recoverable	**287**	347	**–**	–
	7,671	7,526	**6,278**	6,211
Less: Allowance for doubtful sundry receivables	**(1,773)**	(1,815)	**(1,768)**	(1,768)
	5,898	5,711	**4,510**	4,443
Due from subsidiaries (note 18 (ii))	**–**	–	**382**	391
Due from associated companies (note 19)	**–**	–	**–**	–
	5,898	5,711	**4,892**	4,834
Total	**6,975**	7,024	**5,771**	5,803

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers. At the end of the reporting period, 33% (2014: 33%) and 41% (2014: 37%) of the Group's and Company's trade receivables were due from 5 major customers. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

21 Trade and other receivables (cont'd)

Movements in allowance for doubtful trade receivables during the financial year are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**–**	122	**–**	–
Receivables written off against allowances	**–**	(122)	**–**	–
At end of financial year	**–**	–	**–**	–

(i) Analysis of trade receivables at the end of the reporting period:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Not past due and not impaired	**744**	621	**576**	560
Past due and not impaired	**333**	692	**231**	364
	1,077	1,313	**807**	924

(ii) Trade receivables that are past due and not impaired:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Past due 0 - 30 days	**201**	454	**152**	289
Past due 31 - 60 days	**60**	124	**55**	55
Past due 61 - 90 days	**24**	54	**9**	20
Past due more than 90 days	**48**	60	**15**	–
	333	692	**231**	364

Movements in allowance for doubtful sundry receivables during the financial year are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,815**	2,263	**1,768**	1,870
Allowance made (note 7)	**–**	10	**–**	–
Receivables written off against allowances	**–**	(551)	**–**	(102)
Translation	**(42)**	93	**–**	–
At end of financial year	**1,773**	1,815	**1,768**	1,768

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.

22 Fixed deposits and cash and bank balances

The fixed deposits of the Group and Company are placed with banks and mature on varying dates within 12 months (2014: 12 months) from year end. The interest rates of these deposits at the end of the reporting period range from 0.98% to 3.7% (2014: 0.45% to 3.6%) per annum.

Included in the Group's fixed deposits and cash and bank balances are amounts of $112,000 (2014: $102,000), pledged to banks for banking facilities granted to the Company and certain subsidiaries.

23 Share capital

Share capital, issued and fully paid ordinary shares

	Group and Company		Group and Company	
	2015	2014	**2015**	2014
	Number of shares		**$'000**	$'000
At beginning and end of financial year	**200,995,734**	200,995,734	**43,299**	43,299

The owners 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.

24 Other reserves

	Group	
	2015	2014
	$'000	$'000
Foreign currency translation reserve	**(612)**	(593)
Capital reserve	**276**	276
	(336)	(317)

Movements in other reserves are as follows:

	Group	
	2015	2014
	$'000	$'000
Foreign currency translation reserve		
At beginning of financial year	**(593)**	(636)
Net exchange differences on translation of financial statements of foreign subsidiaries	**(19)**	43
At end of financial year	**(612)**	(593)
Capital reserve		
At beginning and end of financial year	**276**	276

25 Deferred tax liabilities

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

The movements in the deferred tax account are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,299**	1,274	**520**	600
Tax debit/(credit) to				
- Profit or loss (note 9)	**84**	33	**20**	(80)
- Translation difference	**(50)**	(8)	**–**	–
At end of financial year	**1,333**	1,299	**540**	520
Representing:				
Non-current				
Deferred tax liabilities	**1,333**	1,299	**540**	520

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Tax effect of temporary differences on excess of capital allowances utilised over accounting depreciation	**1,401**	1,370	**665**	634
Allowances/provisions	**(126)**	(129)	**(125)**	(114)
Others	**58**	58	**–**	–
	1,333	1,299	**540**	520

The Group's and Company's provision for deferred tax has been computed based on the corporate tax rate and tax laws prevailing at the end of the reporting period.

At the end of the reporting period, the Group has undistributed earnings amount of $8,100,000 (2014: $6,900,000) 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.

26 Trade and other payables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade payables	**4,700**	4,840	**3,102**	3,525
Due to subsidiaries	**–**	–	**718**	786
	4,700	4,840	**3,820**	4,311
Other payables	**2,111**	2,591	**1,002**	1,161
Accrued operating expenses	**4,398**	4,316	**3,498**	3,552
Deferred income	**253**	249	**237**	228
Due to subsidiaries	**–**	–	**490**	464
Purchase consideration for acquisition of trademark and related knowhow and goodwill	**256**	256	**–**	–
	7,018	7,412	**5,227**	5,405
Total	**11,718**	12,252	**9,047**	9,716

Purchase consideration payable is designated at fair value through profit or loss at initial recognition.

27 Provisions

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Provision for restoration costs	**962**	1,032	**864**	930
Provision for unutilised annual leave	**685**	623	**615**	552
	1,647	1,655	**1,479**	1,482

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,032**	795	**930**	667
Provided during the financial year	**35**	270	**28**	263
Utilised during the financial year	**(94)**	(33)	**(94)**	–
Unused amounts reversed during the financial year	**(11)**	–	**–**	–
At end of financial year	**962**	1,032	**864**	930

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 4 years.

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**623**	566	**552**	510
Provided during the financial year	**66**	58	**63**	42
Translation	**(4)**	(1)	**–**	–
At end of financial year	**685**	623	**615**	552

28 Borrowings

	Group 2015 $'000	Group 2014 $'000
Current		
Secured		
Term loan	–	116

The term loan of nil (2014: $116,000) of a subsidiary was secured by way of legal charges over the subsidiary's properties with net carrying value of $1,412,000 (2014: $1,661,000), pledged on its fixed deposits and joint and several corporate guarantees from its holding company (which is a wholly-owned subsidiary of the Company) and the Company.

The annual interest rates at the end of the reporting period was as follows:

	Group 2015 %	Group 2014 %
Term loan	–	4.1

Short-term bank loan has variable interest rates.

The carrying amount of the term loan approximated its fair value.

29 Dividends

The directors have proposed a final tax exempt dividend for 2015 of 1.5 cents per share of approximately $3,015,000. 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 2016.

30 Contingent liabilities

At 31 December 2015, the Company has provided corporate guarantees for the following:

(i) jointly and severally with a wholly-owned subsidiary guaranteed banking facilities granted by a bank to a subsidiary amounting to RM6 million, approximately $2 million (2014: RM6 million, approximately $2.3 million); and
(ii) proportionate guarantee for banker's guarantee facility granted by a bank to a subsidiary amounting to $1 million (2014: $1 million).

Management has determined that the fair value of the above financial guarantees provided by the Company is not material and is therefore not recognised in the Company's financial statements. No material losses under the guarantees are expected as management is of the opinion that the requirements to reimburse are remote.

31 Commitments for expenditure

(a) Lease commitments

The Group and Company lease warehouses and sales outlets under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Certain leases also provide for contingent rentals based on certain percentages of sales. Commitments in relation to non-cancellable operating leases contracted for but not recognised as liabilities, are payable as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Not later than one financial year	**14,410**	13,932	**12,439**	12,945
Later than one financial year but not later than five financial years	**17,203**	13,299	**14,611**	10,378
More than five financial years	**567**	752	**–**	–
	32,180	27,983	**27,050**	23,323

Lease terms do not contain restrictions on the Group's and the Company's activities concerning dividends, additional debt or further leasing.

(b) Capital commitments

Capital commitments not provided for in the financial statements:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Capital commitments in respect of property, plant and equipment	**361**	–	**–**	–

32 Financial instruments

(a) Categories of financial instruments

Financial instruments at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Loans and receivables	**87,955**	88,206	**77,193**	79,273
Held-to-maturity financial assets	**–**	–	**–**	–
Available-for-sale financial assets	**35**	35	**35**	35
Financial liabilities at amortised cost	**11,107**	11,765	**8,708**	9,390
Financial liabilities at fair value through profit or loss	**256**	256	**–**	–

32 Financial instruments (cont'd)

(b) Financial risks and 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 changes to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. Market risk, credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Market risk

Foreign exchange risk

The Group's foreign currency exposure arises mainly from holding cash and short-term deposits denominated in foreign currencies for working capital purposes and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. At the end of the reporting period, such foreign currency balances are mainly in United States Dollars ("USD") and Australian Dollars ("AUD").

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

The Group's foreign currency exposure is as follows:

	USD $'000	AUD $'000	Total $'000
2015			
Financial assets			
Cash and cash equivalents	**7,775**	**52**	**7,827**
Financial liabilities			
Trade payables	**390**	**–**	**390**
Currency exposure - net financial assets	**7,385**	**52**	**7,437**
2014			
Financial assets			
Cash and cash equivalents	6,340	–	6,340
Financial liabilities			
Trade payables	462	–	462
Currency exposure - net financial assets	5,878	–	5,878

The Company has no significant foreign currency exposure.

The sensitivity analysis for foreign exchange risk is not disclosed as the effect on the profit or loss is considered not significant if USD and AUD changes against the SGD by 5% (2014: 5%) with all other variables including tax rate being held constant.

32 Financial instruments (cont'd)

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

Market risk (cont'd)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations and fixed deposits placed with financial institutions. The Group maintains its borrowings in either variable or fixed rate instruments depending on which terms are more favourable to the Group. 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 was 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 bank balances, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position; and
- corporate guarantees provided by the Company as set out in note 30.

See notes 18 and 21 for credit risk concentration and trade receivables aging analysis and information on the Group's and Company's trade receivables.

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.

32 Financial instruments (cont'd)

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

Liquidity risk (cont'd)

	2015 $'000			2014 $'000		
	Within 1 year	**Within 2 to 5 years**	**Total**	Within 1 year	Within 2 to 5 years	Total
Group						
Trade and other payables	**11,107**	**–**	**11,107**	11,649	–	11,649
Borrowings	**–**	**–**	**–**	117	–	117
Purchase consideration for acquisition of trademark and related knowhow and business goodwill	**256**	**–**	**256**	256	–	256
Company						
Trade and other payables	**8,708**	**–**	**8,708**	9,390	–	9,390
Financial guarantee contracts	**3,000**	**–**	**3,000**	3,300	–	3,300

33 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).

The Group's only Level 3 measured financial instruments is the purchase consideration for acquisition of trademark and related knowhow of $256,000 (2014: $256,000) included in other payables (note 26). The fair value is estimated by discounting expected future cash flows at market incremental lending rate.

The Group and the Company does not have any other Level 1, Level 2 and Level 3 measured financial assets and liabilities.

33 Fair value of assets and liabilities (cont'd)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Loans and receivables, held-to-maturity financial assets, trade and other payables and borrowings at floating rate (note 28). The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting period.

(c) 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

The loans to subsidiaries disclosed in note 18 (i) do not have fixed repayment terms and as such, it is not practicable to determine the fair value of the amounts and loans with sufficient reliability.

(d) 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.

The fair values of the Group's investment properties were determined based on the properties' highest-and-best-use valuations performed by accredited independent valuers using direct comparison with recent transactions of comparable properties within the vicinity and elsewhere at the end of the reporting period.

Based on the comparison approach, direct comparison was made to recent 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.

34 Segment information

The Group is organised into business units based on its products and services for management purposes. The reportable segments are restaurants and confectionery 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:

	Restaurants and confectionery $'000	Others $'000	Eliminations $'000	Group $'000
2015				
Revenue from external customers	100,352	59	–	**100,411**
Inter-segment revenue	–	2,485	(2,485)	**–**
Total revenue	100,352	2,544	(2,485)	**100,411**
Segment results	9,816	(829)	–	**8,987**
Finance costs	(5)	–	–	**(5)**
Share of results of equity-accounted investee	(51)	–	–	**(51)**
Profit before tax				**8,931**
Income tax expense				**(1,350)**
Profit after tax				**7,581**
Non-controlling interests				**56**
Net profit attributable to owners of the Company				**7,637**
Assets				
Segment assets	104,054	20,156	(8,960)	**115,250**
Total assets				**115,250**
Liabilities				
Segment liabilities	16,642	11,344	(14,621)	**13,365**
Unallocated tax payable				**2,663**
Total liabilities				**16,028**
Capital expenditure	3,179	–	–	**3,179**
Depreciation and amortisation	2,801	368	–	**3,169**
Impairment loss	6	68	–	**74**
Write-back of impairment loss for investment property	–	(275)	–	**(275)**
Other non-cash expenses	828	323	–	**1,151**

34 Segment information (cont'd)

	Restaurants and confectionery $'000	Others $'000	Eliminations $'000	Group $'000
2014				
Revenue from external customers	102,466	53	–	102,519
Inter-segment revenue	–	2,483	(2,483)	–
Total revenue	102,466	2,536	(2,483)	102,519
Segment results	10,671	(1,251)	–	9,420
Finance costs	(6)	–	–	(6)
Share of results of equity-accounted investee	(63)	–	–	(63)
Profit before tax				9,351
Income tax expense				(1,828)
Profit after tax				7,523
Non-controlling interests				383
Net profit attributable to owners of the Company				7,906
Assets				
Investment in associated companies	57	–	–	57
Segment assets	107,676	18,467	(9,337)	116,806
Total assets				116,863
Liabilities				
Segment liabilities	17,122	11,823	(14,922)	14,023
Unallocated tax payable				3,123
Total liabilities				17,146
Capital expenditure	2,589	116	–	2,705
Depreciation and amortisation	2,849	343	–	3,192
Other non-cash expenses	237	(202)	–	35

Note: Inter-segment revenues are eliminated on consolidation.

Inter-segment assets and liabilities 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.

<u>Segment results</u>

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.

34 Segment information (cont'd)

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

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 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 are as follows:

	Sales to external customers		Non-current assets	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Singapore	**87,213**	88,246	**19,384**	20,307
Malaysia	**13,139**	13,865	**4,165**	4,327
Rest of Asia	**59**	408	**95**	183
	100,411	102,519	**23,644**	24,817

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 2015 and 31 December 2014.

35 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The directors of the Group review the capital structure on a periodic basis. As part of the review, the directors consider the cost of capital and other sources of funds, including borrowings from banks and third parties.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

The capital structure of the Group consists of equity attributable to owners of the Company comprising share capital, reserves and accumulated profits. The Group's overall strategy remains unchanged from 2014.

35 Capital management (cont'd)

	Group	
	2015	2014
	$'000	$'000
Borrowings (note 28)	**–**	(116)
Less: Cash and cash equivalents	**82,110**	82,348
Net cash	**82,110**	82,232
Equity attributable to owners of the Company	**98,905**	96,532
Total capital	**98,905**	96,532

The Group is currently in a net cash position. The Group will continue to be guided by prudent financial policies of which gearing is monitored.

36 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 2015 were authorised for issue in accordance with a resolution of the directors on 29 March 2016.

RISK 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.

The Group, with the assistance of the internal auditors, had embarked on an enterprise risk assessment study to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

Management had reviewed the results of the enterprise risk assessment study and considered controls to mitigate any signification risk exposure to the Group. The control effectiveness would be assessed through an internal audit of each business unit.

Operational Risk Management

The restaurants and confectionery businesses are subject to operating risks such as competition, shortage of labour, availability of suitable retail sites, increase in operating costs such as food cost, rental, labour and energy costs, the recurring need for renovation and upgrading of outlets, government regulations and adverse effects of economic and market conditions.

It is recognised that these risks are inherent in all businesses. The Group's strategy of operational risk management is to balance cost and risk; and stay focused in risk and incident management.

Competition Risk Management

The Group's businesses operate under a highly competitive environment. Demand for the Group's products and services is susceptible to changes in consumer preferences and economic conditions.

For the restaurants and confectionery businesses, the Group recognises that it has to continually improve its products and services and develop its brand presence, and has put in place a comprehensive marketing and promotion programme.

Financial Risk Management

The Group's activities expose it to a variety of financial risks, namely foreign exchange, interest rate, credit and liquidity risks.

(i) Foreign exchange risk

The Group's foreign currency exposure arises mainly from holding of 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. The main currency that gives rise to this risk at the end of the reporting period is primarily United States Dollars.

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

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations and fixed deposits placed with financial institutions. The Group maintains its borrowings in either variable or fixed rate instruments depending on which terms are more favourable to the Group.

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.

Financial Risk Management (cont'd)

(iii) Credit risk

The Group's principal financial assets are cash and bank balances, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group'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 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.

Investment Risk Management

The Group has in place processes and procedures to consider and approve all capital investment proposals. All capital investment proposals are subject to thorough review to ensure that they meet the internal investment criteria and all the relevant risk factors are considered before submitting to the Board for approval.

Compliance & Legal Risk Management

The Group's operations are subject to regulations and possible changes in regulations could affect the Group's operations. The Group has in place processes to ensure compliance with applicable laws and regulations.

LIST OF PROPERTIES
AS AT 31 DECEMBER 2015

Description	Location	Floor Area (Sqm)	Tenure of Lease (Use)
Singapore			
A shop unit located on the first storey of a shopping-cum-residential development known as City Plaza	810 Geylang Road #01-103 City Plaza Singapore 409286	25	Freehold (Rental)
A shop unit located on the second storey of Far East Plaza	14 Scotts Road #02-22 Far East Plaza Singapore 228213	39	Freehold (Rental)
A shop unit located on the third storey of Thomson Plaza	301 Upper Thomson Road #03-23 & 23A Thomson Plaza Singapore 574408	349	Leasehold 99 years less one day from 15 October 1976 (Food and Beverage outlet)
A HDB shop unit with living quarters located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	358	85 years from 1 July 1994 (Rental)
A 4-storey factory building with a basement carpark	41 Tampines Street 92 Singapore 528881	9,780	30 years from 1 July 1993, with a further term of 30 years (Factory, warehouse and office)
Malaysia			
A double storey factory building	No.1 Jalan Dewani Satu Off Jalan Tampoi, Kawasan Perindustrian Temenggong 81100 Johor Bahru	3,420	Freehold (Factory)
A 3-storey terrace shop	No.82 Jalan Serampang Taman Pelangi 86400 Johor Bahru	178	Freehold (Food and Beverage outlet)
Indonesia			
An apartment unit in Ascott Towers Indonesia	Unit 06-23 Jalan Kebon Kacang Raya No.2 Jakarta 10230	159	20 years and is renewable for a further term of 20 years (Rental)

SHAREHOLDERS' INFORMATION

AS AT 21 MARCH 2016

Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Share
No. of Issued Shares	:	200,995,734 Ordinary Shares
Treasury Shares	:	NIL

Distribution of Shareholdings as at 21 March 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	6	0.55	283	0.00
100 – 1,000	158	14.45	147,637	0.07
1,001 – 10,000	688	62.95	3,522,901	1.75
10,001 – 1,000,000	230	21.04	14,687,754	7.31
1,000,001 and above	11	1.01	182,637,159	90.87
Total	**1,093**	**100.00**	**200,995,734**	**100.00**

Substantial Shareholders as at 21 March 2016

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Ang Yee Lim	92,004,901[1]	45.77	–	–
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
Kestrel Capital Pte Ltd	13,403,000[4]	6.67	–	–
Lim Eng Hock	–	–	15,961,800[5]	7.94

Notes:

1. 43,000,000 ordinary shares are held through nominees
2. 20,000,000 ordinary shares are held through nominees
3. Deemed to have interest in 56,925,858 ordinary shares held by Kechapi Pte Ltd
4. 13,403,000 ordinary shares are held through nominees
5. Deemed to have interest in 13,403,000 ordinary shares held by Kestrel Capital Pte Ltd and 2,558,800 ordinary shares held by nominees.

Twenty Four Largest Shareholders as at 21 March 2016

No.	Name of Shareholders	No. of shares	%
1	Ang Yee Lim	49,004,901	24.38
2	Kechapi Pte Ltd	36,925,858	18.37
3	Raffles Nominees (Pte) Ltd	32,029,700	15.94
4	UOB Kay Hian Pte Ltd	25,721,400	12.80
5	Hong Leong Finance Nominees Private Limited	20,000,000	9.95
6	Maybank Nominees (Singapore) Pte Ltd	10,000,000	4.98
7	Yap Boh Sim	2,310,000	1.15
8	Ang Lian Seng	2,300,000	1.14
9	RHB Securities Singapore Pte Ltd	1,887,300	0.94
10	Yit Teng Yuet	1,435,000	0.71
11	So Meng Seng	1,023,000	0.51
12	HSBC (Singapore) Nominees Pte Ltd	994,000	0.49
13	DBS Nominees Pte Ltd	806,200	0.40
14	United Overseas Bank Nominees Private Limited	676,600	0.34
15	Ong Kheng Ho	495,000	0.25
16	So Tai Lai	470,000	0.23
17	Chua Chor Heah	370,000	0.18
18	Ronald Lim Cheng Aun	305,000	0.15
19	Allan Chua Tiang Kwang	300,000	0.15
20	Bank Of Singapore Nominees Pte Ltd	300,000	0.15
21	Chua Tiang Choon, Keith	300,000	0.15
22	Leck Kim Seng	300,000	0.15
23	Ong Kok Foo	300,000	0.15
24	Quek Mong Hua	300,000	0.15
	Total:	**188,553,959**	**93.81**

Based on Shareholders' Information as at 21 March 2016, approximately 16.05% 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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting of the Company will be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Thursday, 28 April 2016 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 2015 together with the Independent Auditor's Report thereon. **Resolution 1**

2. To approve the payment of a tax exempt (1-tier) Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2015. **Resolution 2**

3. To approve the payment of the Directors' fees of S$205,000 for the financial year ended 31 December 2015 (2014: 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, Chapter 50, and the Listing Rules of the Singapore Exchange Securities Trading Limited ("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 in 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, 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 for the purpose of this Resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares 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 outstanding or subsisting at the time this Resolution is passed, 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.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to approval being obtained at the 37th Annual General Meeting to be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Thursday, 28 April 2016 at 10:00 a.m.:

1. A tax exempt (1-tier) Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2015 will be paid on 27 May 2016.

2. The Share Transfer Books and Register of Members of the Company will be closed on 11 May 2016 for the purpose of determining the shareholders' entitlements to the proposed dividend. Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, up to 5:00 p.m. on 10 May 2016 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. on 10 May 2016 will be entitled to the payment of the proposed dividend.

FOR AND ON BEHALF OF THE BOARD

Chua Tiang Choon, Keith
Executive Chairman

13 April 2016

Explanatory Notes:

(i) Key information on Mr Lim Jen Howe can be found on page 19 of the Annual Report 2015. Mr Lim will, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee, and a member of the Remuneration and Nominating Committees. The Board considers Mr Lim to be 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 page 19 of the Annual Report 2015. Mr Quek will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration and Nominating Committees, and a member of the Audit Committee. The Board considers Mr Quek to be 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) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.

Notes:

(a) *A member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.*

(b) *Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shares (expressed as a percentage of the whole) to be represented by each proxy.*

(c) *Pursuant to Section 181 of the Companies Act, Cap. 50 of Singapore, any member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).*

*****Relevant Intermediary*** *is:*

(a) a banking corporation licensed under the Banking Act (Cap.19) 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; or

(b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act (Cap.289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap.36), in respect of shares purchased on behalf of CPF investors.

(d) *A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.*

(e) *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 under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.*

(f) *Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.*

(g) *The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.*

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and/or representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy ABR Holdings Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote. (Please see Note 4 for the definition of Relevant Intermediary)

I/We ______________________ (Name) NRIC/Passport no. ______________

of ____

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

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting 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, 28 April 2016 at 10:00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For#	Against#
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Independent Auditor's Report thereon.		
2.	Approval of payment of a tax exempt (1-tier) Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2015.		
3.	Approval of payment of Directors' fees of S$205,000 for the financial year ended 31 December 2015.		
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*
\# *If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.*

Dated this ____________ day of ____________ 2016

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT. Please read notes overleaf

Notes:

1. *Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.*

2. *A member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.*

3. *Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shares (expressed as a percentage of the whole) to be represented by each proxy.*

4. *A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).*

   *****Relevant Intermediary*** *is:*

   (a) *a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or*

   (b) *a person holding a capital markets services license to provide a custodial services for securities under the Securities and Futures Act (Cap.289) and who holds shares in that capacity; or*

   (c) *the Central Provident Fund Board established by the Central Provident Fund Act (Cap.36), in respect of shares purchased on behalf of CPF investors.*

5. *A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.*

6. *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 under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.*

7. *Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.*

8. *The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.*

9. *An investor who buys shares using CPF monies ("****CPF Investor****") and/or SRS monies ("****SRS Investor****") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.*

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2016.

AFFIX
STAMP

The Company Secretary

ABR HOLDINGS LIMITED

41 Tampines Street 92
ABR Building
Singapore 528881

CORPORATE INFORMATION

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

Joint Secretaries
Tan Wee Sin
Toon Choi Fan

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

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

Auditor
Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Tay Guat Peng
(Appointed since financial year ended 31 December 2011)

Solicitors
Lee & Lee

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

HOLDINGS LIMITED

ABR Holdings Limited

41 Tampines Street 92

ABR Building Singapore 528881

Tel: (65) 6786 2866

Fax: (65) 6782 1311