



SOUP
RESTAURANT

恒

Perennial
Annual Report 2021

CORPORATE PROFILE

Founded in 1991, Soup Restaurant Group Limited has its humble beginnings as a niche restaurant in Chinatown serving herbal soups and home-cooked dishes at affordable prices.

Today, the Company is listed on the Mainboard of the Singapore Exchange Limited and operates a portfolio of well-known food and beverage brands. The Group currently has 17 restaurant outlets in Singapore and Malaysia, as well as one franchised outlet in Indonesia.

The Company has through the years expanded its business into other areas including the distribution of sauces, central kitchen operations and a social enterprise.

CONTENTS

Corporate Profile

18

Our Brands

4

Chairman's Message

20

Our Footprint

8

Corporate Structure

21

Corporate Governance Report

9

Corporate Information

44

Financial Statements

10

Board of Directors

104

Statistics of Shareholdings

12

Key Management

106

Notice of Annual General Meeting

14

Financial Highlights

112

Appendix 1

15

Operating & Financial Review

Proxy Form

Celebrating *30 years* of heart-warming heritage cuisine

Soup Restaurant has come a long way from our humble roots of operating out of our first shophouse at Smith Street with just 6 tables. Like how the Samsui women have toiled through laborious work in building our nation brick by brick day after day, Soup Restaurant has similarly progressed steadily over the last 30 years. Through our focus, solid foundations and expertise, we have tided over many storms to stand at where we are today.

In today's everchanging world, our core values and resilience continue to be our guiding beacon. Our passion and commitment to provide a place of respite where people can bond over our authentic and traditional home-style food burns bright.

Soup Restaurant is a place where relationships are formed and where reunions take place. We will persevere in preserving, passing on and expanding the heirloom of our invaluable culinary tradition, our Samsui heritage and values while achieving long-term sustainable growth.



TOGETHER 相伴

1991

Founded in 1991, Soup Restaurant was conceptualised by a group of engineers, led by Mr. Mok Yip Peng, driven by their collective passion for Chinatown Heritage Cuisine. The first Soup Restaurant outlet opened in Smith Street with only 6 tables.



2013

Company rolled out two new brands — CAFE O and POT LUCK. These concepts have allowed the Company to reach out to a bigger segment of customers.



2017

Our subsidiary, Samsui Supplies & Services Pte. Ltd. (“SSS”) launched Samsui Kitchen within the Singapore Changi Prison Complex with its social beliefs and responsibilities as a home-grown local company to train inmates and deliver nutritious meals to nursing homes and Voluntary Welfare Organisations.



Photo Credit: SCORE

1998

The Company’s business model changed with its expansion into shopping malls. The first outlet in a shopping mall was at Causeway Point and marked the Company’s quiet but aggressive foray into the Food and Beverage sector.



2018

SSS launched second Samsui Kitchen at Enabling Village in line with a vision of building a sustainable ecosystem to do good. We focus on the training and deployment of persons with disabilities (“PWDs”) in all aspects of our operations.

2003

The Company set up a central food processing unit to streamline its operations and cater to the needs of its expansion.

2013

The company successfully launched our bottled Samsui Ginger Sauce in 2013. A range of Samsui sauces currently retails at supermarkets in Singapore.

2021

A timely recognition, as we celebrate our 30th Anniversary, Soup Restaurant is proud to be listed as Singapore’s “Made with Passion” Brand and we had started selling Samsui Ginger Sauce in Japan’s supermarkets.

2004

The Company franchised its restaurant in Indonesia to a business partner. The first overseas outlet opened in Jakarta.



2007

The Company sealed its status as a Food and Beverage player in Singapore through its listing on SESDAQ in 2007. It achieved Mainboard status with its transfer to SGX Mainboard in 2009.



2015

Our new “茶楼” or “Teahouse” concept serves classic hand-made dim sum and local favourites such as wonton noodles and century egg porridge. Try it at our IMM Building and Century Square outlets!



恆心

Determination

At Soup Restaurant, our ethos has always been guided by the Samsui Woman and her values and strengths. With an iron will and quiet composure, she toils tirelessly, putting in her best in anything that she does. In face of the multiple challenges from the COVID-19 pandemic and the macroeconomic environment, we draw on our Samsui heritage to stand unwavering and firm in our resolve to push through the trying situation and put our best efforts to achieve long-term sustainable growth as we keep the Samsui spirit alive, passing it on for the rest of the future generations to come.

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I present to you the Annual Report of Soup Restaurant Group Limited for the financial year ended 31 December 2021 ("FY2021").

CELEBRATING 30TH ANNIVERSARY WHILE COPING WITH COVID-19

Soup Restaurant was founded in 1991 and during the past 30 years, the Group had survived several crises, including avian flu, SARS and H1N1. The past year had been a difficult year, however I am pleased to inform our shareholders that in spite of the challenges posed by a second consecutive year of the COVID-19 pandemic, Soup Restaurant Group had managed to remain profitable for FY2021.

The pandemic has not only changed the way people live, but also has fundamentally changed and shaped the pace of the Food & Beverage industry. The Group had recognised way back in 2018, even before the pandemic, that market trends and customers' dining behaviour had changed and started to ride the e-commerce wave then, by setting up the online food delivery platforms. While the growth of orders through various online delivery platforms has helped to cushion the decrease in dine-in sales, we remain cautious on the new challenges and the emerging delivery battlegrounds. Nevertheless, the Group will continue to manage the risks and expectations to ensure the Group stays competitive under the current crisis.

STREAMLINING OUR OPERATIONS

To address the changing dining behaviour and the new norms in the industry, the Group will strive to remain adaptable while accelerating transformative and digitalisation efforts to streamline processes for better economies of scale and improvement to productivity. Last year, the Group embarked on business process redesign and data automation in the areas of procurement, inventories and human resource management. These are necessary efforts to reduce repetitive manual work and empower our staff with robust yet simple-to-use management tools to assist in their daily task. I am happy to learn that the staff, from top to bottom, welcome the change and has substantially completed the projects.

A TIMELY RECOGNITION, AS WE CELEBRATE OUR 30TH ANNIVERSARY

This year, Soup Restaurant is proud to be listed as Singapore's "Made with Passion" Brand, a national initiative that showcases and celebrates local lifestyle brands who bring to life the Singapore spirit of turning possibilities into reality. At the heart of Soup Restaurant's tradition is the creation of a delightful, traditional and healthy meal, prepared from scratch, made with quality ingredients. The same commitment and passion that we put into every dish served in our restaurants will continue to inspire us to serve future generations. As was stated by our Managing Director, Mr. Wong Wei Teck in his interview with CNA, "Everything we do is from the heart, and I think people can see that".

CHAIRMAN'S MESSAGE

DIVIDEND

I am also happy to announce that the Board of Directors is proposing a final dividend of 0.20 cents per share for FY2021 (FY2020: 0.20 cents per share) to reward our shareholders for their unstinting support throughout the past year.

FUTURE OUTLOOK

A return to normal is no guarantee in the near future for Food & Beverage industry. COVID-19 has pushed Soup Restaurant to re-think its mid-term future and to venture into new realms including manufacturing and exporting of its bottled sauces overseas. We had started selling Samsui Ginger Sauce in Japan's supermarkets since the last quarter of year 2021.

The Company had applied for a change in its name to "Soup Holdings Limited" to signify the Group's determination to expand our businesses to more than just restaurant business.

The Group remains committed to our vision as a "百年三盅" – 100-year-old Singapore iconic brand and strives to do good for our employees, customers and community to continue serving families of all generations for a long time to come.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I wish to convey my heartfelt thanks to you, our shareholders for your unstinting support, as well as our customers, suppliers and business associates for your steadfast support throughout the year.

Last but not least, I wish to extend my appreciation to my fellow Directors, the management and staff of the Group for their dedication, hard work and sacrifice especially during these extremely difficult times. They are indeed very valuable assets to the Group.

Professor Cham Tao Soon

Non-Executive Chairman

5 April 2022

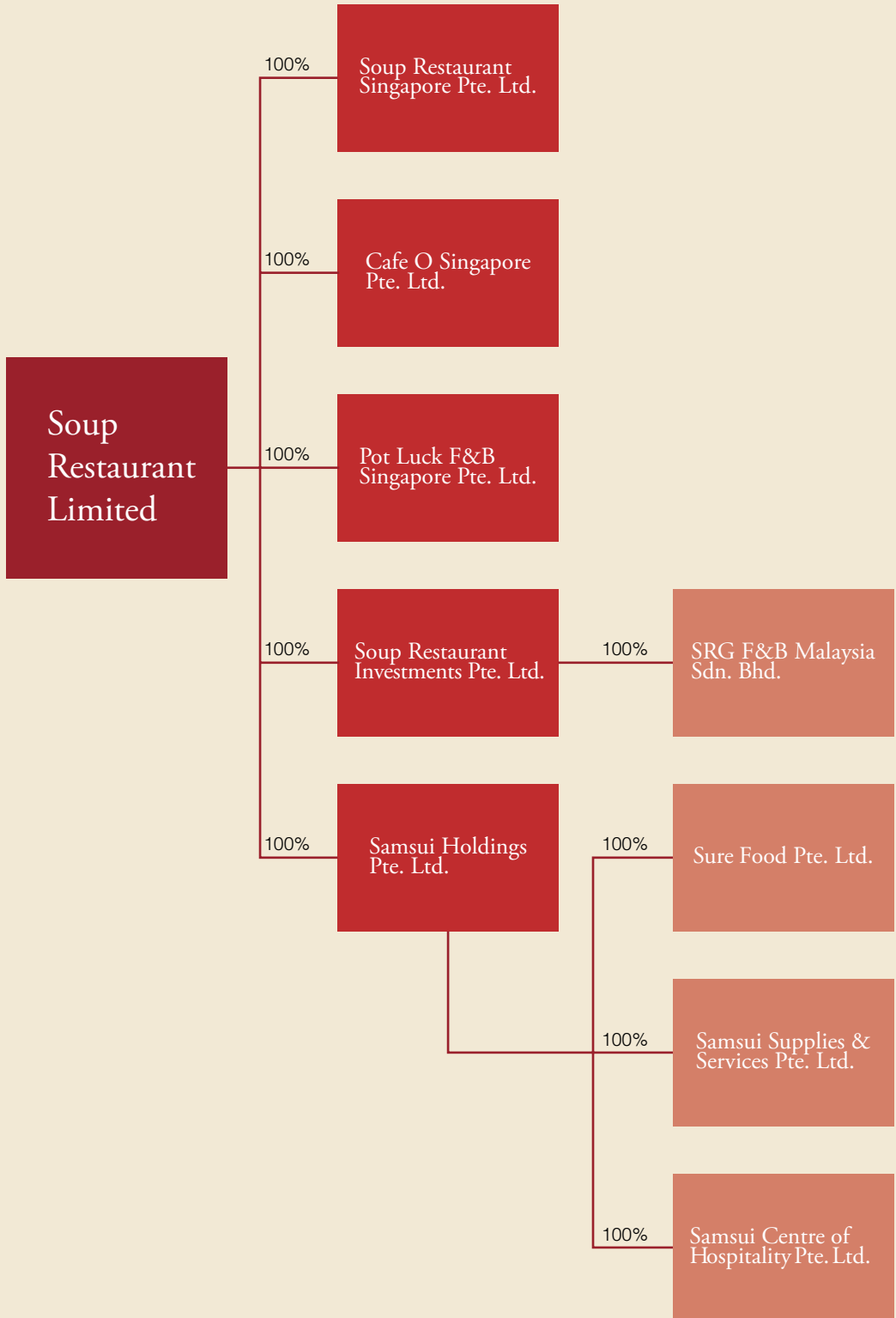


恒信

Trust

Trust is key to forging long-lasting ties. We place strong emphasis on trust in any form of relationships – trusting others as well as being trustworthy ourselves. Our core values have been deeply entrenched in our way of business and during such tough times we stand united with all our stakeholders to face and overcome all challenges together.

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Professor Cham Tao Soon

Members

Wong Wei Teck

Wong Chi Keong

Then Khek Koon

Chua Koh Ming

Tan Choon Seng

AUDIT COMMITTEE

Chairman

Tan Choon Seng

Members

Professor Cham Tao Soon

Chua Koh Ming

NOMINATING COMMITTEE

Chairman

Chua Koh Ming

Members

Professor Cham Tao Soon

Tan Choon Seng

Wong Wei Teck

REMUNERATION COMMITTEE

Chairman

Professor Cham Tao Soon

Members

Chua Koh Ming

Tan Choon Seng

COMPANY SECRETARY

Chong In Bee

REGISTERED OFFICE

150 Kampong Ampat

#04-01 KA Centre

Singapore 368324

Tel: +65 6222 4668

Fax: +65 6222 4667

Email: email@souprestaurant.com.sg

Website: www.souprestaurant.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue

#14-03/07

Keppel Bay Tower

Singapore 098632

AUDITORS

BDO LLP

Public Accountants and Chartered Accountants

600 North Bridge Road

#23-01 Parkview Square

Singapore 188778

Audit Partner-In-Charge

Leong Wenjie, Stephen

(appointed in financial year 2021)

BOARD OF DIRECTORS

PROFESSOR CHAM TAO SOON

(Non-Executive Chairman and Independent Director)

Professor Cham was appointed as Non-Executive Chairman on 1 August 2012. He is also the Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees. He has more than 30 years of experience in the academia sector and is currently the Deputy Supervisor to United Overseas Bank (China) Limited. He also sits on the board of a public listed company, NSL Ltd and on the board of a public company limited by guarantee, Institution of Engineers (Singapore) Fund Ltd.

Professor Cham holds a Bachelor of Engineering (Civil, Honours) from the University of Malaya, a Bachelor of Science (Mathematics, Honours) from the University of London and a Doctorate of Philosophy (Fluid Mechanics) from University of Cambridge.

WONG WEI TECK

(Managing Director)

Mr Wong was appointed as Managing Director of the Group on 1 May 2016. He is a co-founder and has been with the Company since 1991. He is responsible for the overall management, strategic planning and business development of the Group. Mr Wong was instrumental to the Group's growth and development over the years and its listing on the Singapore Exchange. Before his appointment as Managing Director, Mr Wong was an Executive Director of the Group since 2000. He was responsible for the corporate development of the Group including human resource, information technology and management system, as well as the Group's Corporate Social Responsibility initiatives. Prior to joining the Group, he worked as a civil engineer with several companies, including Mass Rapid Transit Corporation (now the Land Transport Authority) and Taylor Woodrow PLC construction group.

Mr Wong holds a Bachelor in Civil Engineering from the National University of Singapore and was a Chartered Engineer of the UK Engineering Council and a Professional Engineer of the Singapore Professional Engineers Board.

WONG CHI KEONG

(Executive Director)

Mr Wong, a co-founder of the Company, was appointed as Executive Director on 15 June 2011. He is one of the co-founders of the restaurant in 1991. He is involved in the brand development, marketing and promotion, public relations, design and project management, as well as upgrading and maintenance of the restaurant outlets. Mr Wong has many years of experience in engineering consultancy and property investment.

Mr Wong holds a Master of Science (Civil Engineering) and a Master of Business Administration.

BOARD OF DIRECTORS

THEN KHEK KOON

(Executive Director)

Mr Then was appointed as Non-Executive Director on 19 September 2004 and was re-designated to Executive Director on 1 January 2012. He oversees the Samsui line of companies and the corporate social responsibility of the Group. A veteran in the oil and gas sector, Mr Then has over 20 years of experience leading oil trading, bunkering and risk management teams and was appointed an expert advisor in a forensic audit project in this sector. He has vast experience in corporate management, having held directorships of various companies in different sectors.

Mr Then holds a Bachelor of Mechanical Engineering from the University of Singapore and was the past President of the NUS Engineering Alumni as well as the Engineering Society.

CHUA KOH MING

(Independent Director)

Mr Chua was appointed as Independent Director on 23 March 2007. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He has extensive experience in the engineering field and has been providing his own consultancy services to the construction industry since 2006.

Mr Chua holds a Bachelor of Electrical Engineering from the National University of Singapore and is a registered Professional Engineer in practice.

TAN CHOON SENG

(Independent Director)

Mr Tan was appointed as an Independent Director on 27 April 2019 and is currently the Chairman of the Audit Committee and member of the Remuneration and Nominating Committees. He is a council member of the Singapore Institute of Management and is also a member of the Board of Trustees of the Singapore University of Social Sciences. He is also the Chairman of the University's Investment and Endowment Fund. He is also the Lead Independent Director of Koda Limited and the Chairman of the Audit Committee and member of the Remuneration Committee and Nominating and Governance Committee. Mr Tan was previously the Group Chief Executive Officer and a Non-independent and Executive Director of WBL Corporation Ltd. He was also previously Vice President (Customer Solutions Group) and Managing Director of Hewlett-Packard Southeast Asia, a post he held from June 2002 when Hewlett-Packard acquired Compaq. He also served as the Vice President and Managing Director for the ASEAN region of Compaq Computer Asia Pte Ltd between June 1999 and June 2002. He joined Compaq in 1996 as the Chief Financial Officer for its Asia-Pacific operations. Prior to joining Compaq, he spent 20 years in various multinational organisations in audit and tax, oil services and information technology industries, where he held a number of senior leadership positions in operations, sales, strategy and business development.

Mr Tan holds an Accountancy degree from the University of Singapore and is a non-practising Fellow Chartered Accountant of Singapore.

KEY MANAGEMENT

CHONG IN BEE

(Financial Controller)

Ms Chong was appointed as Financial Controller on 3 July 2015 and is responsible for the overall financial reporting function of the Group. She is also the Company Secretary for the Company and its subsidiaries in Singapore.

Ms Chong has more than 15 years of experience in the auditing and accounting profession. Prior to joining the Group, she worked as Finance Manager in a public-listed company and an auditor in public accounting firms.

She holds a Bachelor of Accountancy from Multimedia University, Malaysia and is a Chartered Accountant of Singapore (CA Singapore) as well as a Fellow of Chartered Certified Accountant (FCCA).

恆定

Resolve

Born out of the mission to provide a place of comfort and reunion outside of home, we put people first, treat everyone like family. We are dedicated towards making meaningful and positive impacts on this growing community, bringing people together and taking care of everyone around us.

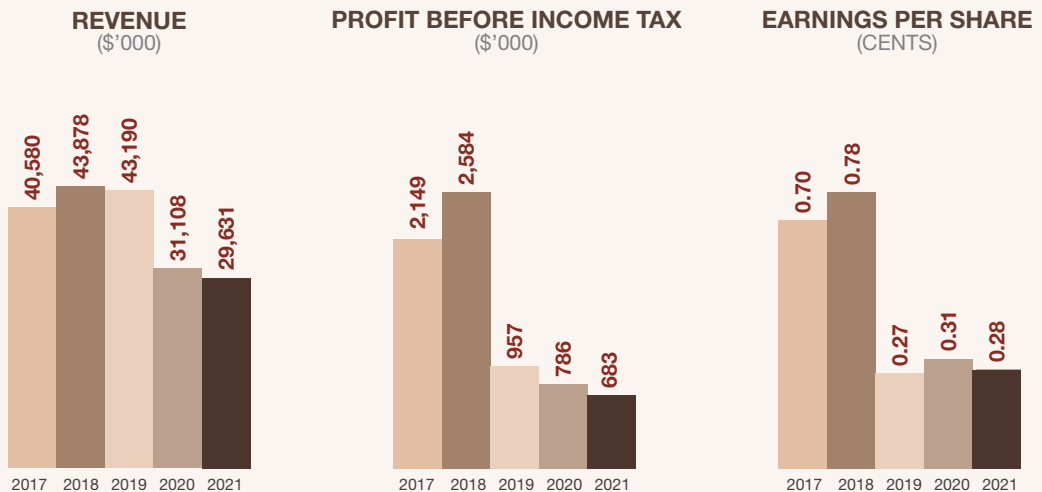
FINANCIAL HIGHLIGHTS

	FY2021	FY2020	FY2019	FY2018	FY2017
Revenue and Profitability (\$'000)					
Revenue	29,631	31,108	43,190	43,878	40,580
Profit before income tax	683	786	957	2,584	2,149
Profit attributable to owners of the Company	773	867	761	2,190	1,947
Financial and Cash Flow Position (\$'000)					
Current assets	14,198	13,968	12,543	13,731	11,727
Current liabilities	9,315	10,413	11,852	5,702	4,914
Total assets	22,489	25,436	29,095	17,037	15,494
Total liabilities	12,072	15,236	19,200	5,972	5,188
Total equity	10,417	10,200	9,894	11,065	10,306
Cash and cash equivalents	10,811	10,100	8,288	10,039	8,128
Per Share (cents)					
Earnings per share ⁽¹⁾	0.28	0.31	0.27	0.78	0.70
Net asset value per share ⁽²⁾	3.73	3.65	3.54	3.95	3.68

Remarks:

(1) Based on weighted average number of ordinary shares for the financial year.

(2) Based on total number of issued shares as at the end of the financial year (excluding treasury shares).



OPERATING AND FINANCIAL REVIEW

REVENUE AND PROFITABILITY

Revenue

The Group's revenue for the financial year ended 31 December 2021 ("FY2021") was \$29.6 million, a decrease of \$1.5 million or 4.8% as compared to \$31.1 million for the financial year ended 31 December 2020 ("FY2020"). The decrease was attributable to a decrease in revenue of \$2.1 million from the food processing, distribution and procurement services segment due to a decrease in the demand for ready meals as compared to FY2020 when the longer circuit breaker period was implemented, as well as interruptions to the operations of the central kitchen as a result of temporary closures due to Covid-19.

Revenue for the operation of restaurants segment saw an increase of \$0.6 million attributable to an increase in revenue of \$2.3 million from existing outlets in FY2021. Dining-in restrictions and safe-management measures during the longer circuit breaker period, from 7 April to 18 June 2020, affected the sales in FY2020. The increase was offset against a decrease in revenue of \$1.7 million due to the closure of certain outlets due to lease expiry in FY2020 and the Group's decision to consolidate the outlets to face current market challenges amidst the Covid-19 situation.

Other Income

Other income decreased by \$1.6 million or 26.6% from \$6.2 million in FY2020 to \$4.6 million in FY2021 mainly related to a decrease in rent concession granted of \$1.6 million and sponsorship income of \$0.1 million, offset by an increase in government grant of \$0.1 million. Government grant increased due to higher rental support received from Government as announced during the two Phase 2 (Heightened Alert) ("P2(HA)") periods and government grant received for the Job Redesign Place-Train Programme and Job Growth Incentives, partially offset by lower payouts received as wage support for local employees and levy rebates.

Purchases and other consumables

Purchases and other consumables were maintained at approximately 23.0% of revenue as part of the Group's efforts to tighten costs control without any compromise on the quality of raw materials used through alternative sourcing of raw materials and bulk purchasing by the Group's procurement arm.

Employee benefits expense

Employee benefits expense decreased by \$0.8 million or 6.8% in FY2021 mainly due to a reduction in headcount and related staff costs, such as overtime claims and payments for casual workers, commensurate with lower business activities during this period as well as due to the closure of three outlets.

Depreciation and amortisation expenses and impairment loss

The decrease was mainly related to a decrease in amortisation of right-of-use assets of \$0.9 million in accordance with SFRS (I) 16 Leases and a decrease in depreciation of plant and equipment of \$0.3 million partly due to certain right-of-use assets and plant and equipment were impaired in FY2020. The impairment loss of plant and equipment and right-of-use assets totaling \$0.5 million, which are non-cash in nature, were related to the restaurant outlets and a central kitchen most impacted by COVID-19.

Other expenses

Other expenses decreased by \$0.3 million or 3.2% in FY2021. The decrease is mainly due to a decrease in delivery charges and contract cost of \$0.8 million associated with the supply of ready meals, a decrease in consultancy fee of \$0.2 million, a decrease in operating expenses of \$0.2 million as a result of the closure of outlets, offset against an increase in sales commission of \$0.5 million associated with online delivery services and a net increase in lease expenses of \$0.4 million partly due to lower rental rate of certain outlets in FY 2020.

OPERATING & FINANCIAL REVIEW

RESULTS FOR THE YEAR

In line with the above, the Group's profit before income tax decreased by \$0.1 million or 13.1% in FY2021 as compared to FY2020. Earnings per share based on weighted average number of ordinary shares stood at 0.28 cents in FY2021.

FINANCIAL POSITION REVIEW

Assets

Non-current assets decreased by \$3.2 million from \$11.5 million, as at 31 December 2020 ("FY2020"), to \$8.3 million as at 31 December 2021 ("FY2021"), mainly due to depreciation and amortisation expenses of \$6.6 million and an impairment loss of \$0.5 million on plant and equipment and right-of-use assets, offset against the additional right-of-use assets of \$3.6 million as a result of lease renewals and the acquisition of intangible assets of \$0.3 million.

Current assets increased by \$0.2 million as compared to FY2020 mainly due to an increase in cash and cash equivalents of \$0.7 million offset by a decrease in trade and other receivables of \$0.5 million. The increase in cash and cash equivalents was attributable mainly to the net cash from operating activities of \$7.2 million, partially offset by payments made for purchases of plant and equipment and intangible assets of \$0.3 million, payment of final dividend of \$0.6 million and repayment of obligations under leases of \$5.4 million. Trade and other receivables decreased mainly due to a decrease in government grant receivables which is associated to wage support received for local employees under the Jobs Support Scheme and refund of security deposits as a result of the closure of outlet.

Liabilities

Total liabilities decreased by \$3.1 million from \$15.2 million as at FY2020 to \$12.1 million as at FY2021 mainly due to net decrease in lease liabilities of \$2.6 million as a result of the repayment of obligations under leases offset against increase in lease liabilities for lease renewal, a decrease in trade and other payables of \$0.4 million and a decrease in the current income tax payable of \$0.1 million. Trade and other payables decreased was mainly attributable to a decrease in accrued operating expenses, a decrease in deferred government grant and deferred income of \$0.7 million, offset against an increase in third parties' trade and other payables of \$0.2 million.

Total Equity

Total equity increased by \$0.2 million from \$10.2 million, as at FY2020, to \$10.4 million in FY2021, attributable mainly to the profit reported during the financial year offset by the payment of the final dividend of \$0.6 million. The Group's net asset value per share stood at 3.73 cents as at FY2021.

永恒

Permanence

Born out of the mission to provide a place of comfort and reunion outside of home, we put people first, treat everyone like family. We are dedicated towards making meaningful and positive impacts on this growing community, bringing people together and taking care of everyone around us.

OUR BRANDS

SOUP RESTAURANT

In 1991, Soup Restaurant started serving our customers from a shophouse in Chinatown with only 6 staff and 6 dining tables. After 29 years of conscientious effort in improving the quality and consistency of our food and service, we have grown into a restaurant chain with outlets spread across Singapore, Malaysia and Indonesia.



Soup Restaurant specializes in serving traditional Chinatown home-cooked dishes which are collectively known as Chinatown Heritage Cuisine. At Soup Restaurant, our unique Samsui Ginger Chicken, steamed minced pork and herbal soup remind our customers of the tasty and nutritious meals that have bonded families for generations.

The recipe for our signature Samsui Ginger Chicken was handed down from the Samsui Woman, who was among the pioneers who built modern Singapore. In the 1920s and 1940s, she immigrated to Singapore from southern China in search of employment. With her trademark red-clothed headgear, she toiled in the construction sites, working with her bare hands. Every day, she looked forward to her daily ritual of a simple meal with her sisters from her home town. During Chinese New Year, they gathered to enjoy their favourite dish – Samsui Ginger Chicken.

An icon of Chinatown known for her strength of character and resilience, the Samsui Woman leaves behind a heritage of unspoken simplicity and humility. At Soup Restaurant, we believe in simplicity and we strive for extraordinary results out of the ordinary.

Soup Restaurant HERITAGE

We continuously strive for excellence and we do it with passion and dedication to preserve our heritage.

From the experiences accumulated over the past 29 years, we have now launched “Soup Restaurant HERITAGE” with a wider variety of Chinatown Heritage dishes offered in a new Heritage Menu, a new 4th generation dining ambience and enhanced customer-focused service.

“Soup Restaurant HERITAGE” elevates our customer’s dining experience to a whole new level.



TEAHOUSE by Soup Restaurant

During the 1950s to 1970s, there were many renowned tea houses in Chinatown where enjoying a pot of hot Chinese tea with dim sum delicacies was a daily ritual for the locals.

At “TEAHOUSE by SOUP RESTAURANT”, we serve a wide variety of Nanyang inspired Dim Sum, such as our special “4 Beauties (Samsui Ginger Bao, Earthen Bowl Carrot Cake, Spinach Dumpling with Prawns and Crispy Prawn Cheong Fun)”, “Ma Jie Chives Dumpling” and more.

Amidst an authentic tea house setting, customers can now relive the good old days while enjoying our handmade Dim Sum and Chinatown Heritage Cuisine.



OUR BRANDS

CAFE O

CAFE O is a unique local multi-racial culture coffee shop which is Halal certified and has been serving “Singapore Comfort Food, Kopi & Teh” since 2013.

The name of the cafe is inspired by the local coffee shop drink – ‘Kopi O’ where ‘Kopi’ is the Malay term for coffee and ‘O’ is the Hokkien dialect term for black. In line with the meaning behind the name, the logo and signage is presented in ‘black’ wordings over a white background.



The logo is specially designed by combining the name of CAFE O in Singapore’s 4 national languages (Chinese, English, Malay & Tamil). It embodies the equal standing that all races enjoy in Singapore and expresses the cafe’s wishes to embrace this harmonious relationship. This tribute to Singapore’s multi-racial culture sets CAFE O apart from other brands in the market.

True to CAFE O’s multi-racial culture focus, customers can enjoy local drinks from *Kopi-O* to *Teh Tarik*; local breakfast from *Soft Bun Set* to *Roti Prata & Murtabak* ; local tea-time snack from *Chee Cheong Fun* to *Putu Mayam*; local rice meals from *Nasi Lemak* to *Nasi Bryani* and local noodles from *Laksa & Lontong* to *Mee Siam & Mee Rubus*. The cafe has also created new items with a multi-racial twist, such as our *Nian Gao Prata* and *Malay Ginger Fried Chicken Rice*. As the Group comes from a restaurant background, CAFE O takes pride in the quality of the food and drinks which we serve.

In addition, CAFE O respects and strives to preserve the dining experience of Singapore’s traditional coffee shops but in a clean, hygienic and updated approach. For example, as a salute to the traditional *Kopi* uncles who used to wear their blue striped pyjama pants to work, CAFE O has adopted blue as the corporate colour to signify our continuation of the Singapore coffee shop culture.

Together with the photos of Singapore families of various ethnic groups mounted on old photo frames displayed in the cafe, customers can sip their kopi and relive the good old days, but in a clean and comfortable cafe.

POT LUCK

POT LUCK is a restaurant concept that offers affordable and home-style zi char dishes in claypots prepared on the spot over charcoal fires in an old Chinatown setting that will bring you back to 1960s Singapore.



Within the rustic ambience of POT LUCK, against a backdrop of vintage black and white movies, an eclectic collection of pots, pans and cooking utensils of that era and formica chairs and tables, you’ll also be served by Ali, our “Satay Man”, Ah Huat, our “Rickshaw Boy”, Ah Fong, our “Samsui Woman”, Tao Jie, our “Mah Jie” and Muthu, our “Kacang Puteh Man” for an authentic back alley Chinatown experience!

OUR FOOTPRINT

Singapore

SOUP RESTAURANT

Clementi Mall
3155 Commonwealth
Avenue West
#03-62/63
The Clementi Mall
Singapore 129588

Compass One
1 Sengkang Square
#03-12
Compass One
Singapore 545078

Holland Village
118 Holland Avenue
#01-02
Raffles Medical Holland Village
Singapore 278997

Hougang Mall
90 Hougang Avenue 10
#02-21
Hougang Mall
Singapore 538766

nex
23 Serangoon Central
#02-15/16
nex
Singapore 556083

Paragon
290 Orchard Road
#B1-07
Paragon
Singapore 238859

United Square
101 Thomson Road
#B1-10/66/67
United Square
Singapore 307591

VivoCity

1 HarbourFront Walk
#02-141
VivoCity
Singapore 098585

Jewel

78 Airport Boulevard
#03-201
Singapore 819666

Suntec City

3 Temasek Boulevard
#B1-127
Suntec City Mall
Singapore 038983

TEAHOUSE by Soup Restaurant

Changi Airport T1
Singapore Changi Airport
Terminal 1 #03-19
Viewing Mall Central
Singapore 819642

Century Square
2 Tampines Central 5
#01-20
Century Square
Singapore 529509

IMM Building
2 Jurong East Street 21
#01-101B
IMM Building
Singapore 609601

CAFE O

Holland Village
118 Holland Avenue
#01-01
Raffles Medical Holland Village
Singapore 278997

IMM Building

2 Jurong East Street 21
#01-101
IMM Building
Singapore 609601

POT LUCK

IMM Building
2 Jurong East Street 21
#01-101A
IMM Building
Singapore 609601

Malaysia

SOUP RESTAURANT

1 Utama
Lot G210A Ground Floor
1 Utama Shopping Center
1 Lebuhraya Bandar Utama
Petaling Jaya 47800
Selangor Darul Ehsan
Malaysia

Indonesia*

SOUP RESTAURANT

Plaza Indonesia
3rd Floor, Unit 29-31A
Central Jakarta

* *Franchised outlets*

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of Soup Restaurant Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is firmly committed to maintaining a high standard of corporate governance to safeguard the interests of all its stakeholders and to ensure greater transparency.

The Company has in place the appropriate personnel, processes and structures to direct and manage its business and affair while safeguarding the interests of shareholders and enhancing long-term shareholder value as part of its effort to maintain high standards of corporate governance.

This corporate governance report (the “**Report**”) discloses the Group’s corporate governance framework and practices with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**CCG 2018**”) and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and explains any deviation from the CCG 2018.

For the financial year ended 31 December 2021 (“**FY2021**”), the Group has adhered to the principles as set out in the CCG 2018. In so far as any provisions have not been complied with, the reasons have been provided.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective board which is collectively responsible and works with management for the long-term success of the company.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholder value. The role of the Board is to:

- (a) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- (c) review management performance;
- (d) identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- (e) set the Company’s values and standards and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues as part of its strategic formulation.

These functions are carried out either by the Board or through committees established by the Board, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide on matters within their respective written terms of reference. Each of the Board Committees has its own terms of reference setting out its composition, authorities and duties (including reporting back to the Board).

CORPORATE GOVERNANCE REPORT

Every Director, in the course of carrying out his duties, acts objectively in good faith and considers at all times, the best interests of the Group. The Board sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

Where a Director has a conflict or potential conflict of interest in relation to any matter, he shall immediately declare his interest and recuse himself when the conflict-related matter is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, such Director shall abstain from voting on any resolutions involving the conflict-related matter.

All Directors are appointed to the Board, either by way of a formal letter of appointment for Non-Executive Directors or a service agreement for Executive Directors (as the case may be), indicating the scope of duties and obligations.

Newly appointed Directors will be briefed by the Board to ensure that they are familiar with the Group's business and corporate governance practices. The Nominating Committee will ensure that any newly appointed Director, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. No new Director was appointed in FY2021.

Directors are free to request sponsorship from the Company to attend courses to update their knowledge in the rapidly changing business and regulatory environment and to better equip themselves to discharge their duties as Directors. During FY2021, the Directors were provided with regular updates from time to time by professional advisers, auditors and the management on new laws, regulations, listing requirements, governance practices, changes in accounting standards and business issues relevant to the performance of their duties and responsibilities as Directors.

All Directors have undergone appropriate training on the roles and responsibilities required of a listed company's director and understand the Company's business as well as their respective duties as Directors.

Matters that require the Board's approval include the following:

- (a) half year and full year results announcements;
- (b) annual report and financial statements;
- (c) declaration of interim dividends and proposal of final dividends;
- (d) corporate strategies;
- (e) major transactions, including but not limited to major investment or acquisition/disposal proposals;
- (f) convening of shareholders' meetings; and
- (g) any other matter as may be considered by the Board from time to time.

The Company documents the matters reserved for Board's approval in its Standard Operating Procedures Manual which also includes a structured Delegation of Authority matrix setting out the authority limits for entering into contracts, commitments and appropriating company assets in the course of conducting company business as well as the requirements for the delegation of those authority limits.

CORPORATE GOVERNANCE REPORT

The Board is scheduled to meet quarterly, with additional meetings convened as and when there are matters requiring the Board's decision at the relevant times. Dates of the Board and Board Committee meetings and the Company's annual general meeting ("AGM") are scheduled in advance in consultation with all the Directors in order to assist the Directors in planning for their attendance at these meetings. Telephonic attendance at Board meetings is allowed under the Company's Constitution. The Board and Board Committees may also make decisions by way of circulating resolutions in writing.

The attendance of the Directors at Board and Board Committee meetings as well as AGM, and the frequency of such meetings held during FY2021 are disclosed below:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	AGM
	Number of Meetings Held				
	4	3	1	2	1
	Number of Meetings Attended				
Professor Cham Tao Soon	4	3	1	2	1
Wong Wei Teck	4	3*	1	1*	1
Wong Chi Keong	4	3*	1*	1*	1
Then Khek Koon	4	3*	1*	1*	1
Chua Koh Ming	4	3	1	2	1
Tan Choon Seng	4	3	1	2	1

Note:

* By invitation

Directors actively participate in Board and Board Committee meetings. Directors with multiple listed company board representations are required to ensure that they have given sufficient time and attention to the affairs of the Company.

Directors are provided with quarterly management reports of the Group, comprising financial statements, sales and analysis reports, to apprise the Board regularly on the performance of the Group's business so as to enable them to carry out their duties and responsibilities. Detailed board papers which contain sufficient information on the issues to be considered are prepared for each meeting of the Board and Board Committees, and circulated to Directors in advance before each meeting to give Directors sufficient time to review the matters to be discussed.

Directors have separate and independent access to the management, the Company Secretary and external advisers (where necessary) at the Company's expense.

The Company Secretary assists the Chairman of the Board in ensuring good information flow within the Board and Board Committees and between the management and Non-Executive Directors, and attends Board and Board Committee meetings. Together with the management, the Company Secretary is responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act 1967 (the "Companies Act") and the provisions in the Listing Manual of the SGX-ST are complied with. The appointment and the removal of the Company Secretary is a matter for the approval of the Board as a whole.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

The Board comprises six members as follows:

Professor Cham Tao Soon	(Non-Executive Chairman and Independent Director)
Wong Wei Teck	(Managing Director)
Wong Chi Keong	(Executive Director)
Then Khek Koon	(Executive Director)
Chua Koh Ming	(Independent Director)
Tan Choon Seng	(Independent Director)

As the Non-Executive Chairman of the Board is an Independent Director, it is not required for the Independent Directors to make up a majority of the Board. Nonetheless, Independent Directors make up at least one-third of the Board.

Non-Executive Directors do not make up a majority of the Board in view that the Board consists of three Independent Directors who make up half of the Board and the Non-Executive Chairman and Independent Director has a casting vote in the case of an equality of votes. The Board is of the view that there is a strong and independent element on the Board which is capable of exercising objective judgment on corporate affairs of the Company. No individual or small group of individuals dominate the Board's decision-making process.

The independence of each Independent Director is subject to annual review by the Nominating Committee based on the guidelines provided in the CCG 2018 and the Listing Manual of the SGX-ST. Each Independent Director had submitted a confirmation of his independence, which indicated that he does not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The Nominating Committee is of the view that Professor Cham Tao Soon, Mr Chua Koh Ming and Mr Tan Choon Seng are independent.

Currently, Professor Cham Tao Soon and Mr Chua Koh Ming have served on the Board for more than nine years from the date of their first appointment. The Nominating Committee had conducted a rigorous review of their independence by way of self-assessment (by submitting the confirmation of independence) and peer-review. As a result of the rigorous review, the Nominating Committee is of the view that independence cannot be arbitrarily determined merely on the basis of a set period of time and has taken into consideration the following factors in assessing Independent Directors. They have:

- (a) demonstrated strong independence in discharging their duties and responsibilities with the utmost commitment in upholding the interests of the non-controlling shareholders;
- (b) engaged the Board in constructive discussions;
- (c) expressed individual viewpoints, debated issues and objectively scrutinised and challenged management;
- (d) sought clarifications as they deemed necessary, including through direct access to the management;

CORPORATE GOVERNANCE REPORT

- (e) developed significant insights in the Group's businesses and operations and continue to provide significant and valuable contribution objectively to the Board as a whole; and
- (f) provided stability to the Board.

The Board, taking into account the views of the Nominating Committee, is of the opinion that Professor Cham Tao Soon and Mr Chua Koh Ming are considered independent as they are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement, notwithstanding that they have served on the Board beyond nine years.

Nonetheless, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, the re-appointment of Professor Cham Tao Soon and Mr Chua Koh Ming as Independent Directors under the mandatory two-tier shareholders voting had been approved in separate resolutions by (a) all shareholders and (b) all shareholders, excluding shareholders who are Directors or Chief Executive Officer ("CEO") and the associates of such Directors and CEO, at the last AGM held on 29 April 2021.

The Board and Nominating Committee examine the Board size annually. The Board is of the view that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision-making.

The Board is also satisfied that it comprises Directors with a variety of skills, expertise and working experiences to provide core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. Details of the Directors' academic and professional qualifications, and work experience are set out in the "Board of Directors" section of this Annual Report. The Nominating Committee annually reviews the existing attributes and competencies of the Board in order to determine the desired expertise and experience required to strengthen or supplement the Board.

The Board recognises the benefits of having a diverse Board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of board deliberations. While the Board and the Nominating Committee have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience to enable the management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and make decisions in the best interests of the Company. This assists the Nominating Committee in identifying and nominating suitable candidates for appointment to the Board.

With the introduction of Rule 710A of the Listing Manual of the SGX-ST effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 December 2022.

When necessary, the Independent Directors, led by the Non-Executive Chairman and Independent Director, meet and discuss on the Group's affairs without the presence of the management. The Non-Executive Chairman and Independent Director will provide feedback to the Board as appropriate.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the board and management, and no one individual has unfettered powers of decision-making.

The Board recognises that best practices of corporate governance advocate that the Chairman of the Board and the CEO should in principle be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Professor Cham Tao Soon's duties as the Non-Executive Chairman and Independent Director include:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and management;
- (g) facilitating the effective contribution of Non-Executive Directors in particular; and
- (h) promoting high standards of corporate governance.

The Company does not have a CEO. Instead, it has a Managing Director, Mr Wong Wei Teck, who is responsible for the overall management, strategic planning and business development of the Group.

As the Chairman of the Board is an Independent Director and is not conflicted, the Board has not appointed a Lead Independent Director.

Board Membership

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

The Nominating Committee consists a majority of Independent Directors (including the Chairman), namely Mr Chua Koh Ming as Chairman, and Professor Cham Tao Soon, Mr Tan Choon Seng and Mr Wong Wei Teck as members.

The Nominating Committee is responsible for:

- (a) reviewing the Board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel;
- (b) developing the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;
- (c) reviewing the training and professional development programmes for the Board and Directors;

CORPORATE GOVERNANCE REPORT

- (d) the appointment and re-appointment of Directors, including alternate Directors if any;
- (e) determining, at least on an annual basis, if a Director is independent;
- (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- (g) reviewing regularly the Board structure, size and composition; and
- (h) recommending to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards.

The Company's Constitution provides that one third (or the number nearest to one third) of the Directors are required to retire from office at each AGM and all the Directors are required to retire from office at least once in every three years. In addition, the Company's Constitution stipulates that a Director newly appointed by the Board during the year must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years at the Company's AGM.

The Nominating Committee will consider important issues such as the composition and progressive renewal of the Board as well as each Director's competencies, commitment, contribution and performance for the re-appointment of Directors. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of his re-nomination as Director. The Nominating Committee has recommended to the Board that Mr Then Khok Koon and Mr Tan Choon Seng be nominated for re-election at the forthcoming AGM of the Company. The Board has accepted the Nominating Committee's recommendation.

The search and nomination process for new Directors, if any, are through contacts and recommendations. The Nominating Committee will review and assess candidates before making a recommendation to the Board. In recommending new Directors to the Board, the Nominating Committee takes into consideration the skills and experience required to support the Group's business activities or strategies, the current composition and size of the Board.

The Nominating Committee is responsible for determining annually, and as and when circumstances require, the independence of Directors. The Nominating Committee had also conducted a rigorous review to determine the independence of the Directors who had served on the Board beyond nine years. The relevant factors are set out under Principle 2 of the CCG 2018 above.

The Nominating Committee ensures that new Directors are aware of their duties and obligations. Newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore are required to attend training courses organised by the Singapore Institute of Directors within one year from their appointment dates and other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. The Nominating Committee takes into consideration whether a candidate has multiple directorships and whether these other directorships will constrain the candidate in setting aside sufficient time and attention to the Company's affairs.

Each of Professor Cham Tao Soon and Mr Tan Choon Seng holds another listed company board representation. The Nominating Committee is satisfied that they are able to and has adequately carried out their duties as Directors of the Company. The Board is also satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises.

CORPORATE GOVERNANCE REPORT

The other listed company directorships and principal commitments of the Directors are set out in the “Board of Directors” section of this Annual Report.

Board Performance

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

On the recommendation of the Nominating Committee, the Board has implemented an objective performance criteria and process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole on an annual basis. An assessment checklist which includes evaluation factors such as Board composition, Board information, Board process, Board accountability and standards of conduct are disseminated to each Director for completion and the assessment results are discussed at the Nominating Committee meeting.

The Board and Board Committees’ performance is judged on the basis of accountability as a whole, rather than strict definitive financial performance criteria, as it would be difficult to apply specific financial performance criteria such as the Company’s share price performance, to evaluate the Board and Board Committees. The Board and the Nominating Committee believe that the financial indicators are mainly used to measure the management’s performance.

The Nominating Committee has evaluated each Director by reviewing his knowledge and abilities, attendance records at meetings of the Board and Board Committees, as well as his commitments and efforts contributed to the affairs of the Company through his participation at such meetings.

No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2021.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Remuneration Committee consists entirely of Independent Directors, namely Professor Cham Tao Soon as Chairman, and Mr Chua Koh Ming and Mr Tan Choon Seng as members.

The Remuneration Committee oversees executive remuneration and development in the Company with the goal of building a capable and committed management team. The Remuneration Committee reviews and recommends to the Board a framework of remuneration for the Board and key management personnel, and the specific remuneration packages for each Director and key management personnel. All aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options and benefits-in-kind, shall be reviewed by the Remuneration Committee to ensure that they are fair. The recommendations of the Remuneration Committee will be submitted for endorsement by the Board.

The Remuneration Committee also reviews the Company’s obligations arising in the event of termination of the Executive Directors and key management personnel’s contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Each member of the Remuneration Committee shall abstain from reviewing and approving his own remuneration.

No remuneration consultants were engaged by the Company in FY2021.

Level and Mix of Remuneration

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

The Remuneration Committee will review annually the compensation of the Executive Directors and key management personnel to ensure that their remuneration commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group.

The Executive Directors do not receive Directors' fees but are remunerated as members of management. The remuneration of the Executive Directors and key management personnel comprises fixed and variable components. The fixed component consists of a base salary and contractual bonus (if any) while the variable component consists of variable bonus that is linked to the performance of the Group as a whole and the performance of the individual as well as market rates. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term success and sustainability of the Group.

The Independent Directors are paid a basic fee and additional fees for serving on any of the Board Committees. The Board recommends payment of such fees appropriate to the level of their contributions, taking into account factors such as the effort, time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at the AGM of the Company.

As the variable components of the remuneration of the Executive Directors and key management personnel are moderate, the Remuneration Committee is of the view that it is presently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from them in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

The Company advocates a performance-based remuneration system that is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company for the long-term. The Company has adopted a performance share plan which was approved by shareholders of the Company at a general meeting held on 22 July 2013. For details of the plan, please refer to Principle 8 of the CCG 2018 below.

Disclosure on Remuneration

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

The Group has a remuneration policy for its Executive Directors and key management personnel comprising fixed and variable components. The fixed component consists of a base salary and contractual bonus (if any) while the variable component consists of variable bonus that is linked to the performance of the Group as a whole and the performance of the individual as well as market rates.

CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of each Director's remuneration for FY2021 is as follows:

Name of Director	Salary ⁽¹⁾ %	Bonuses ⁽¹⁾ %	Directors' fees ⁽²⁾ %	Allowance and other benefits %	Total \$'000
Wong Wei Teck	98	–	–	2	348
Wong Chi Keong	98	–	–	2	287
Then Khek Koon	98	–	–	2	335
Professor Cham Tao Soon	–	–	100	–	80
Chua Koh Ming	–	–	100	–	40
Tan Choon Seng	–	–	100	–	40

A breakdown, showing the level and mix of the key management personnel's remuneration for FY2021 is as follows:

Name of Key Management Personnel	Salary ⁽¹⁾ %	Bonuses ⁽¹⁾ %	Allowance and other benefits %	Total %
<i>Below \$250,000</i>				
Chong In Bee	90	5	5	100

The Company has only one key management personnel who is not a Director or CEO in FY2021. The Board supports and is keenly aware of the need for transparency. However, the Board believes that the said remuneration disclosure requirement for key management personnel is sensitive, due to the nature of the matter. As the Company has a lean management team, such disclosure may adversely affect the cohesion and team spirit prevailing amongst the employees of the Company.

The remuneration of an employee who is an immediate family member of a Director and substantial shareholder of the Company and whose remuneration exceeds \$100,000 for FY2021 is as follows:

Name of Employee	Salary ⁽¹⁾ %	Bonuses ⁽¹⁾ %	Allowance and other benefits %	Total %
<i>Between \$150,000 to \$200,000</i>				
Tan Kim Lian Jasmine ⁽³⁾	98	1	1	100

Notes:

- (1) Salary and bonuses are inclusive of CPF contribution.
- (2) Directors' fees are only payable after approval by shareholders at the forthcoming AGM.
- (3) Ms Tan Kim Lian Jasmine is the spouse of Mr Then Khek Koon, Executive Director and a substantial shareholder of the Company. She ceased to be the Legal Officer on 1 January 2022.

The Company has adopted a performance share plan known as Soup Restaurant Performance Share Plan (the “Plan”) which was approved by shareholders of the Company at a general meeting held on 22 July 2013. The purpose of adopting the Plan is to give the Company greater flexibility to align the interests of employees with the interests of shareholders of the Company.

Full-time employees whose employment have been confirmed and who hold such rank as may be designated by the committee, comprising Mr Wong Wei Teck, Mr Wong Chi Keong and Mr Then Khek Koon, appointed by the Board to administer the Plan, are eligible to participate in the Plan. These employees will be awarded fully paid shares free-of-charge upon them achieving prescribed performance targets.

The Remuneration Committee reviews the proposal made by the committee and submits its recommendations to the Board for endorsement.

A total of 518,000 share awards had been granted and vested under the Plan since its inception. No awards have been made under the Plan during FY2021.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Company does not have a Risk Management Committee as the Board collectively oversees the risk management of the Group. In addition, the management regularly reviews the Group’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews significant control policies and procedures, and highlights the significant matters to the Board and the Audit Committee.

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders’ interests and the Group’s assets. While acknowledging their responsibilities for the system of internal controls, the Board is aware that such a system is designed to manage, rather than eliminate risks and therefore cannot provide an absolute assurance in this regard, or absolute assurance against occurrence of material errors, losses, poor judgement in decision-making, human errors, fraud or other irregularities. The Board determines the Company’s level of risk tolerance and risk policies and oversees management in the design, implementation and monitoring of the risk management and internal control systems.

The Audit Committee, together with the Board, reviewed the adequacy and effectiveness of the Group’s risk management and internal control systems put in place to address the key financial, operational, compliance and information technology risks affecting the operations on an annual basis with the assistance of internal auditor.

The Board has received assurance from the Managing Director, the Executive Directors and the Financial Controller that (i) the financial records have been properly maintained and the financial statements for FY2021 provide a true and fair view of the Group’s operations and finances; and (ii) the Group’s risk management and internal control systems in place are adequate and effective to manage risks as at 31 December 2021.

CORPORATE GOVERNANCE REPORT

The Board is of the view that based on internal controls established and maintained by the Group, the reports from internal and external auditors and with the concurrence of the Audit Committee, the risk management and internal control systems maintained by the management are effective and adequate to meet the needs of the Company having addressed the financial, operational, compliance and information technology risks as at 31 December 2021.

Audit Committee

Principle 10: The board has an audit committee which discharges its duties objectively.

The Audit Committee consists entirely of Independent Directors, namely Mr Tan Choon Seng as Chairman, and Professor Cham Tao Soon and Mr Chua Koh Ming as members. At least two of the members, including the Chairman of the Audit Committee, have recent and relevant expertise and experience in accounting and financial management required to discharge its duties.

The Audit Committee performs the following functions:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems, including financial, operational, compliance and information technology controls;
- (c) review the assurance from the Executive Directors and the Financial Controller on the financial records and financial statements;
- (d) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (e) recommend to the Board the proposals to be made to the shareholders on the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor;
- (f) discuss problems and concerns, if any, arising from the interim and final audits in consultation with the external and internal auditors where necessary;
- (g) meet with the external and internal auditors annually without the presence of the management to discuss any problems and concerns they may have;
- (h) approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (i) ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience;
- (j) review the internal audit programme and ensure co-ordination between the internal and external auditors and the management;
- (k) review the adequacy of the Group's internal controls as set out in the CCG 2018;

CORPORATE GOVERNANCE REPORT

- (l) review the co-operation given by the Company's officers to the external auditor;
- (m) review and approve interested person transactions, if any;
- (n) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicate to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- (o) undertake such reviews and projects as may be requested by the Board or statute or the Listing Manual of the SGX-ST.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Company's operating results and financial position. During investigation, the Audit Committee has full access to and cooperation of the management and full discretion to invite any Director or key management personnel to attend its meetings.

The Audit Committee has undertaken a review of all non-audit services provided by the external auditor and is of the opinion that the provision of such services does not affect the independence of the external auditor. The external auditor has also provided a confirmation of its independence to the Audit Committee. Accordingly, the Audit Committee has recommended the re-appointment of BDO LLP as auditor of the Company at the forthcoming AGM. A breakdown of the fees paid in total to the external auditor for audit and non-audit services for FY2021 is reflected in Note 22 to the audited financial statements.

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in appointing the auditing firms for the Group for FY2021.

None of the Audit Committee members was a previous partner or director of the Company's existing auditing firm or has any financial interest in the Company's existing auditing firm.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Company had appointed Ernst & Young Advisory Pte Ltd as internal auditor to carry out the review of the internal control system of the Group. The Audit Committee approves the appointment, termination and remuneration of the internal auditor. The internal auditor reports directly to the Audit Committee and administratively to the Executive Directors.

The Audit Committee has reviewed and is satisfied that the Company's internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company on annual basis. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee.

The Audit Committee meets with internal auditor and external auditor, without the presence of management, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and to discuss the observations of the auditors on the management or on processes and procedures of the Group.

CORPORATE GOVERNANCE REPORT

The Company has in place a whistle-blowing policy, endorsed by the Audit Committee, in which employees of the Company may raise concerns about possible improprieties in matters of financial reporting, misconduct or wrongdoing relating to the Company and its officers or other matters. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that the identity of the whistle-blower will be kept confidential and the whistle-blower will be protected from reprisal within the limits of the law for whistle-blowing in good faith. The procedures for whistle-blowing are disseminated to all employees during corporate training and the orientation program. The employees can email to the Chairman of Audit Committee on all matters. The whistle-blowing policy and procedures are reviewed by the Audit Committee from time to time to ensure that they remain relevant. There were no whistle-blowing reports received in FY2021.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

All shareholders will receive the Company's annual report, circular and notice of AGM or general meetings and are entitled to attend the general meetings of the Company. They are afforded the opportunity to participate effectively at such meetings and are entitled to vote in accordance with the established voting rules and procedures. The Company conducted poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, were clearly explained by the scrutineers at such general meetings.

In line with the safe-distancing measures and regulations imposed by the Singapore Government to curb the further spread of COVID-19, the Company strongly encourages shareholders' participation in the forthcoming AGM for FY2021 which is to be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Alternative Arrangements Order**").

For the forthcoming AGM, the notice of AGM and the accompanying Annual Report and proxy form are made available to shareholders solely by electronic means via publication on the Company's website and the SGXNet, pursuant to the Alternative Arrangements Order. Although the AGM will be conducted by electronic means, shareholders may appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at that AGM if such shareholders wish to exercise their voting rights, and may submit their questions relating to the resolutions set out in the notice of the AGM in advance.

The Company has specified in the notice of AGM the detailed information on attending the AGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM proceedings, (ii) access the Annual Report and proxy form, (iii) submit their questions in advance of the AGM electronically (e.g. via email) and (iv) vote by appointing the Chairman of the AGM as proxy and indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions.

The Company has separate resolutions for each distinct issue at general meetings. This is to ensure that shareholders are given the right to express their views and exercise their voting rights on each resolution separately. Where the resolutions are "bundled", the reasons and material implications for doing so will be provided in the annual report and related documents/notice of general meeting.

All Directors attend general meetings and the external auditor will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report. Please refer to Principle 1 of the CCG 2018 above for details on the Directors' attendance at general meetings held during FY2021.

The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote instead of the shareholder, while the Companies Act provides for a corporate shareholder of the Company which provides nominee or custodial services to third parties to appoint more than two proxies to attend and vote on its behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such shareholder.

In light of the Alternative Arrangements Order, shareholders who wish to vote at the forthcoming AGM for FY2021 must submit a proxy form to appoint the Chairman of the AGM as their proxy and indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions. The detailed information regarding how shareholders may vote by appointing the Chairman of the AGM as proxy and submission of questions has been specified in the notice of AGM.

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the internet are not compromised.

All minutes of general meetings that record substantial and relevant comments or queries from shareholders relating to the agenda and responses from the Board and the management will be prepared and made available via the Company's website and the SGXNet.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Engagement with Shareholders

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

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST and the Companies Act, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group via the Company's website and the SGXNet.

The Company does not practise selective disclosure of material information. Results and annual reports are announced or issued within the mandatory period.

The Company conducts its investor relations on the following principles:

- (a) Information deemed to be price-sensitive is disseminated without delay via announcements on the SGXNet;
- (b) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and
- (c) Operate an open policy with regard to investors' enquiries.

CORPORATE GOVERNANCE REPORT

The Company provides its phone number and e-mail address on the Company's website through which the shareholders may contact the Company with questions and the Company may respond to such questions.

(E) MANAGING STAKEHOLDERS RELATIONSHIP

Engagement with Stakeholders

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

The Group has identified the key stakeholders who affect and/or could be affected by its activities, products or services and engages them in a variety of formal and informal ways through various channels. Six stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely customers, employees, community, regulators, shareholders and suppliers.

More details on the Company's approach to stakeholder engagement and materiality assessment are disclosed in the Company's Sustainability Report 2021 to be released by 31 May 2022.

The Company maintains its corporate website to communicate and engage with stakeholders. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner via the SGXNet, press releases and the Company's website at www.souprestaurant.com.sg.

RISK MANAGEMENT

[Listing Manual Rule 1207(4)(b)(iv)]

The Company does not have a Risk Management Committee as the Board collectively oversees the risk management of the Group. In addition, the management regularly reviews the Group's business and operating activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks

MATERIAL CONTRACTS

[Listing Manual Rule 1207(8)]

There is no material contract entered into by the Company and its subsidiaries involving the interests of the CEO, 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.

INTERESTED PERSON TRANSACTIONS

[Listing Manual Rule 1207(17)]

The Company has implemented a set of procedures for the identification of interested persons and the recording of interested person transactions to be reviewed by the Audit Committee. The main objective is to ensure that all interested person transactions are conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its non-controlling shareholders. The Company monitors all its interested person transactions which are subject to review by the Audit Committee on a half-yearly basis, if any.

The Board will ensure that all disclosure requirements on interested person transactions, including those required by Rule 907 of the Listing Manual of the SGX-ST, are complied with. In addition, such transactions will also be subject to shareholders' approval, if required under Chapter 9 of the Listing Manual of the SGX-ST.

The Company did not enter into interested person transactions which are required for disclosure pursuant to Rule 1207(17) of the Listing Manual of the SGX-ST during FY2021.

DEALINGS IN SECURITIES

[Listing Manual Rule 1207(19)]

The Company has put in place an internal code on dealings in securities which provides guidance and internal regulation with regard to dealings in the Company's securities by the Company and its Directors and officers. The Company and its Directors and officers who are in possession of price-sensitive information which is not publicly available are prohibited from dealing in the Company's securities. They shall also not deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements. In addition, the Company and its Directors and officers are discouraged from dealing in the Company's securities on short-term considerations.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

Mr Then Khek Koon and Mr Tan Choon Seng are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Then Khek Koon and Mr Tan Choon Seng in accordance with Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	THEN KHEK KOON	TAN CHOON SENG
Date of appointment	19 September 2004	27 April 2019
Date of last re-appointment (if applicable)	26 April 2019	29 April 2020
Age	67	69
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Then's overall contributions and performance, is of the view that he is suitable for re-appointment as Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Tan's overall contributions and performance, is of the view that he is suitable for re-appointment as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the Samsui line of companies and the corporate social responsibility of the Group.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Director, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee
Professional qualifications	Nil	Fellow Chartered Accountant of Singapore (non-practising)
Working experience and occupation(s) during the past 10 years	As set out in the "Board of Directors" section of this Annual Report.	
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 985,000 ordinary shares in the Company Deemed interest: 27,945,000 ordinary shares in the Company	Direct interest: 67,500 ordinary shares in the Company

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

	THEN KHEK KOON	TAN CHOON SENG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>Asia Training Institute Pte Ltd</p> <p>Other Principal Commitments:</p> <p>Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>CAFE O Singapore Pte. Ltd. EPS (S) Pte. Ltd. POT LUCK F&B Singapore Pte. Ltd. Samsui Holdings Pte. Ltd. Singhwa Pte. Ltd. Soup Restaurant Investments Pte. Ltd. Soup Restaurant Singapore Pte. Ltd. Superduper Labs Pte. Ltd.</p> <p>Other Principal Commitments:</p> <p>Nil</p>	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>Aleko Investments Pte. Ltd. Fundedbyme Asia Pacific Pte. Ltd. Kuangchen Pte. Ltd. SIM Academy Pte. Ltd. Sparrow Capital Pte. Ltd.</p> <p>Other Principal Commitments:</p> <p>Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>Koda Ltd 18C Holding Pte. Ltd. Ivy Cubs Pte. Ltd. Link2 Ventures Pte. Ltd. Link2people Pte. Ltd. Singapore Institute Management Group Limited Singapore University of Social Sciences</p> <p>Other Principal Commitments:</p> <p>As set out in the “Board of Directors” section of this Annual Report.</p>

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

	THEN KHEK KOON	TAN CHOON SENG
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		
<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	No	No
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	No	No
<p>(c) Whether there is any unsatisfied judgment against him?</p>	No	No
<p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

	THEN KHEK KOON	TAN CHOON SENG
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

	THEN KHEK KOON	TAN CHOON SENG
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	<p>In September 1999, Soup Restaurant (Seah Street) Pte Ltd (currently named as Pot Luck F&B Singapore Pte. Ltd.), Soup Restaurant (Causeway Point) Pte Ltd (currently named as Soup Restaurant Pte. Ltd.) and its two former management personnel were charged for employing seven Malaysian workers without valid work permits.</p> <p>A former management personnel was also charged for employing a Malaysian cook at Soup Restaurant (Causeway Point) Pte Ltd in breach of a condition of his work permit (for not working at the specified outlet under the said work permit).</p> <p>The companies paid a total fine of \$30,640 and the two former management personnel paid a total fine of \$14,480.</p>	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

[Listing Manual Rule 720(6)]

	THEN KHEK KOON	TAN CHOON SENG
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

The Directors of Soup Restaurant Group Limited (the “Company”) present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the “Group”) and the statement of changes in equity of the Company for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon 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 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) 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.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Professor Cham Tao Soon
Wong Wei Teck
Wong Chi Keong
Then Khek Koon
Chua Koh Ming
Tan Choon Seng

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

Name of Directors in which interests are held	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.1.2021	Balance as at 31.12.2021	Balance as at 1.1.2021	Balance as at 31.12.2021
The Company	Number of ordinary shares			
Professor Cham Tao Soon	300,000	300,000	200,000	200,000
Wong Wei Teck	37,491,900	37,491,900	4,000,000	4,000,000
Wong Chi Keong	49,077,300	49,077,300	–	–
Then Khek Koon	985,000	985,000	27,945,000	27,945,000
Chua Koh Ming	300,000	300,000	–	–
Tan Choon Seng	67,500	67,500	–	–

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2022 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2021.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

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

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

6. Performance shares

The Company has implemented an employee share award scheme known as the "Soup Restaurant Performance Share Plan" (the "Share Plan"), whereby a participant is conferred with the rights to be issued or transferred fully-paid shares free-of-charge (the "Award"). The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 22 July 2013. The Share Plan is administered by a committee appointed by the Board of Directors comprising Wong Wei Teck, Wong Chi Keong and Then Khen Koon (the "Committee").

The Share Plan applies to full-time employees whose employment has been confirmed and hold such rank as may be designated by the Committee as eligible to participate in the Share Plan. Non-Executive Directors are not eligible to participate in the Share Plan.

DIRECTORS' STATEMENT

6. Performance shares (Continued)

Since the commencement of the Share Plan till the end of the financial year ended 31 December 2021 (“FY2021”), awards comprising 518,000 shares were granted to certain employees on 5 December 2018. These awards were immediately vested on the date of the grant. No awards have been made under the Share Plan during the financial year ended 31 December 2021.

No shares have been granted to the Directors of the Company, and the controlling shareholders of the Company and their associates since the commencement of the Share Plan.

No participants have received 5% or more of the total number of shares available under the Share Plan since the commencement of the Share Plan.

No shares comprised in the awards have yet to be released as at 31 December 2021.

7. Audit committee

The Audit Committee at the date of this statement comprises the following members, all of whom are Independent Directors:

Tan Choon Seng (Chairman)
Professor Cham Tao Soon
Chua Koh Ming

The Audit Committee has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Directors and external and internal auditors of the Company:

- (a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Company's and the Group's financial and operating results and accounting policies;
- (c) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company and external auditor's report on those financial statements before their submission to the Directors of the Company;
- (d) the half-yearly and full-year result announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Company's internal and external auditors;
- (f) the re-appointment of the external auditor of the Company; and
- (g) the Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the auditors and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

DIRECTORS' STATEMENT

7. **Audit committee** (Continued)

The Audit Committee has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

8. **Independent auditor**

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Wong Wei Teck
Director

Singapore
5 April 2022

Wong Chi Keong
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Soup Restaurant Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Soup Restaurant Group Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 52 to 103, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, 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
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021, and of the consolidated financial performance, consolidated changes in equity, consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Soup Restaurant Group Limited

KEY AUDIT MATTER	AUDIT RESPONSE
<p>1 Impairment assessment of plant and equipment and right-of-use assets</p> <p>The Group primarily operates a chain of outlets under the names of “Soup Restaurant”, “Cafe O”, “Pot Luck” and “Samsui” in Singapore and Malaysia. As at 31 December 2021, the Group’s plant and equipment and right-of-use assets amounted to \$1,235,050 and \$6,697,309 respectively which accounted for 35% of the Group’s total assets.</p> <p>For the financial year ended 31 December 2021, several outlets incurred losses, which provides an indication that certain plant and equipment and right-of-use assets of the Group may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use (“VIU”) calculations.</p> <p>In carrying out the impairment assessment, management has identified the cash generating units (“CGUs”) to be the respective outlets to which the plant and equipment and right-of-use assets belong. Accordingly, the recoverable amounts of the CGUs are determined by estimating the expected discounted future cash flows which require key assumptions to be made regarding the annualised sales growth rate, gross profit margin and the discount rate.</p> <p>Due to significant management judgement involved in the impairment assessment, as well as the materiality of the carrying amount of the plant and equipment and right-of use assets to the Group’s financial statements, we have determined this area to be a key audit matter.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> ▪ Assessed management’s determination as to whether there is an indication of impairment of the plant and equipment and right-of-use assets of each restaurant outlet. ▪ Evaluated the key assumptions used in the impairment assessment by: <ul style="list-style-type: none"> ○ Assessing the annualised sales growth rate and gross profit margin against historical performance. ○ Engaging our internal valuation specialists to evaluate the appropriateness of the VIU calculation model and reasonableness of the discount rate used. ○ Performing sensitivity analysis to assess the extent of changes to the key assumptions that would cause the recoverable amounts to be below the carrying amounts of the plant and equipment and right-of-use assets. ▪ Assessed the adequacy of the disclosure in the financial statements with respect to the impairment assessment.
<p>Refer to Note 3.2(i), Note 4 and Note 7 of the accompanying financial statements.</p>	

INDEPENDENT AUDITOR'S REPORT

To the Members of Soup Restaurant Group Limited

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the Members of Soup Restaurant Group Limited

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Leong Wenjie, Stephen.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
5 April 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
Non-current assets					
Plant and equipment	4	1,235,050	2,237,142	16,897	19,711
Investments in subsidiaries	5	–	–	1,664,617	1,664,617
Intangible assets	6	354,454	61,871	353,773	58,674
Right-of-use assets	7	6,697,309	9,139,117	194,563	63,435
Other receivables	9	–	–	–	133,215
Deferred tax assets	14	4,608	30,000	–	–
Total non-current assets		8,291,421	11,468,130	2,229,850	1,939,652
Current assets					
Inventories	8	392,054	359,309	–	–
Trade and other receivables	9	2,989,645	3,506,476	1,881,612	2,143,741
Current income tax recoverable		4,757	1,671	–	–
Cash and cash equivalents	10	10,811,226	10,100,329	5,008,261	5,232,873
Total current assets		14,197,682	13,967,785	6,889,873	7,376,614
Less:					
Current liabilities					
Trade and other payables	11	3,478,279	3,909,307	446,411	444,146
Provisions	12	953,516	953,858	40,000	40,000
Lease liabilities	13	4,844,234	5,382,467	129,703	65,465
Current income tax payable		38,969	167,746	–	28,175
Total current liabilities		9,314,998	10,413,378	616,114	577,786
Net current assets		4,882,684	3,554,407	6,273,759	6,798,828
Less:					
Non-current liabilities					
Other payables	11	72,415	–	72,415	–
Lease liabilities	13	2,656,858	4,697,879	65,728	–
Deferred tax liabilities	14	28,226	124,787	–	12,000
Total non-current liabilities		2,757,499	4,822,666	138,143	12,000
Net assets		10,416,606	10,199,871	8,365,466	8,726,480
Equity					
Share capital	15	6,592,761	6,592,761	6,592,761	6,592,761
Treasury shares	16	(4,082,954)	(4,082,954)	(4,082,954)	(4,082,954)
Translation reserve	17	(365)	(2,354)	–	–
Retained earnings		7,907,164	7,692,418	5,855,659	6,216,673
Total equity		10,416,606	10,199,871	8,365,466	8,726,480

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year ended 31 December 2021

	Note	Group	
		2021 \$	2020 \$
Revenue	18	29,630,926	31,108,136
<i>Other items of income</i>			
Interest income from bank deposits		7,314	18,331
Other income	19	4,559,909	6,209,405
<i>Other items of expense</i>			
Changes in inventories		55,465	(108,246)
Purchases and other consumables		(6,883,619)	(6,998,796)
Employee benefits expense	20	(11,323,319)	(12,154,870)
Depreciation and amortisation expenses		(6,636,796)	(7,896,716)
Impairment loss on plant and equipment	4	(237,252)	(212,688)
Impairment loss on right-of-use assets	7	(287,531)	(598,733)
Loss allowance on trade receivables	9	(12,634)	-
Other expenses		(7,953,653)	(8,214,880)
Finance costs	21	(235,627)	(364,873)
Profit before income tax	22	683,183	786,070
Income tax credit	23	90,218	80,672
Profit for the financial year attributable to owners of the Company		773,401	866,742
<i>Other comprehensive income</i>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating foreign operation		1,989	(2,677)
Other comprehensive income for the financial year, net of tax		1,989	(2,677)
Total comprehensive income for the financial year attributable to owners of the Company		775,390	864,065
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	24	0.28	0.31

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year ended 31 December 2021

	Note	Equity attributable to owners of the Company				
		Share capital \$	Treasury shares \$	Translation reserve \$	Retained earnings \$	Total equity \$
Group						
Balance as at 1.1.2021		6,592,761	(4,082,954)	(2,354)	7,692,418	10,199,871
<i>Profit for the financial year</i>		-	-	-	773,401	773,401
<i>Other comprehensive income for the financial year, net of tax</i>						
Exchange difference on translating foreign operation		-	-	1,989	-	1,989
Total comprehensive income for the financial year		-	-	1,989	773,401	775,390
Contributions by and distributions to owners						
Dividends	25	-	-	-	(558,655)	(558,655)
Balance as at 31.12.2021		6,592,761	(4,082,954)	(365)	7,907,164	10,416,606
2020						
Balance as at 1.1.2020		6,592,761	(4,082,954)	323	7,384,331	9,894,461
<i>Profit for the financial year</i>		-	-	-	866,742	866,742
<i>Other comprehensive income for the financial year, net of tax</i>						
Exchange difference on translating foreign operation		-	-	(2,677)	-	(2,677)
Total comprehensive income for the financial year		-	-	(2,677)	866,742	864,065
Contributions by and distributions to owners						
Dividends	25	-	-	-	(558,655)	(558,655)
Balance as at 31.12.2020		6,592,761	(4,082,954)	(2,354)	7,692,418	10,199,871

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

STATEMENT OF CHANGES IN EQUITY

For The Financial Year ended 31 December 2021

	Note	Share capital \$	Treasury shares \$	Retained earnings \$	Total equity \$
Company					
Balance as at 1.1.2021		6,592,761	(4,082,954)	6,216,673	8,726,480
Profit for the financial year, representing total comprehensive income for the financial year		-	-	197,641	197,641
Contributions by and distributions to owners					
Dividends	25	-	-	(558,655)	(558,655)
Balance as at 31.12.2021		6,592,761	(4,082,954)	5,855,659	8,365,466
Balance as at 1.1.2020		6,592,761	(4,082,954)	6,493,571	9,003,378
Profit for the financial year, representing total comprehensive income for the financial year		-	-	281,757	281,757
Contributions by and distributions to owners					
Dividends	25	-	-	(558,655)	(558,655)
Balance as at 31.12.2020		6,592,761	(4,082,954)	6,216,673	8,726,480

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year ended 31 December 2021

	Note	Group	
		2021 \$	2020 \$
Operating activities			
Profit before income tax		683,183	786,070
Adjustments for:			
Allowance for impairment loss on trade receivable	9	12,634	–
Amortisation of intangible assets	6	25,923	54,674
Amortisation of right-of-use assets	7	5,720,425	6,658,942
Bad debts written off	22	12,841	–
Depreciation of plant and equipment	4	890,448	1,183,100
Gain on lease modifications	19	–	(18,790)
Impairment loss on plant and equipment	4	237,252	212,688
Impairment loss on right-of-use assets	7	287,531	598,733
Inventories written off		22,720	–
Interest expense	21	235,627	364,873
Interest income from bank deposits		(7,314)	(18,331)
Gain on disposal of plant and equipment	19	(2,899)	–
Plant and equipment written off	22	3,243	50,794
Rent concession granted on lease liabilities	19	(765,603)	(2,545,449)
Operating cash flows before movements in working capital		7,356,011	7,327,304
Inventories		(55,465)	108,246
Trade and other receivables		491,356	281,390
Trade and other payables		(452,376)	(108,147)
Cash generated from operations		7,339,526	7,608,793
Income taxes paid		(112,685)	(408,743)
Interest received		7,314	18,331
Net cash from operating activities		7,234,155	7,218,381
Investing activities			
Proceeds from disposal of plant and equipment		2,899	–
Purchase of plant and equipment	4	(133,592)	(99,018)
Purchase of intangible assets	6	(219,426)	(17,911)
Net cash used in investing activities		(350,119)	(116,929)
Financing activities			
Dividends paid		(558,655)	(558,655)
Interest paid	13	(235,627)	(364,873)
Repayment of obligations under leases	13	(5,378,857)	(4,365,507)
Net cash used in financing activities		(6,173,139)	(5,289,035)
Net change in cash and cash equivalents		710,897	1,812,417
Cash and cash equivalents at the beginning of the financial year		10,100,329	8,287,912
Cash and cash equivalents at the end of the financial year	10	10,811,226	10,100,329

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

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

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

1. General

Soup Restaurant Group Limited (the “Company”) is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324. The Company’s registration number is 199103597Z. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements of the Company and its subsidiaries (the “Group”), the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a Directors’ resolution dated 5 April 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (“its functional currency”). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“\$”), which is the functional and presentation currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s and the Company’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on the management’s best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2021

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore (“ASC”) that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group’s business activities or require accounting which is consistent with the Group’s current accounting policies, except as detailed below.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 January 2021
(Continued)

Amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

In March 2021, the ASC amended SFRS(I) 16 Leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 31 March 2021.

During the financial year ended 31 December 2020, the Group had elected to apply the practical expedient provided by the amendment to SFRS(I) 16 issued in June 2020.

During the financial year ended 31 December 2021, the Group has entered into additional rent concessions that satisfy the criteria for the application of the extended practical expedient. The Group has applied the practical expedient to these rent concessions by recognised it as other income in the profit or loss. The effect of applying the practical expedient is disclosed in Note 13 and 19 to the financial statements.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss.

2.3 Plant and equipment

Plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs 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 if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Plant and equipment are subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Years
Air-conditioners	6
Computers	3
Electrical equipment	6
Furniture and fittings	6
Kitchen equipment	6
Machinery	2 - 10
Motor vehicles	5 - 6
Office equipment	6
Renovation	2 - 5

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.3 Plant and equipment (Continued)

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Intangible assets

Trademarks

Trademarks are stated at cost less accumulated amortisation and accumulated impairment loss, if any, which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of registration for its intended use. Costs associated with maintaining the trademarks are recognised as an expense as incurred. The costs are amortised to profit or loss using the straight-line method over the estimated useful life of 10 years.

Computer software

Acquired computer software is initially recognised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original costs of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

No amortisation is charged on computer software under development as they are not yet ready for their intended use as at the end of the financial year.

2.5 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.5 Leases (Continued)

As lessee (Continued)

Initial measurement (Continued)

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the statements of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated amortisation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are amortised on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are amortised over the useful life of the underlying asset.

The useful life of the right-of-use assets are as follow:

	Years
Premises and retails outlets	1.5 - 4

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.5 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities and variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss and are presented as lease expenses for contingent rents, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.6 Impairment of non-financial assets (excluding inventories, deferred tax assets and current income tax recoverable)

At the end of each financial year, 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. 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.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a “first-in, first-out” method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. The damaged, obsolete and slow-moving items are to be written down to the lower of cost and net realisable value.

2.8 Financial assets

The Group recognises a financial asset in its statements of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

The Group classifies its financial assets depending on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets.

The Group’s accounting policy for financial assets at amortised costs is as follow:

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.8 Financial assets (Continued)

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments, government grant receivables and Goods and Services Tax ("GST") receivables) and cash and cash equivalents in the statements of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.9 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.9 Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

The Group recognises a financial liability in its statements of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

The Group classifies all financial liabilities as subsequently measured at amortised cost.

Trade and other payables

Trade and other payables (excluding deferred government grants, GST payables, deferred income, deposits received and accrued unutilised annual leave) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits and bank balances that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in provision due to the passage of time is recognised in profit or loss as finance costs.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.13 Revenue recognition

Revenue is recognised when the performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Revenue from sale of food and beverage products

Revenue from operation of restaurants is recognised at a point in time when the bill for food and beverages consumed by customers are presented to the customers and payments are made in cash and/or electronic payment.

Revenue from the processing, distribution and procurement of food and beverage products is recognised at a point in time when the Group satisfies the performance obligation by transferring control of the promised products to the customers.

Any cash received in advance for the sale of cash vouchers and product vouchers are deferred until actual delivery and acceptance. These are included in "deferred income" within trade and other payables in the statements of financial position.

Royalty fee

Royalty fee income is recognised based on a percentage of the franchise revenue in accordance with terms as stated in the franchise agreement.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

Interest income

Interest income is recognised on a time-proportion basis in profit or loss using the effective interest method.

Sponsorship income

Sponsorship income is recognised when the terms and conditions are met.

2.14 Government grants

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

Government grants related to expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under “Other income”.

2.15 Employee benefits expense

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Malaysia Employee Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in defined contribution plans.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months after the end of the financial year as a result of services rendered by employees up to the end of the financial year.

2.16 Taxes

Income tax expense comprise current tax expense and deferred tax expense.

Current income tax

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and interpretation to applicable tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the reporting period. Management evaluates its income tax provisions on periodical basis.

Current income taxes are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.16 Taxes (Continued)

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries except where the Group is able to timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of financial year. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and 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 they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

2. Significant accounting policies (Continued)

2.17 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (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 translation reserve.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared for payment. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of Executive Directors and the Managing Director who make strategic decisions for the Group.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These 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.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates as disclosed in Note 3.2 below) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, 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.

(i) Impairment of plant and equipment and right-of-use assets

Plant and equipment and right-of-use assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow (its cash generating unit or "CGU"). The recoverable amount of plant and equipment and right-of-use assets are determined based on value-in-use, by discounting the expected future cash flows for each CGU.

The recoverable amount is sensitive to discount rates used for the discounted cash flow model as well as the margin and the sales growth rates used. Management carried out an impairment review of plant and equipment and right-of-use assets and the impairment loss on plant and equipment and right-of-use assets charged to profit or loss for the financial year ended 31 December 2021 amounted to \$237,252 and \$287,531 (2020: \$212,688 and \$598,733) respectively, of which \$137,252 and \$287,531 (2020: \$212,688 and \$598,733) related to impairment loss on plant and equipment and right-of-use assets of certain outlets of the Group that incurred losses. The details of the impairment assessment and key assumptions used were disclosed in Note 4 and Note 7 to the financial statements.

Sensitivity analysis

For those CGUs where impairment assessment did not result in impairment charge, if any of the following changes were made to the key assumptions, the recoverable amounts of those CGUs would equal to the carrying amounts:

	Group	
	2021	2020
	%	%
Discount rate increased by	4.60 to 13.70	0.03 to 1.33
Annualised sales growth rate	2.0 to 5.1	0.1 to 0.2
Gross profit margin	0.1 to 3.0	0.3 to 0.5

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Accounting for leases

Lease liabilities are measured at the present value of the contractual payments due to the lessors over the lease terms. Included in the lease arrangements, there are extension options held and exercisable by the Group. In determining the lease terms, management considers the likelihood of exercising the extension option. Management considers all facts and circumstances that create an economic incentive to extend the lease. The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated.

The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The details of the carrying amounts of right-of-use assets and lease liabilities were disclosed in Note 7 and Note 13 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

4. Plant and equipment

Group	Air- conditioners	Computers	Electrical equipment	Furniture and fittings	Kitchen equipment	Machinery	Motor vehicles	Office equipment	Renovation	Total
Cost										
Balance as at 1.1.2021	1,319,169	382,874	1,265,859	2,075,717	2,862,516	258,780	222,380	128,497	5,317,182	13,832,974
Additions	-	17,309	11,750	980	88,503	2,647	-	9,800	1,600	132,589
Written off	-	(11,653)	(10,448)	-	(27,300)	-	-	-	-	(49,401)
Disposal	-	-	-	-	-	-	(83,992)	-	-	(83,992)
Exchange differences	(942)	(272)	(1,189)	(999)	(2,376)	(1,354)	(185)	(45)	(3,315)	(10,677)
Balance as at 31.12.2021	1,318,227	388,258	1,265,972	2,075,698	2,921,343	260,073	138,203	138,252	5,315,467	13,821,493
Accumulated depreciation and impairment										
Balance as at 1.1.2021	1,041,694	326,242	1,022,246	1,748,785	2,186,565	188,370	146,237	113,610	4,822,083	11,595,832
Depreciation	87,826	28,986	72,104	104,549	225,869	22,184	21,957	6,937	320,036	890,448
Impairment loss	56,687	643	33,110	26,546	79,986	-	-	926	39,354	237,252
Written off	-	(11,653)	(10,253)	-	(24,252)	-	-	-	-	(46,158)
Disposal	-	-	-	-	-	-	(83,992)	-	-	(83,992)
Exchange differences	(825)	(259)	(806)	(743)	(2,362)	310	(40)	(45)	(2,175)	(6,939)
Balance as at 31.12.2021	1,185,382	343,965	1,116,401	1,879,137	2,465,806	210,864	84,162	121,428	5,179,298	12,586,443
Net carrying amount										
Balance as at 31.12.2021	132,845	44,293	149,571	196,561	455,537	49,209	54,041	16,824	136,169	1,235,050

NOTES TO THE
FINANCIAL STATEMENT
For The Financial Year ended 31 December 2021

4. Plant and equipment (Continued)

Group	Air- conditioners \$	Computers \$	Electrical equipment \$	Furniture and fittings \$	Kitchen equipment \$	Machinery \$	Motor vehicles \$	Office equipment \$	Renovation \$	Total \$
Cost										
Balance as at 1.1.2020	1,347,709	363,027	1,336,935	2,125,470	2,951,332	260,303	222,387	129,794	5,889,536	14,626,493
Additions	22,250	31,012	5,103	1,165	23,989	-	-	1,242	22,220	106,981
Written off	(50,755)	(11,153)	(76,133)	(50,882)	(112,694)	(1,471)	-	(2,537)	(594,363)	(899,988)
Exchange differences	(35)	(12)	(46)	(36)	(111)	(52)	(7)	(2)	(211)	(512)
Balance as at 31.12.2020	1,319,169	382,874	1,265,859	2,075,717	2,862,516	258,780	222,380	128,497	5,317,182	13,832,974
Accumulated depreciation and impairment										
Balance as at 1.1.2020	934,679	303,775	942,877	1,603,486	1,962,463	163,184	124,265	107,453	4,907,432	11,049,614
Depreciation	115,880	32,176	102,855	144,172	273,816	25,462	21,979	7,805	458,955	1,183,100
Impairment loss	28,990	1,456	34,258	42,778	54,725	-	-	702	49,779	212,688
Written off	(37,822)	(11,153)	(57,702)	(41,616)	(104,356)	(229)	-	(2,349)	(593,967)	(849,194)
Exchange differences	(33)	(12)	(42)	(35)	(83)	(47)	(7)	(1)	(116)	(376)
Balance as at 31.12.2020	1,041,694	326,242	1,022,246	1,748,785	2,186,565	188,370	146,237	113,610	4,822,083	11,595,832
Net carrying amount										
Balance as at 31.12.2020	277,475	56,632	243,613	326,932	675,951	70,410	76,143	14,887	495,099	2,237,142

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

4. Plant and equipment (Continued)

Company	Air- conditioners \$	Computers \$	Electrical equipment \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
Cost							
Balance as at 1.1.2021	68,600	188,844	77,023	159,641	73,083	94,938	662,129
Additions	-	8,074	-	-	-	-	8,074
Transfer to subsidiaries	-	(2,287)	-	-	-	-	(2,287)
Written off	-	(8,956)	-	-	-	-	(8,956)
Balance as at 31.12.2021	68,600	185,675	77,023	159,641	73,083	94,938	658,960
Accumulated depreciation							
Balance as at 1.1.2021	68,600	176,780	76,551	159,430	66,119	94,938	642,418
Depreciation	-	7,099	103	199	3,487	-	10,888
Transfer to subsidiaries	-	(2,287)	-	-	-	-	(2,287)
Written off	-	(8,956)	-	-	-	-	(8,956)
Balance as at 31.12.2021	68,600	172,636	76,654	159,629	69,606	94,938	642,063
Net carrying amount							
Balance as at 31.12.2021	-	13,039	369	12	3,477	-	16,897

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

4. Plant and equipment (Continued)

Company	Air- conditioners \$	Computers \$	Electrical equipment \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
Cost							
Balance as at 1.1.2020	68,600	184,358	77,023	160,417	72,438	94,938	657,774
Additions	-	6,105	-	-	1,242	-	7,347
Transfer from a subsidiary	-	2,454	-	-	-	-	2,454
Transfer to a subsidiary	-	(1,168)	-	(582)	-	-	(1,750)
Written off	-	(2,905)	-	(194)	(597)	-	(3,696)
Balance as at 31.12.2020	68,600	188,844	77,023	159,641	73,083	94,938	662,129
Accumulated depreciation							
Balance as at 1.1.2020	68,600	175,982	76,448	159,951	62,630	94,938	638,549
Depreciation	-	4,871	103	255	4,086	-	9,315
Transfer to a subsidiary	-	(1,168)	-	(582)	-	-	(1,750)
Written off	-	(2,905)	-	(194)	(597)	-	(3,696)
Balance as at 31.12.2020	68,600	176,780	76,551	159,430	66,119	94,938	642,418
Net carrying amount							
Balance as at 31.12.2020	-	12,064	472	211	6,964	-	19,711

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

4. Plant and equipment (Continued)

For the purpose of the consolidated statement of cash flows, the Group's additions to plant and equipment during the financial year comprised:

	Group	
	2021	2020
	\$	\$
Additions of plant and equipment	132,589	106,981
Decrease/(Increase) in other payables	1,003	(7,963)
Net cash payments made	133,592	99,018

During the financial year ended 31 December 2021 and 2020, certain outlets of the Group incurred losses, which provides an indication that the plant and equipment and right-of-use assets of these outlets may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use ("VIU") calculations.

In carrying out the impairment assessment, management has identified the cash generating units ("CGUs") to be the respective outlets to which the plant and equipment and right-of-use assets belong. Accordingly, the recoverable amounts of the CGUs are determined by estimating the expected discounted future cash flows which require key assumptions stated as follows:

	Group	
	2021	2020
	%	%
Discount rate	8.80	8.60
Annualised sales growth rate	5 to 55	-9 to 66
Gross profit margin	71 to 77	69 to 78

Following the impairment assessment, there were three (2020: three) CGUs having plant and equipment that are not expected to generate sufficient cash flows in comparison to their carrying amounts. An impairment loss on plant and equipment of \$137,252 (2020: \$212,688), representing the write-down of the excess of the carrying amount over the recoverable amount of the relevant plant and equipment was recognised in the profit or loss.

In addition, management identified certain plant and equipment which are no longer expected to be used by the Group. Accordingly, management recognised an impairment charge amounting to \$100,000 (2020: Nil), representing the entire carrying amount of these plant and equipment.

5. Investments in subsidiaries

	Company	
	2021	2020
	\$	\$
Unquoted equity shares, at cost	1,600,102	1,600,102
Deemed investment arising from discount on non-current receivables from subsidiaries	164,615	164,615
Allowance for impairment loss	(100,100)	(100,100)
	1,664,617	1,664,617

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

5. Investments in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity interests held	
			2021 %	2020 %
<u>Held by the Company</u>				
Pot Luck F & B Singapore Pte. Ltd. ⁽¹⁾	Operation of restaurants	Singapore	100	100
Soup Restaurant Singapore Pte. Ltd. ⁽¹⁾	Operation of restaurants	Singapore	100	100
CAFE O Singapore Pte. Ltd. ⁽¹⁾	Operation of restaurants	Singapore	100	100
Soup Restaurant Investments Pte. Ltd. ⁽¹⁾	Investment holding company	Singapore	100	100
Samsui Holdings Pte. Ltd. ⁽¹⁾	Investment holding company	Singapore	100	100
<u>Held by Samsui Holdings Pte. Ltd.</u>				
Samsui Supplies & Services Pte. Ltd. ⁽¹⁾	Sourcing, supplying, processing and distributing of raw materials and food products and procurement services	Singapore	100	100
Sure Food Pte. Ltd. ⁽¹⁾	Food processing and distributing	Singapore	100	100
Samsui Centre of Hospitality Pte. Ltd. ⁽¹⁾	Job training and vocational rehabilitation services	Singapore	100	100
<u>Held by Soup Restaurant Investments Pte. Ltd.</u>				
SRG F & B Malaysia Sdn. Bhd. ⁽²⁾	Operation of restaurants and food processing	Malaysia	100	100

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO PLT, Malaysia, a member firm of BDO International Limited

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

5. Investments in subsidiaries (Continued)

Movements in the allowance for impairment loss are as follows:

	Company	
	2021	2020
	\$	\$
Balance at the beginning and end of the financial year	100,100	100,100

6. Intangible assets

	Trademarks \$	Computer software \$	Computer software under development \$	Total \$
Group				
Cost				
Balance as at 1.1.2021	77,226	398,429	–	475,655
Additions	–	156,331	162,175	318,506
Balance as at 31.12.2021	77,226	554,760	162,175	794,161
Accumulated amortisation				
Balance as at 1.1.2021	40,584	373,200	–	413,784
Amortisation	7,722	18,201	–	25,923
Balance as at 31.12.2021	48,306	391,401	–	439,707
Net carrying amount				
Balance as at 31.12.2021	28,920	163,359	162,175	354,454
Cost				
Balance as at 1.1.2020	68,417	389,327	–	457,744
Additions	8,809	9,102	–	17,911
Balance as at 31.12.2020	77,226	398,429	–	475,655
Accumulated amortisation				
Balance as at 1.1.2020	32,201	326,909	–	359,110
Amortisation	8,383	46,291	–	54,674
Balance as at 31.12.2020	40,584	373,200	–	413,784
Net carrying amount				
Balance as at 31.12.2020	36,642	25,229	–	61,871

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

6. Intangible assets (Continued)

For the purpose of the consolidated statement of cash flows, the Group's additions to intangible assets during the financial year comprised:

	Group	
	2021	2020
	\$	\$
Additions of intangible assets	318,506	17,911
Other payables	(99,080)	–
Net cash payments made	219,426	17,911

	Trademarks	Computer software	Computer software under development	Total
	\$	\$	\$	\$
Company				
Cost				
Balance as at 1.1.2021	77,226	245,469	–	322,695
Additions	–	156,008	162,175	318,183
Balance as at 31.12.2021	77,226	401,477	162,175	640,878
Accumulated amortisation				
Balance as at 1.1.2021	40,584	223,437	–	264,021
Amortisation	7,722	15,362	–	23,084
Balance as at 31.12.2021	48,306	238,799	–	287,105
Net carrying amount				
Balance as at 31.12.2021	28,920	162,678	162,175	353,773
Cost				
Balance as at 1.1.2020	68,417	237,022	–	305,439
Additions	8,809	8,447	–	17,256
Balance as at 31.12.2020	77,226	245,469	–	322,695
Accumulated amortisation				
Balance as at 1.1.2020	32,201	208,047	–	240,248
Amortisation	8,383	15,390	–	23,773
Balance as at 31.12.2020	40,584	223,437	–	264,021
Net carrying amount				
Balance as at 31.12.2020	36,642	22,032	–	58,674

During the current financial year, the Group engaged a third party consultant to design and implement new inventory management and human resource management software. The qualified development costs for modules that are ready for use and that are in the midst of development were capitalised as computer software and computer software under development respectively.

The Group has obtained Enterprise Development Grant from Enterprise Singapore for up to 80% of the budgeted implementation costs. The amount of the grant attributable to costs of computer software capitalised is recognised as deferred government grants (Note 11).

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

7. Right-of-use assets

	Premises and retail outlets \$
Group	
Balance as at 1.1.2021	9,139,117
Additions	3,568,622
Lease modifications	5,308
Amortisation	(5,720,425)
Impairment loss	(287,531)
Exchange difference	(7,782)
Balance as at 31.12.2021	6,697,309
Balance as at 1.1.2020	12,876,007
Additions	2,207,568
Lease modifications	
- Lease extension	1,879,940
- Lease termination	(565,768)
	1,314,172
Amortisation	(6,658,942)
Impairment loss	(598,733)
Exchange difference	(955)
Balance as at 31.12.2020	9,139,117
Company	
Balance as at 1.1.2021	63,435
Additions	259,417
Amortisation	(128,289)
Balance as at 31.12.2021	194,563
Balance as at 1.1.2020	190,302
Amortisation	(126,867)
Balance as at 31.12.2020	63,435

During the financial year ended 31 December 2021 and 2020, certain outlets of the Group incurred losses, which provides an indication that the plant and equipment and right-of-use assets of these outlets may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use (“VIU”) calculations. The details of the impairment assessment and key assumptions used are disclosed in Note 4 to the financial statements.

Following the impairment assessment, there were three (2020: three) CGUs having right-of-use assets that are not expected to generate sufficient cash flows in comparison to their carrying amounts. An impairment loss on right-of-use assets of \$287,531 (2020: \$598,733), representing the write-down of the excess of the carrying amount over the recoverable amount of the relevant right-of-use assets was recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

8. Inventories

	Group	
	2021	2020
	\$	\$
Consumables	392,054	359,309

The costs of inventories recognised as expenses and included in “Changes in inventories” and “Purchases and other consumables” in the consolidated statement of comprehensive income during the financial year were as follows:

	Group	
	2021	2020
	\$	\$
Changes in inventories	(55,465)	108,246
Purchases and other consumables	6,883,619	6,998,796

During the financial year, the Group has written down \$22,720 (2020: \$Nil) of its consumables. The written down has been included in “changes in inventories”.

9. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Non-current asset				
Other receivables - subsidiaries	-	-	-	133,215
Current assets				
Trade receivables				
- third parties	944,506	783,355	-	-
Less: loss allowance	(12,634)	-	-	-
	931,872	783,355	-	-
Other receivables				
- third parties	263,159	564,504	7,117	45,627
- subsidiaries	-	-	1,701,431	1,995,211
Less: loss allowance	-	-	(23,852)	(23,852)
	263,159	564,504	1,684,696	2,016,986
GST receivables	57,077	40,996	14,156	9,062
Government grant receivables	388,643	571,490	131,846	61,000
Rental and utilities deposits	1,156,491	1,312,035	2,110	2,110
Prepayments	192,403	234,096	48,804	54,583
	2,989,645	3,506,476	1,881,612	2,143,741
Total trade and other receivables	2,989,645	3,506,476	1,881,612	2,276,956
Less:				
- prepayments	(192,403)	(234,096)	(48,804)	(54,583)
- government grant receivables	(388,643)	(571,490)	(131,846)	(61,000)
- GST receivables	(57,077)	(40,996)	(14,156)	(9,062)
Add:				
- cash and cash equivalents (Note 10)	10,811,226	10,100,329	5,008,261	5,232,873
Financial assets at amortised costs	13,162,748	12,760,223	6,695,067	7,385,184

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

9. Trade and other receivables (Continued)

In 2017, the Company re-assessed and restructured the repayment term of the other receivable due from a subsidiary. Upon the modification of repayment term, the non-trade amount due from the subsidiary is unsecured, non-interest bearing, repayable within 5 years through monthly instalment with maturity date on December 2022. Management estimates the fair value of this non-current receivable with reference to the stipulated repayment period using a discount rate based on the prevailing available market borrowing rates at 5.28% at the date of modification. The difference between the carrying amount of the receivable and its fair value was recorded as a deemed investment in the subsidiary (Note 5).

Subsequent to the initial recognition, the other receivable due from this subsidiary is measured at amortised cost using the effective interest method and the unwinding of the difference is recognised as interest income in the Company's profit or loss over the expected repayment period. The carrying amount of this other receivable due from a subsidiary was \$151,596 as at 31 December 2021 (2020: \$354,859).

Trade and other receivables from third parties are non-interest bearing and generally on 1 to 30 (2020: 1 to 30) days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movement in the loss allowance of credit-impaired trade receivables from third parties was as follows:

	Group	
	2021	2020
	\$	\$
Balance as at the beginning of the financial year	–	–
Loss allowance recognised during the financial year	12,634	–
Balance as at the end of the financial year	12,634	–

Movement in the loss allowance of other receivables due from subsidiaries was as follows:

	Company	
	2021	2020
	\$	\$
Balance as at the beginning of the financial year and end of the financial year	23,852	23,852

During the current financial year, management identified other receivables from third parties amounting to \$12,841 which were credit impaired. Accordingly, the entire amount was fully written off.

Government grant receivables presented against deferred government grants include accrued amounts in respect of the funding from SG Enable Limited for the training of Persons with Disabilities ("PWDs"), Enterprise Singapore for process redesign and automation projects and development of new computer software and Singapore Government under Jobs Support Scheme ("JSS") to provide wage support Rental Support Scheme ("RSS") to support business during Covid-19 pandemic period, which the grant income is recognised in the profit or loss in accordance with the timing of expenses incurred and useful life of the relevant assets acquired.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

9. Trade and other receivables (Continued)

The currency profiles of the Group's and Company's trade and other receivables, excluding prepayments, government grant receivables and GST receivables are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore dollar	2,240,549	2,547,088	1,686,806	2,152,311
Malaysian ringgit	110,973	112,806	-	-
	2,351,522	2,659,894	1,686,806	2,152,311

10. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Fixed deposits with banks	3,254,147	3,246,833	3,254,147	3,246,833
Cash and bank balances	7,557,079	6,853,496	1,754,114	1,986,040
	10,811,226	10,100,329	5,008,261	5,232,873

Fixed deposits are placed for tenure of 90 to 92 (2020: 91 to 95) days during the financial year and will mature within 35 to 61 (2020: 4 to 36) days from the end of the financial year. The effective interest rate on the fixed deposits is approximately 0.20% (2020: 1.24%) per annum.

For the purpose of presenting consolidated statement of cash flows, cash and cash equivalents include fixed deposits with banks, as there is no significant cost or penalty in converting these deposits into liquid cash before maturity.

The currency profiles of the Group's and Company's cash and cash equivalents are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore dollar	10,685,932	9,944,151	5,008,261	5,232,873
Malaysian ringgit	125,294	156,178	-	-
	10,811,226	10,100,329	5,008,261	5,232,873

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

11. Trade and other payables

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Non-current liabilities				
Deferred government grants	72,415	–	72,415	–
Current liabilities				
Trade payables – third parties	847,274	721,454	–	–
Other payables – third parties	680,733	579,988	133,308	84,936
GST payables	267,357	267,437	–	–
Deferred government grants	367,446	552,288	59,431	9,200
Deferred income	68,130	145,435	–	–
Deposits received	34,991	506	–	–
Accrued operating expenses	909,389	1,420,365	235,744	333,836
Accrued unutilised annual leave	302,959	221,834	17,928	16,174
	3,478,279	3,909,307	446,411	444,146
Total trade and other payables	3,550,694	3,909,307	518,826	444,146
Less:				
- deferred government grants	(439,861)	(552,288)	(131,846)	(9,200)
- deferred income	(68,130)	(145,435)	–	–
- deposits received	(34,991)	(506)	–	–
- accrued unutilised annual leave	(302,959)	(221,834)	(17,928)	(16,174)
- GST payables	(267,357)	(267,437)	–	–
Add:				
- lease liabilities (Note 13)	7,501,092	10,080,346	195,431	65,465
Total other financial liabilities at amortised cost	9,938,488	12,802,153	564,483	484,237

Trade and other payables are non-interest bearing and generally on 30 (2020: 30) days' credit terms.

Deferred government grants are in respect of the funding from Spring Singapore for a productivity improvement project, Enterprise Singapore for a brand alignment exercise and development of new computer software and Singapore Government under JSS to provide wage support during Covid-19 pandemic period which will be recognised as grant income over periods in accordance with the timing of expenses incurred and useful life of the relevant assets acquired.

Deferred income relates to cash received in advance for the sale of cash vouchers and product vouchers. This income is deferred until actual redemption.

Deposits received relate to cash received in advance of consumption at the restaurants during festive season.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

11. Trade and other payables (Continued)

The currency profiles of the Group's and Company's trade and other payables, excluding deferred government grants, deferred income, deposit received, accrued unutilised leave and GST payables are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore dollar	2,256,246	2,558,387	369,052	418,772
Malaysian ringgit	181,150	163,420	–	–
	2,437,396	2,721,807	369,052	418,772

12. Provisions

The provision for costs of dismantlement, removal or restoration are the estimated costs of dismantlement, removal or restoration of leased premises and retail outlets to its original conditions as stipulated in the terms and conditions of lease contracts.

Movements in the provisions were as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Balance as at the beginning of the financial year	953,858	1,063,846	40,000	40,000
Utilisation during the financial year	–	(110,000)	–	–
Exchange difference	(342)	12	–	–
Balance as at the end of the financial year	953,516	953,858	40,000	40,000

13. Lease liabilities

	Group	Company
	\$	\$
As at 1.1.2021	10,080,346	65,465
Additions	3,568,622	259,417
Lease modifications	5,308	–
Interest expense (Note 21)	235,627	2,695
Lease payments		
- Principal portion	(5,378,857)	(124,704)
- Interest portion	(235,627)	(2,695)
- Rent concession granted	(765,603)	(4,747)
Exchange difference	(8,724)	–
Balance as at 31.12.2021	7,501,092	195,431

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

13. Lease liabilities (Continued)

	Group	Company
	\$	\$
As at 1.1.2020	13,490,189	193,315
Additions	2,207,568	–
Lease modifications		
- Lease extension	1,879,940	–
- Lease termination	(584,558)	–
	1,295,382	–
Interest expense (Note 21)	364,873	4,295
Lease payments		
- Principal portion	(4,365,507)	(127,850)
- Interest portion	(364,873)	(4,295)
- Rent concession granted	(2,545,449)	–
Exchange difference	(1,837)	–
Balance as at 31.12.2020	10,080,346	65,465

The maturity analysis of lease liabilities of the Group and the Company at each reporting date are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Contractual undiscounted cash flows				
- Not later than a year	4,950,301	5,606,657	132,145	66,074
- Between one and five years	2,693,517	4,805,291	66,072	–
	7,643,818	10,411,948	198,217	66,074
Less: Future interest expense	(142,726)	(331,602)	(2,786)	(609)
Present value of lease liabilities	7,501,092	10,080,346	195,431	65,465
Presented in statements of financial position				
- Non-current	2,656,858	4,697,879	65,728	–
- Current	4,844,234	5,382,467	129,703	65,465
	7,501,092	10,080,346	195,431	65,465

The Group and the Company lease a number of properties (i.e. office premises, central kitchens and retail outlets) in Singapore and Malaysia. It is customary for lease contracts to provide that payments are to increase each year by inflation, to be reset periodically to market rental rates or fixed payments.

Certain machinery and equipment of the Group and the Company are qualified for low value assets and the Group also leases motor vehicles on short-term basis (i.e. 12 months) in order to support meal deliveries. The election of short-term leases is made by class of underlying assets with similar nature and used in the Group's and the Company's operations whereas the low-value lease exemption is made on a lease-by-lease basis.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

13. Lease liabilities (Continued)

The total cash outflows for all leases including low value leases, short-term leases and contingent rent were \$6,667,492 (2020: \$5,360,423).

As at 31 December 2021, the incremental borrowing rate applied was 1.79% to 3.18% (2020: 2.39%) and 4.60% (2020: 4.60%) for leases of premises and retail outlets located in Singapore and Malaysia respectively.

The currency profiles of the Group's and the Company's lease liabilities are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore dollar	7,252,200	9,576,165	195,431	65,465
Malaysian ringgit	248,892	504,181	–	–
	7,501,092	10,080,346	195,431	65,465

14. Deferred tax assets/liabilities

Deferred tax liabilities

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Balance as at the beginning of the financial year	124,787	246,000	12,000	12,000
Credited to profit or loss (Note 23)	(96,406)	(121,213)	(12,000)	–
Exchange difference	(155)	–	–	–
Balance as at the end of the financial year	28,226	124,787	–	12,000

Recognised deferred tax liabilities are attributable to the following:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Differences in tax depreciation	43,034	295,600	–	14,000
Other temporary differences	(14,808)	(170,813)	–	(2,000)
	28,226	124,787	–	12,000

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

14. Deferred tax assets/liabilities (Continued)

Deferred tax assets

	Group	
	2021	2020
	\$	\$
Balance as at the beginning of the financial year	30,000	–
(Charged)/credited to profit or loss (Note 23)	(25,392)	30,000
Balance as at the end of the financial year	4,608	30,000

Recognised deferred tax assets are attributable to the following:

	Group	
	2021	2020
	\$	\$
Unutilised tax losses	–	30,000
Unutilised capital allowance	1,899	–
Provisions	2,709	–
	4,608	30,000

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021	2020
	\$	\$
Differences in tax depreciation	129,826	88,343
Unutilised tax losses	322,997	72,253
Provisions	184,017	143,131
Other temporary differences	–	9,036
	636,840	312,763

As at 31 December 2021, unutilised tax losses of approximately \$1,900,000 (2020: \$425,000) were available for set-off against future taxable profits subject to the agreement by the respective tax authorities.

These tax benefits have not been recognised in the financial statements due to the uncertainty of the sufficiency of future taxable profits to be generated in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

15. Share capital

	Group and Company	
	2021	2020
	\$	\$
<hr/>		
<u>Issued and paid up</u>		
298,500,000 ordinary shares as at the beginning and end of the financial year	6,592,761	6,592,761

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

16. Treasury shares

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		\$	\$
<hr/>				
Balance as at the beginning of the financial year and end of the financial year	19,172,300	19,172,300	4,082,954	4,082,954

No awards have been made under the Share Plan during the financial year ended 31 December 2021 and 31 December 2020.

17. Translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency.

18. Revenue

Revenue represents the invoiced value of food and beverage products, net of discounts and goods and services tax.

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

18. Revenue (Continued)

Segments	Operation of restaurants		Food processing, distribution and procurement services			Total
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
<i>Primary geographical markets</i>						
Singapore	25,898,467	25,278,262	3,299,376	5,381,645	29,197,843	30,659,907
Malaysia	433,083	439,763	–	8,466	433,083	448,229
	<u>26,331,550</u>	<u>25,718,025</u>	<u>3,299,376</u>	<u>5,390,111</u>	<u>29,630,926</u>	<u>31,108,136</u>
<i>Timing of transfer of goods and services</i>						
Point in time	26,331,550	25,718,025	3,299,376	5,390,111	29,630,926	31,108,136

19. Other income

	Group	
	2021	2020
	\$	\$
Government grants	3,348,758	3,291,434
Rent concession granted	909,913	2,545,449
- Short-term and low value leases	144,310	–
- Lease liabilities (Note 13)	765,603	2,545,449
Royalty fees	–	14,841
Sponsorship income	–	80,000
Gain on disposal of plant and equipment	2,899	–
Gain on lease modifications	–	18,790
Sundry income	298,339	258,891
	<u>4,559,909</u>	<u>6,209,405</u>

Included in the government grants during the year ended 31 December 2021 is an amount of \$1,533,827 (2020: \$2,517,832) relating to grant provided by Singapore Government for wages paid to local employees. The grant income in respect of JSS scheme is recognised on a systematic basis over the estimated period of economic uncertainty in which the Company recognises the related salary cost. In addition, government grants also include an amount of \$997,344 (2020: \$Nil) relating to grant provided by Singapore Government for support business for rental costs.

The rent concession granted by landlords due to Covid-19 pandemic is recognised in the profit or loss in the respective months correspondingly of which the rental was waived.

Sponsorship income related to marketing incentives received from supplier over the sponsorship period.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

20. Employee benefits expense

	Group	
	2021	2020
	\$	\$
Salaries, bonuses and other benefits	10,466,845	11,248,696
Contributions to defined contribution plans	856,474	906,174
Salaries, bonuses and other benefits	11,323,319	12,154,870

The above includes the amounts shown as key management personnel remuneration (excludes Directors' fees) as disclosed in Note 26 to the financial statements.

21. Finance costs

	Group	
	2021	2020
	\$	\$
Interest expense on lease liabilities (Note 13)	235,627	364,873

22. Profit before income tax

The following have been included in arriving at profit before income tax:

	Group	
	2021	2020
	\$	\$
<u>Other expenses</u>		
Audit fees		
- the auditor of the Company	109,200	109,200
- other auditor	7,121	7,218
Non-audit fees		
- the auditor of the Company	37,900	46,900
- other auditor	1,295	6,554
Bad debts written off	12,841	-
Cleaning services and materials	675,238	702,538
Consultancy fees	7,890	160,400
Credit card commission charges	317,608	427,203
Directors' fees	160,000	160,000
Lease expenses on		
- low value leases	87,965	87,810
- short term leases	590,481	134,479
- contingent rents	374,562	407,754
Sales commission	1,839,491	1,368,650
Plant and equipment written off	3,243	50,794
Repair and maintenance	426,231	338,838
Utilities	1,507,822	1,566,519

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

23. Income tax credit

	Group	
	2021	2020
	\$	\$
Current income tax		
- current financial year	35,450	68,690
- withholding tax	5,735	1,851
- over provision in respect of prior financial years	(60,389)	-
	(19,204)	70,541
Deferred tax		
- current financial year	(20,336)	(151,213)
- over provision in respect of prior financial years	(50,678)	-
	(71,014)	(151,213)
Total income tax credit recognised in profit or loss	(90,218)	(80,672)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2020: 17%) to profit before income tax as a result of the following differences:

	Group	
	2021	2020
	\$	\$
Profit before income tax	683,183	786,070
Income tax at Singapore statutory income tax rate	116,141	133,632
Effect of different tax rate in difference jurisdiction	(4,752)	(9,761)
Tax effect of expenses non-deductible for income tax purposes	51,393	335,458
Tax effect of income not subject to income tax	(453,675)	(856,739)
Tax effect of Singapore's statutory stepped income exemption	(35,295)	(14,456)
Tax incentives	-	(34,081)
Utilisation of previously not recognised deferred tax assets	(8,781)	-
Deferred tax assets not recognised	332,858	360,533
Withholding tax	5,735	1,851
Over provision in respect of prior financial years		
- current income tax	(60,389)	-
- deferred tax	(50,678)	-
Others	17,225	2,891
Total income tax credit recognised in profit or loss	(90,218)	(80,672)

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

24. Earnings per share

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

	Group	
	2021	2020
<u>Earnings (\$)</u>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to the owners of the Company)	773,401	866,742
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	279,327,700	279,947,700
<u>Earnings per share (cents)</u>		
Basic and diluted	0.28	0.31

The Group does not have any dilutive potential ordinary shares for the financial years ended 31 December 2021 and 31 December 2020.

25. Dividends

	Group and Company	
	2021	2020
	\$	\$
Final tax-exempt dividend paid of 0.20 (2020: 0.20) Singapore cents per share in respect of the previous financial year	558,655	558,655

The Board of Directors of the Company has proposed a final tax-exempt dividend of 0.20 Singapore cents per share in respect of profit for the financial year ended 31 December 2021. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in the shareholders' equity in the financial year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

26. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into transactions with related parties at rates and terms agreed between the parties as disclosed in the succeeding paragraphs.

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Employee benefits paid to a close family member of a Director of the Company	165,869	170,144	165,869	170,144
Royalty fees charged to subsidiaries	–	–	754,563	733,612
Dividend received from a subsidiary	–	–	–	350,000
Management fees charged to subsidiaries	–	–	1,260,808	1,094,239

Compensation of key management personnel

Key management personnel are Directors and those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Group's and Company's key management personnel are the Directors of the Company and Heads of key functions.

The remuneration of key management personnel of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Directors' fees	160,000	160,000	160,000	160,000
Short-term employee benefits	1,413,552	1,325,592	1,084,864	1,066,288
Post-employment benefits	73,750	69,403	32,205	37,866
	1,647,302	1,554,995	1,277,069	1,264,154

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

26. Significant related party transactions (Continued)

Key management personnel remuneration includes the following remuneration to the Directors of the Company and Directors of the subsidiaries as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Directors of the Company				
Directors' fees	160,000	160,000	160,000	160,000
Short-term employee benefits	953,400	949,600	953,400	949,600
Post-employment benefits	17,718	24,450	17,718	24,450
	1,131,118	1,134,050	1,131,118	1,134,050
Directors of the subsidiaries				
Short-term employee benefits	351,557	181,604	-	-
Post-employment benefits	41,959	18,523	-	-
	393,516	200,127	-	-
	1,524,634	1,334,177	1,131,118	1,134,050

27. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker as disclosed in Note 2.19 to the financial statements.

Management considers the business from a business segment perspective. The Group's reportable business segments are strategic business units that are organised based on their functions. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group identified two reportable business segments being operation of restaurants and food processing, distribution and procurement services segments.

- (i) The operation of restaurants segment sells food and beverage products to the general public via restaurant outlets.
- (ii) The food processing, distribution and procurement services segment processes, distributes and procures food and beverage products for sale to operation of restaurants segment and to third parties. This segment has been formed by aggregating the sourcing, processing, supplying and distributing of food and beverage which, in management's view, share similar economic characteristics. In making this judgement, management considers that the operations share common facilities and usage of similar processes.

"Others" includes the Group's investment holding activities which are not allocated to reportable segments as they are not included in the segment information reported to the chief operating decision maker.

Geographically, management manages and monitors the business in these primary geographic areas: Singapore and Malaysia.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

27. Segment information (Continued)

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss measured differently from the accounting profit or loss before income tax.

Interest income is not allocated to segments as it is managed on a group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

The Group accounts for inter-segment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated upon consolidation.

27. **Segment information** (Continued)

Summarised segment information is as follows:

	Operation of restaurants		Food processing, distribution and procurement services		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	26,331,550	25,797,195	6,786,479	11,627,377	-	-	33,118,029	37,424,572
Inter-segment revenue	-	(79,170)	(3,487,103)	(6,237,266)	-	-	(3,487,103)	(6,316,436)
Revenue from external customers	26,331,550	25,718,025	3,299,376	5,390,111	-	-	29,630,926	31,108,136
Segment profit/(loss)	984,950	269,493	1,349	690,546	(220,212)	(111,628)	766,087	848,411
Interest income							7,314	18,331
Profit for the financial year							773,401	866,742
Depreciation and amortisation	6,004,056	7,242,140	632,740	654,576	-	-	6,636,796	7,896,716
Impairment loss on right-of-use assets	287,531	598,733	-	-	-	-	287,531	598,733
Impairment loss on plant and equipment	137,252	212,688	100,000	-	-	-	237,252	212,688
Interest expenses	215,390	332,836	20,237	32,037	-	-	235,627	364,873
Income tax credit/(expenses)	7,054	110,686	53,079	(29,107)	30,085	(907)	90,218	80,672
Segment assets/total assets	17,581,173	19,834,075	4,900,813	5,556,212	7,117	45,628	22,489,103	25,435,915
Segment liabilities/total liabilities	10,203,108	13,256,045	1,659,789	1,751,851	209,600	228,148	12,072,497	15,236,044
Capital expenditure								
- on plant and equipment	91,369	43,817	41,220	63,164	-	-	132,589	106,981
- on right-of-use assets	3,520,504	3,017,753	53,426	503,987	-	-	3,573,930	3,521,740
- on intangible assets	253,305	12,550	65,201	5,361	-	-	318,506	17,911

NOTES TO THE
FINANCIAL STATEMENT
For The Financial Year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

27. Segment information (Continued)

Geographical information

The Group's business segments operate in two main geographical areas. Revenue is based on the countries in which the customers are located.

	Singapore \$	Malaysia \$	Group \$
2021			
Total revenue from external parties	29,197,843	433,083	29,630,926
Non-current assets	7,937,662	353,759	8,291,421
2020			
Total revenue from external parties	30,659,907	448,229	31,108,136
Non-current assets	10,784,725	683,405	11,468,130

Non-current assets shown by the geographical area in which the assets are located.

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss after income tax in the financial statements. Interest income is not allocated to segments as it is managed on a group basis.

A reconciliation of the total segment profit to the profit for the financial year is as follows:

	Group	
	2021 \$	2020 \$
Segment profit	766,087	848,411
Interest income	7,314	18,331
Profit for the financial year	773,401	866,742

Segment assets

The amounts provided to the chief operating decision maker in respect of the total assets are measured in a manner consistent to that of the financial statements. Management monitors the assets attributable to each segment for the purpose of monitoring segment performance and for allocating resources between segments. All assets are allocated to the reportable segments except for certain assets included in "Others" which are not reported to the chief operating decision maker as they comprised of certain other receivables from third parties that are not directly attributable to the segments.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

27. Segment information (Continued)

Segment liabilities

The amounts provided to chief operating decision maker in respect of the total liabilities are measured in a manner consistent to that of the financial statements. Management monitors the liabilities attributable to each segment for the purpose of monitoring segment performance and for allocating resources between segments. All liabilities are allocated to reportable segments except for certain liabilities included in “Others” which are not reported to the chief operating decision maker as they comprised of accrued corporate expenses that are not directly attributable to the segments.

Information about major customers

The Group does not have any major customers as it provides goods and services to the general public as a whole. The revenue is spread over a broad base of customers.

28. Financial risks management

The Group’s and the Company’s activities expose them to credit risk and liquidity risk. The Group’s and the Company’s overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group’s and the Company’s financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company.

There has been no change to the Group’s and the Company’s exposure to these financial risks or the manner in which it manages and measures the risks.

28.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. The Group and the Company perform ongoing credit evaluation of its counterparties’ financial condition and generally do not require a collateral.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics on trade receivables from third parties. The Company has no significant concentration of credit risk except for the other receivables due from subsidiaries amounting to \$1,677,579 (2020: \$2,104,574) as at the end of the financial year.

Other receivables

The Board of Directors has taken into account information that it has available internally about these counterparties’ past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the other receivables by considering their performance ratio and any default in external debts. Other receivables have been measured based on 12-month expected credit loss model and subject to immaterial credit loss as the management considered risk of default to be minimal as these counterparties have sufficient liquid assets and cash to repay their debts, except as disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

28. Financial risks management (Continued)

28.1 Credit risk (Continued)

Cash and cash equivalents

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group and the Company substantially placed its cash and cash equivalents in 3 (2020: 3) banks which represent 85% (2020: 88%) of the Group's cash and cash equivalents and 2 (2020: 2) banks which represent 91% (2020: 95%) of the Company's cash and cash equivalents respectively as at 31 December 2021. The Group and Company held cash and cash equivalents of \$10,811,226 and \$5,008,261 respectively as at 31 December 2021 (2020: \$10,100,329 and \$5,232,873).

The cash and cash equivalents are held with bank and financial institution counterparties, which has assigned with high credit-ratings, based on Moody's ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Trade receivables

In calculating the expected credit loss rates, the Group considers historical loss rates and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

	Gross carrying amount \$	Impairment loss allowance \$
Group		
2021		
Not past due	574,068	–
Past due but not impaired		
- 0 to 3 months	268,400	–
- More than 3 months	102,038	12,634
	944,506	12,634
2020		
Not past due	520,247	–
Past due but not impaired		
- 0 to 3 months	208,915	–
- More than 3 months	54,193	–
	783,355	–

Management believes that no impairment allowance is necessary in respect of trade receivables as these are substantially companies with good collection track record and no recent history of default, hence the expected credit loss is not material except for an amount of \$12,634 relating to credit-impaired balances from customer who are unlikely to repay.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

28. Financial risks management (Continued)

28.2 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
Group			
2021			
Financial liabilities			
Non-interest bearing			
- Trade and other payables	2,437,396	-	2,437,396
Interest bearing			
- Lease liabilities	4,950,301	2,693,517	7,643,818
	7,387,697	2,693,517	10,081,214
2020			
Financial liabilities			
Non-interest bearing			
- Trade and other payables	2,721,807	-	2,721,807
Interest bearing			
- Lease liabilities	5,606,657	4,805,291	10,411,948
	8,328,464	4,805,291	13,133,755
Company			
2021			
Financial liabilities			
Non-interest bearing			
- Trade and other payables	369,052	-	369,052
Interest bearing			
- Lease liabilities	132,145	66,072	198,217
	501,197	66,072	567,269
2020			
Financial liabilities			
Non-interest bearing			
- Trade and other payables	418,772	-	418,772
Interest bearing			
- Lease liabilities	66,074	-	66,074
	484,846	-	484,846

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

28. Financial risks management (Continued)

28.3 Offsetting financial assets and financial liabilities

The Group has no offsetting arrangements on financial assets and financial liabilities. The following table details the Company's financial assets which are subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets

	Related amounts set off in the statement of financial position		
	Gross amounts -financial assets \$	Gross amounts -financial liabilities \$	Net amounts of financial assets \$
<u>Company</u>			
As at 31 December 2021			
Amounts due from subsidiaries	2,748,909	(1,071,330)	1,677,579
As at 31 December 2020			
Amounts due from subsidiaries	3,172,409	(1,067,835)	2,104,574

29. Contingent liabilities

The Company has undertaken to provide financial support to certain of its subsidiaries to enable them to operate as going concern and to meet their obligations as and when they fall due at least 12 months from the end of the financial year. At the end of the financial year, certain subsidiaries had deficiencies in shareholders' fund aggregating \$1,496,962 (2020: \$990,232).

As at the end of the financial year, the Company has not recognised any liability in respect of the financial support given as the Directors have assessed that the likelihood of default is remote.

30. Fair value of financial instruments

The Group and the Company categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used in making the measurements as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability.

The classification of an item into above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfer of items between levels are recognised in the period they occur.

NOTES TO THE FINANCIAL STATEMENT

For The Financial Year ended 31 December 2021

30. Fair value of financial instruments (Continued)

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their respective fair values as at the end of the reporting period due to the relative short-term maturities of these financial instruments, except as disclosed in Note 9 to the financial statements.

31. Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concerns and maintain an optimal capital structure so as to maximise shareholders' value.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital (Note 15), treasury shares (Note 16), translation reserve (Note 17) and retained earnings as disclosed in the consolidated statement of changes in equity of the Group and statement of changes in equity of the Company.

The Group's and the Company's management review the capital structure on a quarterly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group and the Company will balance their overall capital structure through the payment of dividends, new share issues and reacquisition of issued shares. The Group's and the Company's overall strategy remains unchanged from the previous financial year.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

STATISTICS OF SHAREHOLDINGS

As at 31 March 2022

SHARE CAPITAL

Number of ordinary shares in issue (excluding treasury shares)	:	279,327,700
Number of treasury shares held	:	19,172,300
Number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
% of aggregate number of treasury shares and subsidiary holdings held against the total number of shares in issue (excluding treasury shares and subsidiary holdings)	:	6.86%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	4	0.19	69	0.00
100 - 1,000	70	3.25	55,500	0.02
1,001 - 10,000	1,613	74.88	6,522,193	2.34
10,001 - 1,000,000	448	20.80	32,775,699	11.73
1,000,001 and above	19	0.88	239,974,239	85.91
Total	2,154	100.00	279,327,700	100.00

TWENTY LARGEST SHAREHOLDERS

	Name	Number of Shares	%
1	MOK YIP PENG	66,008,400	23.63
2	WONG CHI KEONG	49,077,300	17.57
3	WONG WEI TECK	37,491,900	13.42
4	DB NOMINEES (SINGAPORE) PTE LTD	27,991,850	10.02
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	21,850,700	7.82
6	DBS NOMINEES (PRIVATE) LIMITED	6,196,089	2.22
7	RAFFLES NOMINEES (PTE.) LIMITED	5,130,300	1.84
8	LEE IN CHUN	5,022,700	1.80
9	THNG CHEO YAN	4,000,000	1.43
10	HO THIAM KIAT	2,080,000	0.74
11	CHUA GUAT HEE	2,071,400	0.74
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,046,800	0.73
13	HUANG XIANGMIAO	2,000,000	0.72
14	SIM KWANG WEI EUGENE	1,969,600	0.71
15	WONG YI	1,713,100	0.61
16	CITIBANK NOMINEES SINGAPORE PTE LTD	1,672,000	0.60
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,319,800	0.47
18	TAN KIM SENG	1,250,500	0.45
19	LEE SZE KIAN	1,081,800	0.39
20	THEN KHEK KOON	985,000	0.35
Total		240,959,239	86.26

STATISTICS OF SHAREHOLDINGS

As at 31 March 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Mok Yip Peng	66,008,400	23.63	–	–
Wong Chi Keong	49,077,300	17.57	–	–
Wong Wei Teck ⁽¹⁾	37,491,900	13.42	4,000,000	1.43
Then Khek Koon ⁽²⁾	985,000	0.35	27,945,000	10.00
Goh Khoon Lim ⁽³⁾	–	–	21,848,700	7.82

Notes:

- 1) Wong Wei Teck is deemed to have an interest in 4,000,000 shares held by his wife, Thng Cheo Yan.
- 2) Then Khek Koon is deemed to have an interest in 27,945,000 shares held under DB Nominees (Singapore) Pte Ltd as his nominee.
- 3) Goh Khoon Lim is deemed to have an interest in 21,848,700 shares held under KGI Securities (Singapore) Pte. Ltd. as his nominee.
- 4) Percentage is based on 279,327,700 shares (excluding treasury shares) as at 31 March 2022.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company, approximately 25.5% of the Company's shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public as at 31 March 2022. Therefore the Company has complied with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of SOUP RESTAURANT GROUP LIMITED (the “Company”) will be held by way of electronic means on Thursday, 28 April 2022 at 9.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2021 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final (tax exempt one-tier) dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2021 (2020: 0.20 cent per ordinary share). **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$160,000 for the financial year ended 31 December 2021 (2020: \$160,000). **(Resolution 3)**
4. To re-elect Mr Then Khek Koon, a Director retiring pursuant to Regulation 107 of the Company’s Constitution.
[See Explanatory Note (i)] **(Resolution 4)**
5. To re-elect Mr Tan Choon Seng, a Director retiring pursuant to Regulation 107 of the Company’s Constitution.
[See Explanatory Note (ii)] **(Resolution 5)**
6. To re-appoint BDO LLP as auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

7. **Authority to issue shares** **(Resolution 7)**

That pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors be authorised and empowered to:

- (a) (i) allot and issue shares in the share capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), 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 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

8. Renewal of Share Purchase Mandate

(Resolution 8)

That for the purposes of Sections 76C and 76E of the Companies Act, the Directors be authorised to make purchases or otherwise acquire issued Shares from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as ascertained as at the date of AGM of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix 1 attached, and this mandate shall continue in force until (a) the date on which the next AGM of the Company is held or is required by law to be held, (b) the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate, or (c) the date on which the authority conferred in the Share Purchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting, whichever is earliest.

[See Explanatory Note (iv)]

9. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Chong In Bee
Company Secretary

6 April 2022
Singapore

Explanatory Notes:

- (i) Please refer to the “Information on Directors seeking Re-election” section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) Mr Tan Choon Seng will, upon re-election as a Director, remain as the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee of the Company. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the “Information on Directors seeking Re-election” section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (iii) Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



- (iv) Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors, effective until the date on which the next AGM of the Company is held or is required by law to be held, the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate or the date on which the authority conferred in the Share Purchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting, whichever is earliest, to repurchase Shares by way of market purchases or off-market purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the price of up to but not exceeding the Maximum Price as defined in the Appendix 1 attached. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 are set out in greater detail in the Appendix 1 attached.

Notes:

To minimise physical interactions and COVID-19 transmission risks, the AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by shareholders and any shareholders seeking to attend the AGM physically in person will be turned away.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to shareholders. Instead, these documents will be made available to shareholders solely by electronic means via publication on the Company's website at the URL <https://www.souprestaurant.com.sg/investorsrelations> and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>

Alternative arrangements relating to shareholders' participation in the AGM are:

- (a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the notice of AGM; and
- (c) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

Shareholders will be able to participate in the AGM in the manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

The Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on 28 April 2022 at 9.00 a.m. in place of the physical AGM. Shareholders will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device.

In order to do so, shareholders, including investors who buy Shares using CPF and/or SRS monies ("**CPF and SRS Investors**"), must pre-register online at the URL <https://globalmeeting.bigbangdesign.co/soup2022/> by 9.00 a.m. on 26 April 2022 ("**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their shareholders' status.

Following the verification and upon the closure of pre-registration, authenticated shareholders will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 9.00 a.m. on 27 April 2022 (being 24 hours before the time appointed for holding the AGM).

Shareholders are reminded that the AGM proceedings are private. Accordingly, shareholders must not forward the abovementioned email instructions to other persons who are not shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Shareholders who register by the Registration Deadline but do not receive the abovementioned email instructions by 9.00 a.m. on 27 April 2022 may contact the Company by email at agm2022@souprestaurant.com.sg for assistance, indicating their full names (for individuals)/company names (for corporates), NRIC/passport number/company registration numbers, contact numbers, shareholding types and number of Shares held.

NOTICE OF ANNUAL GENERAL MEETING

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding CPF and SRS Investors) and who wish to participate in the AGM should contact their respective relevant intermediaries through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that shareholders will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed. Shareholders may submit questions relating to the Annual Report and the resolutions set out in the notice of AGM in advance:

- (a) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324; or
- (b) by email to agm2022@souprestarant.com.sg.

All questions must be submitted by 5.00 p.m. on 14 April 2022 (“Cut-off Time”).

Shareholders, including CPF and SRS investors, who wish to submit their questions are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport number/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding CPF and SRS Investors) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions based on the abovementioned instructions.

The responses to questions from shareholders will be posted on the Company’s website and the SGXNet soonest possible and in any case, not later than 72 hours before the closing date and time for the lodgement of proxy forms. Any subsequent clarifications sought by the shareholders after the Cut-off Time will be addressed at the AGM. The minutes of the AGM will be published on the Company’s website and the SGXNet within one (1) month after the date of the AGM.

Submission of Proxy Forms to Vote:

Shareholders will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to their manner of voting, or abstention from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a shareholder of the Company.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324; or
- (b) by email to agm2022@souprestarant.com.sg,

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 9.00 a.m. on 26 April 2022. A shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares in order to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 18 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 9.00 a.m. on 26 April 2022.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet. Shareholders are advised to check the SGXNet regularly for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to shareholders (or their corporate representatives in the case of shareholders which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The Shareholder's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

APPENDIX 1

SUMMARY SHEET FOR RENEWAL OF SHARE PURCHASE MANDATE

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix 1 (“Appendix”). If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

(A) Shares Purchased In The Previous Twelve Months

Pursuant to the Shares Purchase Mandate obtained at the Annual General Meeting on 29 April 2021, the Company had not bought back any issued ordinary shares in the capital of the Company (the “Shares”) by way of market or off-market acquisitions.

(B) Renewal Of The Share Purchase Mandate

The Ordinary Resolution No. 8 if passed at the forthcoming annual general meeting to be held on 28 April 2022 (“FY2021 AGM”) will renew the Share Purchase Mandate approved by the shareholders of the Company (“Shareholders”) from the date of the FY2021 AGM at which the proposed renewal of the Share Purchase Mandate is approved until:

- (a) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (b) the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate; or
- (c) the date on which the authority conferred in the Share Purchase Mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting,

whichever is the earliest.

(C) Rationale For The Share Purchase Mandate

Short-term speculation and short-time market volatility may at times cause the market price of the Company’s Shares to be depressed below the true value of the Company and the Group. The proposed Share Purchase Mandate will provide the Directors with the means to restore investors’ confidence and protect existing Shareholders’ investments in the Company in a depressed share-price situation through judicious Share purchases to enhance the earnings per Share and/or the net asset value per Share. The Share purchases will enhance the net asset value per Share if the Share purchases are made at a price below the net asset value per Share.

The proposed Share Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

Pursuant to the Companies Act 1967 of Singapore (the “Act”), the Share Purchase Mandate also enables the Company to hold Shares purchased pursuant to the Share Purchase Mandate as Treasury Shares to be utilised, inter alia, for the purpose of the issue of Shares pursuant to the grant of awards under the Soup Restaurant Performance Share Plan.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. The Directors do not propose to carry out purchases pursuant to the proposed Share Purchase Mandate to such an extent that would, or in circumstances that might result in a material adverse effect on the financial position of the Company or the Group.

The Directors will ensure that the Share Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Rule 723 of the Listing Manual of the SGX-ST requires at least ten per cent. (10%) of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The Directors shall safeguard the interests of public Shareholders before undertaking any Share Purchases. Before exercising the Share Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial Shareholders and by non-substantial Shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Share Purchases.

As at 31 March 2022, ("**Latest Practicable Date**"), approximately 71,103,900 Shares (25.5%) of a total of 279,327,700 Shares issued by the Company (excluding 19,172,300 Treasury Shares) are held by the public. The Company will ensure that the Share purchases will not cause market illiquidity or affect orderly trade and will ensure that Rule 723 of the Listing Manual is complied with.

(D) Financial Impact Of The Proposed Shares Purchases

1. The purchased Shares may be:
 - (i) held by the Company; or
 - (ii) dealt with, at any time, in accordance with Section 76K of the Act, as Treasury Shares.

Section 76K of the Act allows the Company to:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months after the limit is first exceeded, or such further period as may be allowed by the Accounting and Corporate Regulatory Authority ("**ACRA**").

Under the Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;

APPENDIX 1

- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (ii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares will be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2. The financial effects on the Company and the Group arising from the proposed purchases of the Company's Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased and the consideration paid at the relevant time.
3. Based on the existing issued and paid-up share capital of the Company of 279,327,700 Shares (excluding 19,172,300 Treasury shares) as at the Latest Practicable Date, assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, or held as Treasury Shares, on or prior to the FY2021 AGM, the proposed purchases by the Company of up to a maximum of ten per cent. (10%) of its issued share capital under the Share Purchase Mandate will result in the purchase of up to 27,932,770 Shares. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
4. An illustration of the impact of Share Purchases by the Company pursuant to the Share Purchase Mandate on the Group's and the Company's financial position is set out below based on the following assumptions:
 - (a) audited accounts of the Group and the Company as at 31 December 2021;
 - (b) in full exercise of the Share Purchase Mandate, 27,932,770 Shares were purchased;
 - (c) in the case of Market Purchase, the maximum price for the market purchases is S\$0.095 which is five per cent. (5%) above the average closing prices of the Shares over the last five (5) market days preceding the Latest Practicable Date on which the transactions in Shares were recorded on the SGX-ST and accordingly the maximum amount of funds required for effecting the Market Purchase in the aggregate is S\$2,653,613; and
 - (d) in the case of Off-Market Purchase, the maximum price for the market purchases is S\$0.109 which is twenty per cent. (20%) above the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme and accordingly the maximum amount of funds required for effecting the Off-Market Purchase in the aggregate is S\$3,044,672.

APPENDIX 1

- (i) Market Purchases and Off-Market Purchase Made Entirely out of Capital or Profit and Held as Treasury Shares

Market Purchase

	Group before Shares purchase (\$'000)	Group after Shares purchase (\$'000)	Company before Shares purchase (\$'000)	Company after Shares purchase (\$'000)
As at 31 December 2021				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,907	7,907	5,855	5,855
Equity excluding Treasury Shares	14,500	14,500	12,448	12,448
Treasury Shares	4,083	6,737	4,083	6,737
Total equity including Treasury Shares	10,417	7,763	8,365	5,711
Net tangible assets ⁽¹⁾	10,058	7,404	8,012	5,358
Current Assets	14,198	11,544	6,890	4,236
Current Liabilities	9,315	9,315	616	616
Cash and cash equivalents	10,811	8,157	5,008	2,354
Net Profit attributable to owners of parent	773	773	198	198
Total number of issued Shares ('000) ⁽²⁾	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.60	2.95	2.87	2.13
Earnings per Share (cents) ⁽³⁾	0.28	0.31	0.07	0.08
Current ratio (times) ⁽⁴⁾	1.52	1.24	11.19	6.88

APPENDIX 1

Off - Market Purchase

	Group before Shares purchase (\$'000)	Group after Shares purchase (\$'000)	Company before Shares purchase (\$'000)	Company after Shares purchase (\$'000)
As at 31 December 2021				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,907	7,907	5,855	5,855
Equity excluding Treasury Shares	14,500	14,500	12,448	12,448
Treasury Shares	4,083	7,128	4,083	7,128
Total equity including Treasury Shares	10,417	7,372	8,365	5,320
Net tangible assets ⁽¹⁾	10,058	7,013	8,012	4,967
Current Assets	14,198	11,153	6,890	3,845
Current Liabilities	9,315	9,315	616	616
Cash and cash equivalents	10,811	7,766	5,008	1,963
Net Profit attributable to owners of parent	773	773	198	198
Total number of issued Shares ('000) ⁽²⁾	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.60	2.79	2.87	1.98
Earnings per Share (cents) ⁽³⁾	0.28	0.31	0.07	0.08
Current ratio (times) ⁽⁴⁾	1.52	1.20	11.19	6.24

Notes:

- (1) Net tangible assets equals total equity less minority interest less intangible assets, if any.
- (2) Total number of issued Shares excludes 19,172,300 Shares that are held as Treasury Shares as at the Latest Practicable Date.
- (3) For illustrative purposes, Earnings Per Share is computed based on profit after tax and number of Shares as shown in the table above.
- (4) Current ratio equals current assets divided by current liabilities.

APPENDIX 1

(ii) Market Purchase or Off-Market Purchase Made Entirely out of Capital or Profit and Cancelled

Market Purchase

	Group before Shares purchase (\$'000)	Group after Shares purchase (\$'000)	Company before Shares purchase (\$'000)	Company after Shares purchase (\$'000)
As at 31 December 2021				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,907	5,253	5,855	3,201
Equity excluding Treasury Shares	14,500	11,846	12,448	9,794
Treasury Shares	4,083	4,083	4,083	4,083
Total equity including Treasury Shares	10,417	7,763	8,365	5,711
Net tangible assets ⁽¹⁾	10,058	7,404	8,012	5,358
Current Assets	14,198	11,544	6,890	4,236
Current Liabilities	9,315	9,315	616	616
Cash and cash equivalents	10,811	8,157	5,008	2,354
Net Profit attributable to owners of parent	773	773	198	198
Total number of issued Shares ('000)	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.60	2.95	2.87	2.13
Earnings per Share (cents) ⁽²⁾	0.28	0.31	0.07	0.08
Current ratio (times) ⁽³⁾	1.52	1.24	11.19	6.88

APPENDIX 1

Off - Market Purchase

	Group before Shares purchase (\$'000)	Group after Shares purchase (\$'000)	Company before Shares purchase (\$'000)	Company after Shares purchase (\$'000)
As at 31 December 2021				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,907	4,862	5,855	2,810
Equity excluding Treasury Shares	14,500	11,455	12,448	9,403
Treasury Shares	4,083	4,083	4,083	4,083
Total equity including Treasury Shares	10,417	7,372	8,365	5,320
Net tangible assets ⁽¹⁾	10,058	7,013	8,012	4,967
Current Assets	14,198	11,153	6,890	3,845
Current Liabilities	9,315	9,315	616	616
Cash and cash equivalents	10,811	7,766	5,008	1,963
Net Profit attributable to owners of parent	773	773	198	198
Total number of issued Shares ('000)	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.60	2.79	2.87	1.98
Earnings per Share (cents) ⁽²⁾	0.28	0.31	0.07	0.08
Current ratio (times) ⁽³⁾	1.52	1.20	11.19	6.24

Notes:

- (i) Net tangible assets equals total equity less minority interest less intangible assets, if any.
- (ii) For illustrative purposes, Earnings Per Share is computed based on profit after tax and number of Shares as shown in the table above.
- (iii) Current ratio equals current assets divided by current liabilities.

5. Shareholders should note that the financial effects set out above are based on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2021 and are for illustration only. The results of the Group and the Company for the financial year ended 31 December 2021 may not be representative of future performance.
6. The Company intends to use its internal sources of funds to finance its purchases of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchases of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

APPENDIX 1

7. The Company will take into account both financial and non-financial factors, among other things, the market conditions at such time, the Company's financial condition, the performance of the Shares and whether such Share purchases would represent the most efficient and cost-effective approach to enhance the Share value. Share purchases will only be made if the Board believes that such purchases are likely to benefit the Company and increase economic value for Shareholders.

(E) Consequences of Share Purchases Under The Singapore Code on Take-overs and Mergers

1. In accordance with The Singapore Code on Take-overs and Mergers (the "Take-over Code"), a person will be required to make a general offer for a public company if:
- he and persons acting in concert with him acquires thirty per cent. (30%) or more of the voting rights of the company; or
 - he and persons acting in concert with him already holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company, and he and his concert parties increase their voting rights in the company by more than one per cent. (1%) in any six-month period.

As at the Latest Practicable Date and before the proposed Share Purchase Mandate, the Directors' and substantial Shareholders' interests are as follows:

	Before Purchase				After Purchase	
	Direct Interest	Deemed Interest	Total Interest		Total Interest	
	Number of Shares	Number of Shares	Number of Shares	%	Number of Shares	%
Directors						
Wong Chi Keong	49,077,300	-	49,077,300	17.57	49,077,300	19.52
Wong Wei Teck ⁽¹⁾	37,491,900	4,000,000	41,491,900	14.85	41,491,900	16.50
Then Khek Koon ⁽²⁾	985,000	27,945,000	28,930,000	10.35	28,930,000	11.51
Professor Cham Tao Soon ⁽³⁾	300,000	200,000	500,000	0.18	500,000	0.20
Chua Koh Ming	300,000	-	300,000	0.11	300,000	0.12
Tan Choon Seng	67,500	-	67,500	0.02	67,500	0.03
Substantial Shareholders other than Directors						
Mok Yip Peng	66,008,400	-	66,008,400	23.63	66,008,400	26.26
Goh Khoon Lim ⁽⁴⁾	-	21,848,700	21,848,700	7.82	21,848,700	8.69

Notes:

- Wong Wei Teck, the Managing Director of the Company, is deemed to have an interest in the 4,000,000 Shares held by his wife, Thng Cheo Yan.
- Then Khek Koon, the Executive Director of the Company, is deemed to have an interest in the 27,945,000 Shares held in the name of DB Nominees (Singapore) Pte Ltd as nominee.
- Professor Cham Tao Soon, the Non-Executive Chairman and Independent Director of the Company, is deemed to have an interest in the 200,000 Shares held by his wife, Cham Ee Lin.
- Goh Khoon Lim is deemed to have an interest in 21,848,700 shares held under KGI Securities (Singapore) Pte. Ltd. as his nominee.

APPENDIX 1

None of the Directors are acting in concert with one another. Accordingly, none of the Directors are required to make a general offer pursuant to the Take-Over Code in the event that the Company undertakes Share Purchases of up to ten per cent (10%) of the issued Shares as permitted by the Share Purchase Mandate.

In the event the Company undertakes Share Purchases of up to ten per cent (10%) of the issued Shares as permitted by the Share Purchase Mandate, it is not expected that the shareholdings and voting rights of any of the Shareholders will be increased to 30% or more. Accordingly, no general offer is required to be made pursuant to the Take-Over Code as a result of share purchases.

(F) Miscellaneous

1. Any Share Purchases undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price. The Maximum Price is a sum which shall not exceed the sum constituting five per cent. (5%) above the average closing price of the Shares over the period of five (5) market days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate action that occurs during the relevant five (5) days period and the day on which the purchases are made in the case of a Market Purchase. In the case of an Off-Market Purchase, the Maximum Price is a sum which shall not exceed the sum constituting twenty per cent. (20%) above the average closing price of the Shares over the period of five (5) market days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date on which the Company makes an announcement of an offer under an equal access scheme and deemed to be adjusted for any corporate action that occurs after the relevant five (5) days period.
2. In making Share Purchases, the Company will comply with the requirements of the SGX-ST Listing Manual, in particular, Rule 886 with respect to notification to the SGX-ST of any Share purchases. Rule 886 is reproduced below:
 - (1) An issuer must notify the Exchange of any share buy-back as follows:
 - (a) In the case of a market acquisition, by 9.00 a.m. on the market day following the day on which it purchased shares;
 - (b) In the case of an off market acquisition under an equal access scheme, by 9.00 a.m. on the second market day after the close of acceptances of the offer.
 - (2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange)."
3. Share Purchases will be made in accordance with the "Guidelines on Share Purchases" as set out in Annexure A of the Company's Circular to Shareholders dated 5 July 2013, a copy of which is annexed and amended to take into account, inter alia, the change in trading lots of 1,000 to 100, amendments made to the Act pursuant to the Companies (Amendment) Act 2014, amendments made to the SGX-ST Listing Manual since the last version of Appendix 1 and the Guidance Note on Share Buy-back Mandate issued by SGX-ST on 29 June 2018. All information required under the Act relating to the Share Purchase Mandate is contained in the said Guidelines.

4. The SGX-ST Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times. However, as a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will undertake not to purchase or acquire Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period commencing one (1) month immediately preceding the announcement of the Company’s half year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

(G) Directors’ Responsibility Statement

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

(H) Directors’ Recommendation

The Directors of the Company are of the opinion that the renewal of the proposed Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend that Shareholders vote in favour of Ordinary Resolution 8.

(I) Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional tax advisers.

(J) Documents For Inspection

Copies of the following documents may be inspected at the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324 during normal business hours up to and including the date of the annual general meeting:

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2021.

(K) Compliance With Governing Laws, Regulations And The Constitution

The Company confirms that the terms of the Share Purchase Mandate in this Appendix do not contravene any laws and regulations governing the Company and the Constitution of the Company.

ANNEXURE A

GUIDELINES ON SHARE PURCHASES

1. Shareholders' Approval

- (a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of Shares by the Company representing up to ten per cent. (10%) of the issued ordinary shares in the capital of the Company (excluding any Shares held as Treasury Shares and subsidiary holdings) will expire on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
 - (ii) the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- (c) The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares shall be renewed at the next annual general meeting of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Share Purchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest price for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2. Mode Of Purchase

Share Purchases can be effected by the Company in either one of the following two ways or both:

- (a) by way of market purchases of Shares on the SGX-ST, which means a purchase transacted through the ready market; or
- (b) by way of off-market acquisitions on an equal access scheme in accordance with Section 76C of the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Act and the Constitution of the Company as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

3. Funding Of Share Purchases

- (a) In purchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Constitution, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Singapore.
- (b) Any purchase by the Company may be made out of capital or profits that are available for distribution as dividends, so long as the Company is solvent (as defined by Section 76F(4) of the Act).

- (c) The Company may not purchase its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4. Trading Restrictions

- (a) Subject to paragraph 4(b) below, the number of Shares which can be purchased pursuant to the Share Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10%) of the issued ordinary shares in the capital of the Company (excluding Treasury Shares and subsidiary holdings) as at date of the last annual general meeting of the Company or at the date of the EGM, whichever is the higher.
- (b) The Company should seek approval to buy back the maximum number of shares which do not result in the public float falling below 10%. If the Company wishes to seek approval for the full share buyback limit of 10% (which will result in the public float falling below 10%), the Company should disclose its rationale for doing so.

5. Price Restrictions

Any Share Purchases undertaken by the Company shall be at the price of up to but not exceeding the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting:

- (a) in the case of a Market Purchase, five per cent (5%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded, in the case of a Market Purchase, before the day on which such purchase is made; and
- (b) in the case of an Off-Market Purchase, twenty per cent (20%) above the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme,

and deemed to be adjusted for any corporate action that occurs during the relevant five (5) days period and the day on which the purchases are made.

6. Off-Market Purchases

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, *inter alia*, the following information:
- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Share Purchase;
 - (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
 - (v) whether the purchase of Shares, if made, would have any effect on the listing of the Company's equity securities on the SGX-ST;

ANNEXURE A

- (vi) details of any purchase of Shares made by the Company in the previous 12 months whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.
- (b) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Share Purchase Mandate.
- (c) The Company may offer to purchase Shares from time to time under the Share Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:
- (i) where there are differences in consideration attributable to the fact that an offer relates to Shares with different accrued dividend entitlements;
 - (ii) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
 - (iii) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 100 Shares after the Share Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

7. Status Of Purchased Shares

The purchased Shares shall be cancelled immediately on purchase or acquisition unless held in treasury in accordance with Section 76H of the Act. Section 76H of the Act allows purchased Shares to be:

- (a) held by the Company; or
- (b) dealt with, at any time, in accordance with Section 76K of the Act, as Treasury Shares.

Section 76K of the Act allows the Company to:

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent (10%) of the total number of Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months.

Under the Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of the issued shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

All Shares purchased by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase.

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares will be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of the Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

8. Notification To ACRA

- (a) Within thirty (30) days of the passing of a Shareholders' resolution to approve any purchase of Shares, the Company shall lodge a copy of such resolution with ACRA.
- (b) The Company shall notify ACRA within thirty (30) days of a purchase of Shares. Such notification shall include details of the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before the purchase, the Company's issued share capital after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required by ACRA.
- (c) Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

ANNEXURE A

9. Notification To SGX-ST

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the second Market Day after the close of acceptances of an offer, or within such time period that may be prescribed by the SGX-ST from time to time.
- (b) For purchases of Shares made by way of a Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the Market Day following the date of market acquisition by the Company, or within such time period that may be prescribed by the SGX-ST from time to time.

The notification of such purchase of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make necessary notification to the SGX-ST.

10. Suspension Of Purchase

- (a) The Company may not undertake any Share Purchase prior to the announcement of any price-sensitive information by the Company, until such time as the price sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.
- (b) The Company may not effect any repurchases of Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcements of the Company's full year financial statements (if required to announce quarterly financial statements), or one (1) month before half year and financial year (if not required to announce quarterly financial statements), as the case may be, and ending on the date of announcement of the relevant results.

SOUP RESTAURANT GROUP LIMITED

(Company Registration Number 199103597Z)
(Incorporated in the Republic of Singapore)

PROXY FORM Annual General Meeting

Important

- (a) To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the AGM in person. Shareholders (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such shareholders wish to exercise their voting rights at the AGM.
- (b) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM dated 6 April 2022.
- (c) CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent banks and SRS operators to submit their votes by 5.00 p.m. on 18 April 2022.

I/We*, _____ (Name) (NRIC/Passport/Registration number* _____)

of _____ (Address)

being a shareholder/shareholders* of **SOUP RESTAURANT GROUP LIMITED** (the “Company”), hereby appoint the Chairman of the Annual General Meeting (“AGM”) of the Company as my/our* proxy to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Thursday, 28 April 2022 at 9.00 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021 together with the Independent Auditor's Report thereon			
2.	To declare a final dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2021			
3.	To approve the payment of Directors' fees of \$160,000 for the financial year ended 31 December 2021			
4.	To re-elect Mr Then Khek Koon as a Director of the Company			
5.	To re-elect Mr Tan Choon Seng as a Director of the Company			
6.	To re-appoint BDO LLP as auditor of the Company and to authorise the Directors to fix its remuneration			
	SPECIAL BUSINESS			
7.	To authorise the Directors to allot and issue shares and convertible securities			
8.	To approve the renewal of the Share Purchase Mandate			

* Delete accordingly

** If you wish to exercise all your votes “For”, “Against” or “Abstain”, please indicate with a tick [√] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) or Common Seal of Shareholder(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the shareholder.
2. To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the AGM in person. Shareholders (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such shareholders wish to exercise their voting rights at the AGM. Where the shareholders (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to their manner of voting, or abstention from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, being a proxy, need not be a shareholder of the Company.
4. This proxy form, duly executed, must be submitted (a) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324; or (b) by email to agm2022@souprerestaurant.com.sg, in each case, not less than 48 hours before the time appointed for holding the AGM i.e. by 9.00 a.m. on 26 April 2022.
5. This proxy form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this proxy form is signed on behalf of the appointor by an attorney, the power of attorney or a notorially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form, failing which this proxy form may be treated as invalid.
7. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967, including investors who buy shares using CPF and/or SRS monies, and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including CPF agent banks and SRS operators, to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 18 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 9.00 a.m. on 26 April 2022.
8. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject this proxy form 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 this proxy form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 6 April 2022.



Soup Restaurant Group Limited

150 Kampong Ampat

#04-01 KA Centre

Singapore 368324

SINGAPORE • MALAYSIA • INDONESIA

www.souprestaurant.com.sg