



Soup Restaurant Group Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 199103597Z)

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON ANNUAL REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Soup Restaurant Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the query raised by the Singapore Exchange Securities Trading Limited (“**SGX**”) on 22 April 2021 in relation to the Group’s Annual Report for the financial year ended 31 December 2020 (“**FY2020**”) and appends the response as follows:

Query

On pages 57 to 58 of the Annual Report, it is stated for both Wong Wei Teck and Wong Chi Keong that “[i]n 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 Singapore Pte. Ltd.) and its two former management personnel were charged for employing seven Malaysian workers without valid work permits. 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). The Companies paid a total fine of \$30,640 and the two former management personnel paid a total fine of \$14,480.” (“**Incident A**”)

It is also stated that “Mr Wong Chi Keong was one of the executive directors of E3 Consultants Pte Ltd (“**E3 Consultants**”) from 1989 to 2011. In October 2006, the Inland Revenue Authority of Singapore concluded the tax audit of E3 Consultants for years of assessments from 1996 to 1999 in relation to the timing of recognition of revenue and E3 Consultants accepted the offer of composition for omission or understatement of income by payment of additional tax of \$243,075 and a penalty of \$156,924.” (“**Incident B**”)

Please specifically disclose all details of each of the above mentioned matters, including Wong Wei Teck’s and Wong Chi Keong’s roles in the above matters. Please also provide the Nominating Committee’s views in relation to these matters.

Response

The query raised by SGX on pages 57 to 58 of the Annual Report for FY2020 relates to “Information on Directors Seeking Re-Election”, which is part of the Corporate Governance Report of the Group. The Company wishes to highlight that both Incidents A and B had been previously disclosed in the Company’s Prospectus dated 15 May 2007, having taken place prior to the Company’s Initial Public Offering in 2007.

The Company wishes to make the following clarifications:

- i) In respect of Incident A, the management personnel involved and charged for the offences are no longer with the Group. Mr Wong Wei Teck and Mr Wong Chi Keong were directors of Soup Restaurant (Seah Street) Pte Ltd (currently named as Soup Restaurant Singapore Pte. Ltd.) and Soup Restaurant (Causeway Point) Pte Ltd (currently named as Pot Luck F&B Singapore Pte. Ltd.) at the material time

but matters relating to the deployment of staff were not under their direct supervision and they were not investigated or charged for any of the offences.

- ii) In respect of Incident B, the Inland Revenue Authority of Singapore (“**IRAS**”) carried out a tax audit of E3 Consultants in 2002, in relation to the timing of sales recognition in its audited accounts. As there was no omission of the total income received, and no wilful intent to omit or understate income for the years under review, the audit was concluded with E3 Consultants accepting an offer of composition by an additional tax payment of \$243,075 for the years under review, and a penalty of \$156,924.12. E3 Consultants and its directors, including Mr Wong Chi Keong, were not investigated or charged for any offence. In addition, Mr Wong Chi Keong is no longer a director of E3 Consultants since 2011.

The Nominating Committee excluding Mr Wong Wei Teck who has abstained from the deliberations on Incident A notes that:

- (i) both Incidents A and B had been previously disclosed in the Company’s Prospectus dated 15 May 2007, having taken place prior to the Company’s Initial Public Offering in 2007;
- (ii) in relation to Incident A, matters relating to the deployment of staff were not under the direct supervision of Mr Wong Wei Teck or Mr Wong Chi Keong and they were not investigated or charged for any of the offences, and the Group had no repeat offence in subsequent years; and
- (iii) in relation to Incident B, E3 Consultants had paid the additional tax and penalty as the outcome of the tax audit by IRAS and E3 Consultants and its directors, including Mr Wong Chi Keong, were not investigated or charged for any offence.

The Nominating Committee is of the view that the character and integrity of Mr Wong Wei Teck and Mr Wong Chi Keong are suitable to be directors of the Company.

BY ORDER OF THE BOARD

Chong In Bee
Company Secretary
26 April 2021