

SOUP RESTAURANT GROUP LIMITED
AND ITS SUBSIDIARIES
(Company registration number: 199103597Z)

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2021

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Soup Restaurant Group Limited

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A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			Group		
	6 months ended		Increase/ (Decrease) %	12 months ended		Increase/ (Decrease) %
	31 December 2021	2020		31 December 2021	2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	14,589	14,929	(2.3)	29,631	31,108	(4.7)
<i>Other Items of income</i>						
Interest income from bank deposits	3	1	200.0	7	18	(61.1)
Other income	2,733	3,141	(13.0)	4,596	6,209	(26.0)
<i>Items of expense</i>						
Changes in inventories	106	(7)	N.M.	56	(108)	N.M.
Purchases and other consumables	(3,482)	(3,490)	(0.2)	(6,839)	(6,999)	(2.3)
Employee benefits expense	(5,343)	(6,011)	(11.1)	(11,323)	(12,155)	(6.8)
Depreciation and amortisation expenses	(3,310)	(3,355)	(1.3)	(6,637)	(7,897)	(15.9)
Impairment loss on plant and equipment	(121)	(213)	(43.2)	(237)	(213)	11.3
Impairment loss on right-of-use assets	(288)	(599)	(51.9)	(288)	(599)	(51.9)
Other expenses	(4,252)	(3,623)	17.4	(8,046)	(8,214)	(2.0)
Finance costs	(92)	(176)	(47.7)	(236)	(364)	(35.2)
Profit before income tax	543	597	(9.0)	684	786	(13.0)
Income tax credit	59	140	(57.9)	90	81	11.1
Profit for the financial period/year attributable to owners of the Company	602	737	(18.3)	774	867	(10.7)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translating foreign operation	-	(1)	N.M.	2	(2)	N.M.
Other comprehensive income for the financial period/year	-	(1)	N.M.	2	(2)	N.M.
Total comprehensive income for the financial period/year attributable to owners of the Company	602	736	(18.2)	776	865	(10.3)
Earnings per share attributable to owners of the Company						
Basic and diluted	0.22	0.26		0.28	0.31	

N.M. – Not meaningful

B. Condensed Interim Statements of Financial Position

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	1,235	2,237	17	20
Investments in subsidiaries	-	-	1,665	1,665
Intangible assets	354	62	354	59
Right-of-use assets	6,697	9,139	194	63
Other receivables	-	-	-	133
Deferred tax assets	5	30	-	-
Total non-current assets	8,291	11,468	2,230	1,940
Current assets				
Inventories	393	359	-	-
Trade and other receivables	2,986	3,507	1,882	2,143
Current income tax recoverable	5	2	-	-
Cash and cash equivalents	10,811	10,100	5,008	5,233
Total current assets	14,195	13,968	6,890	7,376
<i>Less:</i>				
Current liabilities				
Trade and other payables	3,475	3,909	446	444
Provisions	954	954	40	40
Lease liabilities	4,844	5,382	130	65
Current income tax payable	39	168	-	28
Total current liabilities	9,312	10,413	616	577
Net current assets	4,883	3,555	6,274	6,799
<i>Less:</i>				
Non-current liabilities				
Trade and other payables	72	-	72	-
Lease liabilities	2,657	4,698	66	-
Deferred tax liabilities	28	125	-	12
Total non-current liabilities	2,757	4,823	138	12
Net assets	10,417	10,200	8,366	8,727
Equity				
Share capital	6,593	6,593	6,593	6,593
Treasury shares	(4,083)	(4,083)	(4,083)	(4,083)
Translation reserve	-	(2)	-	-
Retained earnings	7,907	7,692	5,856	6,217
Total equity	10,417	10,200	8,366	8,727

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	12 months ended	
	31 December	
	2021	2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	684	786
<i>Adjustments for:</i>		
Allowance for impairment loss on trade receivables	12	-
Amortisation of intangible assets	26	55
Amortisation of right-of-use assets	5,721	6,659
Bad non-trade debts written off	13	-
Depreciation of plant and equipment	890	1,183
Gain on lease modification	-	(19)
Interest expense	236	365
Interest income from bank deposits	(7)	(18)
Impairment loss on plant and equipment	237	213
Impairment loss on right-of-use assets	288	599
Inventories written off	23	-
Gain on disposal of plant and equipment	(3)	-
Plant and equipment written off	3	51
Rent concession granted	(766)	(2,546)
Accrued unutilised annual leave	81	(79)
Unrealised foreign exchange gain/(loss)	4	(3)
Operating cash flow before working capital changes	7,442	7,246
<i>Working capital changes:</i>		
Inventories	(56)	108
Trade and other receivables	495	281
Trade and other payables	(539)	(26)
Cash generated from operations	7,342	7,609
Income taxes paid	(112)	(409)
Interest received	7	18
Net cash from operating activities	7,237	7,218
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	3	-
Purchase of plant and equipment	(126)	(99)
Purchase of intangible assets	(219)	(18)
Net cash used in investing activities	(342)	(117)
Cash flows from financing activities		
Dividends paid	(559)	(559)
Interest paid	(236)	(365)
Repayment of obligations under leases	(5,389)	(4,365)
Net cash used in financing activities	(6,184)	(5,289)
Net change in cash and cash equivalents	711	1,812
Cash and cash equivalents at the beginning of the financial year	10,100	8,288
Cash and cash equivalents at the beginning of the financial year	10,811	10,100

D. Condensed Interim Statements of Changes In Equity

Group	Equity attributable to owners of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1.1.2021	6,593	(4,083)	(2)	7,692	10,200
Profit for the financial year	-	-	-	774	774
<u>Other comprehensive income for the financial year, net of tax</u>					
Exchange difference on translating foreign operation	-	-	2	-	2
Total comprehensive income for the financial year	-	-	2	774	776
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(559)	(559)
Balance as at 31.12.2021	6,593	(4,083)	-	7,907	10,417
Balance as at 1.1.2020	6,593	(4,083)	-	7,384	9,894
Profit for the financial year	-	-	-	867	867
<u>Other comprehensive income for the financial year, net of tax</u>					
Exchange difference on translating foreign operation	-	-	(2)	-	(2)
Total comprehensive income for the financial year	-	-	(2)	867	865
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(559)	(559)
Balance as at 31.12.2020	6,593	(4,083)	(2)	7,692	10,200

D. Condensed Interim Statement of Changes In Equity (Cont'd)

Company	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1.1.2021	6,593	(4,083)	6,217	8,727
Profit for the financial year, representing total comprehensive income for the financial year	-	-	198	198
<u>Contributions by and distributions to owners</u>				
Dividends	-	-	(559)	(559)
Balance as at 31.12.2021	6,593	(4,083)	5,856	8,366
Balance as at 1.1.2020	6,593	(4,083)	6,494	9,004
Profit for the financial year, representing total comprehensive income for the financial year	-	-	282	282
<u>Contributions by and distributions to owners</u>				
Dividends	-	-	(559)	(559)
Balance as at 31.12.2020	6,593	(4,083)	6,217	8,727

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Soup Restaurant Group Limited (the “Company”) is a public company limited by shares, 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”). These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are:

- (a) Operation of restaurants;
- (b) Investment holding company;
- (c) Food processing and distributing;
- (d) Sourcing, supplying, processing and distributing of raw materials and food products and procurement service; and
- (e) Job training and vocational rehabilitation.

2. Basis of preparation

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

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

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

Management is of the opinion that there are no critical judgements that have a significant effect on the amounts recognised in the financial statements.

3. Seasonal operations

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

4. Segment and revenue information

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.

4. Segment and revenue information (Cont'd)

“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.

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.

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.

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.

4.1 Reportable segments

	Operation of Restaurants		Food Processing, Distribution and Procurement Services		Others		Total	
	1 July to 31 December		1 July to 31 December		1 July to 31 December		1 July to 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	12,882	13,269	3,288	3,977	-	-	16,170	17,246
Inter-segment revenue	-	-	(1,581)	(2,317)	-	-	(1,581)	(2,317)
Revenue from external customers	12,882	13,269	1,707	1,660	-	-	14,589	14,929
Segment profit/(loss)	418	618	292	153	(111)	(35)	599	736
Interest income							3	1
Profit for the financial period							602	737
Depreciation and amortisation	3,000	2,962	310	393	-	-	3,310	3,355
Impairment loss on plant and equipment	121	213	-	-	-	-	121	213
Impairment loss on right-of-use assets	288	599	-	-	-	-	288	599
Segment assets/ total assets	17,578	19,798	4,901	5,540	7	98	22,486	25,436
Segment liabilities/ total liabilities	10,200	13,204	1,659	1,729	210	303	12,069	15,236
Capital expenditure								
- plant and equipment	69	18	27	63	-	-	96	81
- intangible assets	253	11	65	4	-	-	318	15
- right-of-use assets	1,988	3,018	53	504	-	-	2,041	3,522

4.1 Reportable segments (cont'd)

	Operation of Restaurants		Food Processing, Distribution and Procurement Services		Others		Total	
	1 January to 31 December		1 January to 31 December		1 January to 31 December		1 January to 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	26,332	25,797	6,786	11,627	-	-	33,118	37,424
Inter-segment revenue	-	(79)	(3,487)	(6,237)	-	-	(3,487)	(6,316)
Revenue from external customers	26,332	25,718	3,299	5,390	-	-	29,631	31,108
Segment profit/(loss)	985	269	2	691	(220)	(111)	767	849
Interest income							7	18
Profit for the financial year							774	867
Depreciation and amortisation	6,004	7,242	633	655	-	-	6,637	7,897
Impairment loss on plant and equipment	137	213	100	-	-	-	237	213
Impairment loss on right-of-use assets	288	599	-	-	-	-	288	599
Segment assets/ total assets	17,578	19,798	4,901	5,540	7	98	22,486	25,436
Segment liabilities/ total liabilities	10,200	13,204	1,659	1,729	210	303	12,069	15,236
Capital expenditure								
- plant and equipment	94	44	39	63	-	-	133	107
- intangible assets	253	13	65	5	-	-	318	18
- right-of-use assets	3,521	3,018	53	504	-	-	3,574	3,522

4.2 Disaggregation of Revenue

	The Group					
	Operation of		Food processing, distribution and		Total	
	restaurants		procurement services			
	6 months ended		6 months ended		6 months ended	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Primary geographical markets</i>						
Singapore	12,633	13,049	1,707	1,660	14,340	14,709
Malaysia	249	220	-	-	249	220
	12,882	13,269	1,707	1,660	14,589	14,929
<i>Timing of transfer of goods and services</i>						
Point in time	12,882	13,269	1,707	1,660	14,589	14,929

	The Group					
	Operation of		Food processing, distribution and		Total	
	restaurants		procurement services			
	12 months ended		12 months ended		12 months ended	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Primary geographical markets</i>						
Singapore	25,899	25,266	3,299	5,394	29,198	30,660
Malaysia	433	440	-	8	433	448
	26,332	25,706	3,299	5,402	29,631	31,108
<i>Timing of transfer of goods and services</i>						
Point in time	26,332	25,706	3,299	5,402	29,631	31,108

4.3 A breakdown of sales

	Group		Increase/ (Decrease)
	Financial Year Ended 31.12.2021	31.12.2020	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	15,042	16,179	(7.0)
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	172	130	32.3
(c) Sales reported for second half year	14,589	14,929	(2.3)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	602	737	(18.3)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial Assets</u>				
Trade and other receivables (#)	2,349	2,660	1,687	2,152
Cash and cash equivalents	10,811	10,100	5,008	5,233
Financial assets at amortised costs	13,160	12,760	6,695	7,385
<u>Financial Liabilities</u>				
Trade and other payables (*)	3,005	2,944	387	435
Lease liabilities	7,501	10,080	196	65
Financial liabilities at amortised costs	10,506	13,024	583	500

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 for the fair values of the amount due from subsidiaries are within Level 2 of the fair value hierarchy.

(#) Excludes prepayments, government grant receivables/GST receivables

(*) Excludes deferred income/deferred government grants/GST payables

6. Profit before income tax

6.1 Significant items

	Group			Group		
	6 months ended			Financial year ended		
	31 December		Increase /	31 December		Increase /
	2021	2020	(Decrease)	2021	2020	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Allowance for impairment loss on trade receivables	12	-	100.0	12	-	100.0
Bad non-trade debts written off	13	-	100.0	13	-	100.0
Depreciation and amortisation expenses						
- intangible asset	12	28	(57.1)	26	55	(52.7)
- plant and equipment	413	585	(29.4)	890	1,183	(24.8)
- right-of-use assets	2,885	2,742	5.2	5,721	6,659	(14.1)
Impairment loss on plant and equipment	121	213	(43.2)	237	213	11.3
Impairment loss on right-of-use assets	288	599	(51.9)	288	599	(51.9)
Inventories written off	17	-	100.0	23	-	100.0
Foreign exchange loss/(gain), net	3	(1)	(400.0)	16	5	220.0
Government grant	(1,944)	(1,612)	20.6	(3,349)	(3,291)	1.8
Gain on disposal of plant and equipment	(3)	-	100.0	(3)	-	100.0
Lease expenses	697	537	29.8	1,089	684	59.2
Over provision of tax expense in respect of previous years	(85)	-	N.M.	(111)	-	N.M.
Plant and equipment written off	2	48	(95.8)	3	51	(94.1)

6.2 Related party transactions

During the financial year, the Group entered into transactions with related parties at rates and terms agreed between the parties as disclosed below:

	Group			Group		
	6 months ended		Increase / (Decrease) %	Financial year ended		Increase/ (Decrease) %
	31 December			31 December		
	2021	2020		2021	2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Employee benefits paid to a close family member of a Director of the Company	92	88	4.7	173	170	2.0

7. Taxation

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

	Group		Group	
	6 months ended		12 months ended	
	31 December		31 December	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	(35)	(11)	(35)	(70)
Current withholding tax expense	(2)	-	(6)	-
Deferred income tax expense relating to origination and reversal of temporary differences	11	151	20	151
	(26)	140	(21)	81
Adjustment for over provision of tax in respect of prior years				
Current income tax				
– over provision in respect of prior years	34	-	60	-
Deferred tax				
– over provision in respect of prior years	51	-	51	-
	85	-	111	-
Income tax credit	59	140	90	81

8. Dividends

	Group	
	Financial year	
	2021	2020
	S\$'000	S\$'000
Ordinary dividends paid:		
Final tax-exempt dividend paid of 0.20 (2020: 0.20) Singapore cents per share in respect of the previous financial year	559	559

9. Net assets value

	Group		Company	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
Net asset value per ordinary share (cents)	3.73	3.65	2.99	3.12

The calculation was based on total number of issued shares (excluding treasury shares) of 279,327,700 as at the end of the financial year.

10. Intangible assets

Group	Trademarks S\$'000	Computer software licenses S\$'000	Computer software under development S\$'000	Total S\$'000
At 30 June 2021				
Cost	77	398	-	475
Accumulated amortisation	(44)	(383)	-	(427)
Net Carrying amounts	33	15	-	48
6 months ended 31 December 2021				
Opening net carrying amounts	33	15	-	48
Additions	-	156	162	318
Amortisation charge	(4)	(8)	-	(12)
Closing net carrying amounts	29	163	162	354
At 31 December 2021				
Cost	77	554	162	793
Accumulated amortisation	(48)	(391)	-	(439)
Net Carrying amounts	29	163	162	354

Company	Trademarks S\$'000	Computer software licenses S\$'000	Computer software under development S\$'000	Total S\$'000
At 30 June 2021				
Cost	77	245	-	322
Accumulated amortisation	(44)	(232)	-	(276)
Net Carrying amounts	33	13	-	46
6 months ended 31 December 2021				
Opening net carrying amounts	33	13	-	46
Additions	-	156	162	318
Amortisation charge	(4)	(6)	-	(10)
Closing net carrying amounts	29	163	162	354
At 31 December 2021				
Cost	77	401	162	640
Accumulated amortisation	(48)	(238)	-	(286)
Net Carrying amounts	29	163	162	354

11. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$96,000 (31 December 2020: \$81,000).

12. Share capital

	The Group and the Company			
	31 December 2021		31 December 2020	
	Number		Number	
	of shares	Amount	of shares	Amount
	'000	S\$'000	'000	S\$'000
<u>Issued and paid up</u>				
As at the beginning and end of the financial year	279,328	2,510	279,328	2,510

The total number of issued shares (excluding 19,172,300 treasury shares) as at 31 December 2021 and 31 December 2020 was 279,327,700.

There was no change in the issued and paid up capital of the Company since the end of the previous period reported on.

There were no outstanding convertible instruments which may be converted to shares as at 31 December 2021 and 31 December 2020.

(a) Treasury shares

The treasury shares held by the Company as at 31 December 2021 and 31 December 2020 is 19,172,300 and represent 6.86% of the total number of issued shares (excluding treasury shares).

There were no sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

(b) Subsidiary holdings

There were no subsidiary holdings as at 31 December 2021 and 31 December 2020.

13. Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

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

The condensed interim consolidated statement of financial position of Soup Restaurant Group Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months and financial year ended 31 December 2021 and certain explanatory notes have not been audited or reviewed.

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

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

The Group's revenue for the financial year ended 31 December 2021 ("FY2021") was \$29.6 million, a decrease of \$1.5 million or 4.7% 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 and the Group's decision to consolidate the outlets to face current market challenges amidst the Covid-19 situation.

Other income decreased by \$1.6 million or 26.0% mainly related to lower payouts received as wage support for local employees under the Jobs Support Scheme as well as lower rental rebates received from Landlords.

Purchases and other consumables were maintained at approximately 23.0% of revenue.

Employee benefits expense decreased by \$0.8 million or 6.8% in FY2021 mainly due to a reduction in headcount and related staff costs as a result of the closure of outlets.

The decrease in depreciation and amortisation expenses was due to a decrease in amortisation of right-of-use assets of \$0.9 million and a decrease in depreciation of plant and equipment of \$0.3 million partly due to certain plant and equipment were impaired in FY2020.

The impairment loss on plant and equipment and right-of-use assets totaling \$0.5 million was related to the three restaurant outlets impacted by Covid-19.

Other expenses decreased by \$0.2 million or 2.0% 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 \$0.1 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 rates for short-term lease extension of certain outlets.

As a result, the profit before income tax decreased by \$0.1 million or 13.0% in FY2021 as compared to FY2020. Earnings per share stood at 0.28 cents in FY2021.

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

Non-current assets 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 a refund of security deposits as a result of the closure of outlet.

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 bonuses, a decrease in deferred government grant and deferred income of \$1.1 million, offset against an increase in third parties’ trade and other payables of \$0.7 million.

Total equity amounted to \$10.4 million and net asset value per share stood at 3.73 cents as at FY2021.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

As the pandemic persists, the Group anticipate that the outlook for F&B businesses in Singapore will continue to be challenging in the near term. The Group recognises that market trends and customers' dining patterns are changing and will strive to remain adaptable while accelerating transformative and digitalization efforts to streamline processes for better economies of scale and improved productivity for future opportunities.

The Group will utilize this period to strengthen our team and transform our processes in order to take advantage of opportunities that may arise when the global situation improves in the future whilst manage problems with supply chain, labor and inflation.

The food processing and distribution business remains focused on its core strategies to widen its distribution networks for consumer goods and ready meals. In addition, the Group is also exploring increasing our distribution networks for the Samsui range of sauces both locally and internationally.

5. Dividend Information

**5a. current financial period reported on;
any dividend recommended for the current financial period reported on?**

Name of dividend	Final
Dividend type	Cash
Dividend per ordinary share	0.20 cent per ordinary share
Tax rate	Tax exempt (one-tier)

**5b. corresponding period of the immediately preceding financial year;
any dividend declared for the corresponding period of the immediately preceding financial year?**

Name of dividend	Final
Dividend type	Cash
Dividend per ordinary share	0.20 cent per ordinary share
Tax rate	Tax exempt (one-tier)

5c. date payable; and

The date of payment of the proposed dividend, if approved at the forthcoming Annual General Meeting, will be announced at a later date.

5d. Books Closure Date.

The book closure date of the proposed dividend, if approved at the forthcoming Annual General Meeting, will be announced at a later date.

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

The Group has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officer under Rule 720(1).

8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Business Segment

The Group's principal business is in the operation of restaurants which accounted for 88.9% or \$26.3 million of the Group's revenue in FY2021. The increase in revenue of \$0.6 million was mainly related to an increase in revenue of \$2.3 million from existing outlets offset against a decrease in revenue of \$1.7 million due to the closure of certain outlets due to lease expiry and the Group's decision to consolidate the outlets to face current market challenges amidst the Covid-19 situation.

The Group's food processing and distribution business accounted for 11.1% or \$3.3 million of the Group's revenue in FY2021. The decrease was attributable 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.

Others refer to investment holding companies.

Please refer to paragraph 2 for a detailed commentary of the Group's financial performance in FY2021.

Geographical Segments

The Group's operations are mainly located in Singapore except for Malaysia which is considered insignificant in the current and prior financial year.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

CHONG IN BEE

Company Secretary
28 February 2022