



Soup Restaurant Group Limited

UEN 199103597Z

FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	4th Quarter ended		Increase/ (Decrease) %	Financial year ended		Increase/ (Decrease) %
	31 December 2019	31 December 2018		31 December 2019	31 December 2018	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	10,850	11,270	(3.7)	43,192	43,878	(1.6)
<i>Other Items of income</i>						
Interest income	15	12	25.0	56	41	36.6
Other income	324	61	431.1	962	432	122.7
<i>Items of expense</i>						
Changes in inventories	143	(94)	N.M.	201	(47)	N.M.
Purchases and other consumables	(2,716)	(2,382)	14.0	(9,880)	(9,425)	4.8
Employee benefits expense	(3,395)	(3,670)	(7.5)	(14,263)	(14,837)	(3.9)
Depreciation and amortisation expenses	(2,728)	(398)	585.4	(9,311)	(1,622)	474.0
Impairment loss on plant and equipment	(17)	(31)	(45.2)	(17)	(31)	(45.2)
Impairment loss on right-of-use assets	(240)	-	100.0	(240)	-	100.0
Other expenses	(2,129)	(4,176)	(49.0)	(9,211)	(15,785)	(41.6)
Finance costs	(32)	(19)	68.4	(532)	(20)	N.M.
Profit before income tax	75	573	(86.9)	957	2,584	(63.0)
Income tax expense	(61)	(58)	5.2	(196)	(394)	(50.3)
Profit for the financial period/year attributable to owners of the Company	14	515	(97.3)	761	2,190	(65.3)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translating foreign operation	1	-	N.M.	1	(4)	N.M.
Other comprehensive income for the financial period/year	1	-	N.M.	1	(4)	N.M.
Total comprehensive income for the financial period/year attributable to owners of the Company	15	515	(97.1)	762	2,186	(65.1)

N.M. – Not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income.

Profit for the financial period/year is arrived at after charging/(crediting) the following:-

	Group			Group		
	4 th Quarter ended		Increase / (Decrease) %	Financial year ended		Increase / (Decrease) %
	31 December 2019 S\$'000	2018 S\$'000		31 December 2019 S\$'000	2018 S\$'000	
Depreciation and amortisation expenses						
- plant and equipment	308	398	(22.6)	1,384	1,622	(14.7)
- right-of-use assets (<i>Note 1</i>)	2,420	-	N.M.	7,927	-	N.M.
Impairment loss on plant and equipment	17	31	(45.2)	17	31	(45.2)
Impairment loss on right-of-use assets	240	-	100.0	240	-	100.0
Finance costs						
- provision for dismantlement, removal or restoration of plant and equipment	17	19	(10.5)	17	19	(10.5)
- leased printers	1	-	100.0	1	1	-
- office premises and other operation facilities (<i>Note 1</i>)	14	-	N.M.	514	-	N.M.
Foreign exchange loss/(gain), net	7	4	75.0	10	8	(25.0)
Government grant	(161)	(4)	N.M.	(562)	(243)	131.3
Loss on disposal of plant and equipment	(6)	-	100.0	3	-	100.0
Operating lease expenses (<i>Note 1</i>)	(44)	2,198	N.M.	1,063	8,727	(87.8)
(Over)/Under provision of tax expense in respect of previous years	(83)	18	N.M.	(83)	18	N.M.
Plant and equipment written off	12	5	140.0	30	17	76.5

Notes:

- (1) With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 – Leases. Please refer to paragraph 6, page 9 of this financial statement for more details on the adoption.

N.M. – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	3,577	3,173	19	28
Right-of-use assets	12,876	-	190	-
Investments in subsidiaries	-	-	1,665	1,765
Intangible assets	98	133	65	63
Other receivables	-	-	327	769
	16,551	3,306	2,266	2,625
Current assets				
Inventories	467	266	-	-
Trade and other receivables	3,788	3,420	2,638	2,276
Current income tax recoverable	-	5	-	-
Cash and cash equivalents	8,288	10,039	4,730	5,902
	12,543	13,730	7,368	8,178
<i>Less:</i>				
Current liabilities				
Trade and other payables	3,896	4,260	311	585
Provisions	1,064	1,031	40	40
Lease liabilities	6,388	5	127	-
Current income tax payable	504	405	75	33
	11,852	5,701	553	658
Net current assets	691	8,029	6,815	7,520
Non-current liabilities				
Lease liabilities	7,102	11	66	-
Deferred tax liabilities	246	259	12	12
	7,348	270	78	12
Net assets	9,894	11,065	9,003	10,133
Equity				
Share capital	6,593	6,593	6,593	6,593
Treasury shares	(4,083)	(3,966)	(4,083)	(3,966)
Translation reserve	-	(1)	-	-
Retained earnings	7,384	8,439	6,493	7,506
Total equity	9,894	11,065	9,003	10,133

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	31.12.2019	31.12.2018
	S\$'000	S\$'000
Finance lease payable		
- Repayable within 1 year	-	5
- Repayable after 1 year	-	11

Details of collateral:

The finance lease liability of the Group is secured by the rights to the leased printers. It was fully repaid in FY2019.

1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	4th Quarter ended		Financial year ended	
	31 December		31 December	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	75	573	957	2,584
<i>Adjustments for:</i>				
Amortisation of intangible assets	13	16	55	55
Amortisation of discount on provision	17	19	17	19
Depreciation of plant and equipment	295	382	1,329	1,567
Depreciation of right-of-use assets	2,420	-	7,927	-
Impairment of plant and equipment	17	31	17	31
Impairment of right-of-use assets	240	-	240	-
Interest expense	15	-	515	1
Interest income from bank deposits	(15)	(12)	(56)	(41)
Loss on disposal of plant and equipment	(6)	-	3	-
Plant and equipment written off	12	5	30	17
Accrued unutilised annual leave	7	90	7	90
Unrealised foreign exchange gain	2	(1)	1	(5)
Operating cash flow before working capital changes	3,092	1,103	11,042	4,318
<i>Working capital changes:</i>				
Inventories	(143)	94	(201)	47
Trade and other receivables	(238)	118	(368)	(139)
Trade and other payables	1,095	255	(609)	397
Cash generated from operations	3,806	1,570	9,864	4,623
Income taxes (paid)/refunded	(4)	(6)	(104)	(222)
Interest received	15	12	56	41
Net cash from operating activities	3,817	1,576	9,816	4,442
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	-	-	3	-
Purchase of plant and equipment	(148)	(191)	(1,643)	(986)
Purchase of intangible assets	(2)	(18)	(20)	(32)
Net cash used in investing activities	(150)	(209)	(1,660)	(1,018)
Cash flows from financing activities				
Dividends paid	-	-	(1,816)	(1,400)
Interest paid	(1)	-	(1)	(1)
Purchase of treasury shares	-	(107)	(117)	(107)
Repayment of obligations under leases	(2,231)	(1)	(7,973)	(5)
Net cash used in financing activities	(2,232)	(108)	(9,907)	(1,513)
Net change in cash and cash equivalents	1,435	1,259	(1,751)	1,911
Cash and cash equivalents at the beginning				
Of the financial period/year	6,853	8,780	10,039	8,128
Cash and cash equivalents at the beginning				
Of the financial period/year	8,288	10,039	8,288	10,039

1(d)(i) A statement for the issuer and group showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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 01.01.2019	6,593	(3,966)	(1)	8,439	11,065
Profit for the financial year	-	-	-	761	761
<u>Other comprehensive income for the financial period</u>					
Exchange difference on translating foreign operation	-	-	1	-	1
Total comprehensive income for the financial period	-	-	1	761	762
<u>Distributions to owners</u>					
Dividends	-	-	-	(1,816)	(1,816)
Purchase of treasury shares	-	(117)	-	-	(117)
	-	(117)	-	(1,816)	(1,933)
Balance as at 31.12.2019	6,593	(4,083)	-	7,384	9,894
Balance as at 01.01.2018	6,593	(3,939)	3	7,649	10,306
Profit for the financial year	-	-	-	2,190	2,190
<u>Other comprehensive income for the financial period</u>					
Exchange difference on translating foreign operation	-	-	(4)	-	(4)
Total comprehensive income for the financial year	-	-	(4)	2,190	2,186
<u>Distributions to owners</u>					
Dividends	-	-	-	(1,400)	(1,400)
Performance shares granted	-	80	-	-	80
Purchase of treasury shares	-	(107)	-	-	(107)
	-	(27)	-	(1,400)	(1,427)
Balance as at 31.12.2018	6,593	(3,966)	(1)	8,439	11,065

1(d)(i)

Company	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 01.01.2019	6,593	(3,966)	7,506	10,133
Profit for the financial year, representing total comprehensive income for the financial year	-	-	803	803
<u>Distributions to owners</u>				
Dividends	-	-	(1,816)	(1,816)
Purchase of treasury shares	-	(117)	-	(117)
	-	(117)	(1,816)	(1,933)
Balance as at 31.12.2019	6,593	(4,083)	6,493	9,003
Balance as at 01.01.2018	6,593	(3,939)	6,819	9,473
Profit for the financial year, representing total comprehensive income for the financial year	-	-	2,087	2,087
<u>Distributions to owners</u>				
Dividends	-	-	(1,400)	(1,400)
Performance shares granted	-	80	-	80
Purchase of treasury shares	-	(107)	-	(107)
	-	(27)	(1,400)	(1,427)
Balance as at 31.12.2018	6,593	(3,966)	7,506	10,133

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Treasury Shares

	Number of shares			
	4th Quarter ended		Financial year ended	
	31 December		31 December	
	2019	2018	2019	2018
Balance as at the beginning of the financial period	19,172,300	18,387,100	18,552,300	18,387,100
Performance shares granted	-	(518,000)	-	(518,000)
Purchased during the financial period	-	683,200	620,000	683,200
Balance as at the end of the financial period	19,172,300	18,552,300	19,172,300	18,552,300
Percentage (%) of treasury shares against total number of shares outstanding	6.9%	6.6%	6.9%	6.6%

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 subsidiary holdings and outstanding convertible instruments which may be converted to shares as at 31 December 2019 and 31 December 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of shares	
	As at	
	31.12.2019	31.12.2018
Total number of issued shares	298,500,000	298,500,000
Less: Treasury shares	(19,172,300)	(18,552,300)
Total number of issued shares, excluding treasury shares	279,327,700	279,947,700

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2018, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 January 2019.

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases on 1 January 2019, using the modified retrospective approach in accordance with the transitional provisions, and therefore recognised leases on the statement of financial position as at 1 January 2019.

SFRS(I) 16 introduces a single, on balance sheet lease accounting model which eliminates the current distinction between operating and finance leases for lessees. It requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets.

The Group has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in SFRS(I) 16. The Group capitalised its operating leases on office premises and other operating facilities on the statement of financial position by recognising 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments of \$14.5 million. Subsequently, the lease assets will be depreciated over the lease term on a straight-line basis and the lease liabilities will be measured at amortised cost.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

7. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	4th Quarter ended		Financial year ended	
	31 December		31 December	
	2019	2018	2019	2018
(a) Basic earnings per share (cents)	0.00	0.18	0.27*	0.78
(b) Diluted earnings per share (cents)	0.00	0.18	0.27*	0.78
(i) Weighted average number of ordinary shares	279,327,700	280,079,270	279,469,074	280,104,423
(ii) Adjusted weighted average number of ordinary shares	279,327,700	280,079,270	279,469,074	280,104,423

* Basic and diluted earnings per share before the adoption of SFRS(I) 16 is 0.38 cents.

8. Net asset value for the issuer and group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period reported on (cents)	3.54*	3.95	3.22	3.62
Total number of issued shares excluding treasury shares at the end of the financial period reported on	279,327,700	279,947,700	279,327,700	279,947,700

* Net asset value per ordinary share before the adoption of SFRS(I) 16 is 3.65 cents.

9. 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 2019 ("FY2019") was \$43.2 million, a decrease of \$0.7 million or 1.6% as compared to \$43.9 million for the financial year ended 31 December 2018 ("FY2018"). The decrease was attributable to a decrease in revenue from the existing outlets of \$2.1 million, offset against a net increase in the revenue from the opening and closure of outlets of \$0.9 million. Revenue for the food processing, distribution and procurement services segment increased by \$0.5 million.

Other income increased by \$0.5 million or 122.7% mainly related to grants received for Technology Innovation and Employment as well as a prize for the Social Enterprise of The Year award at the President's Challenge.

Purchases and other consumables increased 1.4 percentage point to 22.9% of revenue as compared to FY2018 mainly due to higher purchases for the festive seasons.

Employee benefits expense decreased by \$0.6 million or 3.9% in FY2019 mainly due to a decrease in related staff costs and a reduction in headcount for existing outlets amounting to \$1.5 million, offset by a net increase of \$0.9 million as a result of the opening and closure of outlets as well as the set-up of a new kitchen located at Enabling Village in November 2018.

Other expenses decreased by \$6.6 million or 41.6% in FY2019. The decrease is mainly due to a net decrease in operating leases of \$7.7 million. The decrease is a result of the adoption of *SFRS(I) 16 Leases* of \$8.0 million and a decrease in percentage rental of \$0.2 million due to a decrease in revenue, netted off against an increase of \$0.5 million as a result of the opening and closure of outlets. The decrease was offset by an increase in sales commission of \$0.4 million associated with online delivery services, an increase in credit card commission of \$0.1 million and a net increase of \$0.6 million as a result of the opening and closure of outlets and the new kitchen.

As a result, the profit before income tax decreased by \$1.6 million or 63.0% in FY2019 as compared to FY2018. Earnings per share stood at 0.27 cents in FY2019.

(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 increased by \$13.3 million from \$3.3 million, as at 31 December 2018 ("FY2018"), to \$16.6 million as at 31 December 2019 ("FY2019"), mainly due to the recognition of right-of-use assets of \$21.0 million and the addition of plant and equipment of \$1.8 million, offset by depreciation and amortisation expenses of \$9.3 million and impairment on plant and equipment and right-of-use assets of \$0.2 million.

Current assets decreased by \$1.2 million as compared to FY2018 mainly due to a decrease in cash and cash equivalents of \$1.8 million, offset by an increase in trade and other receivables of \$0.4 million and an increase in inventories of \$0.2 million. Trade and other receivables increased mainly as a result of the increased revenue for food processing and the prepayment of a consultancy fee related to a brand alignment exercise. The decrease in cash and cash equivalents was attributable mainly to purchases of plant and equipment of \$1.7 million, payment of final dividend of \$1.8 million, purchase of treasury shares of \$0.1 million and repayment of lease liabilities of \$8.0 million, partially offset by the net cash from operating activities of \$9.8 million. Total liabilities increased by \$13.2 million mainly due to an increase in lease liabilities of \$13.5 million as a result of the adoption of SFRS(I) 16 Leases, an increase in other payables related to purchases of plant and equipment of \$0.2 million, advance payment for rental of \$0.1 million, deposits received for reservations of \$0.1 million, funds received in advance for the Training Programme of \$0.2 million and an increase in the current income tax payable of \$0.1 million, and offset by a decrease in accrued expenses of \$1.0 million as a result of payments for directors and staff bonuses.

Total equity amounted to \$9.9 million and net asset value per share stood at 3.54 cents as at FY2019.

10. 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.

11. 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.

The Group continues to focus on strengthening our brands with plans for the consolidation and rejuvenation of some of our outlets in Singapore to face current market challenges amidst the COVID-19 situation and the resulting slowdown for F&B businesses in Singapore. The Group is working with our landlords and partners and also managing our manpower to lower overall operating costs during this period. Nevertheless, the Group is of the view the COVID-19 impact is short-term and we will strive to remain adaptable while monitoring the performance of the business. .

The Group will also focus on bringing our food offerings to more customers through online delivery platforms from all our outlets during this period. At the same time, the Group will continue to manage the operations of our restaurants more effectively with the implementation of productivity measures with the intention of serving our customers better.

The food processing and distribution business remains focused on its core strategies to assist the Group through procurement sourcing and management, as well as widening its distribution networks for its consumer goods and ready meals through the central kitchens located in Changi Prison Complex and the Enabling Village.

12. Dividend.

- (a) current financial period reported on;
any dividend declared 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)

- (b) 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	0.65 cent per ordinary share
Tax rate	Tax exempt (one-tier)

- (c) 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.

- (d) record date.**

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

- 13. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

- 14. 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).

- 15. 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).

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Operation of Restaurants		Food Processing, Distribution and Procurement Services		Others		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	40,468	41,650	13,790	12,851	-	-	54,258	54,501
Inter-segment revenue	(1)	(7)	(11,065)	(10,616)	-	-	(11,066)	(10,623)
Revenue from external customers	40,467	41,643	2,725	2,235	-	-	43,192	43,878
Segment profit	947	2,209	33	128	(275)	(188)	705	2,149
Depreciation and amortisation	8,705	1,363	606	259	-	-	9,311	1,622
Impairment loss on:								
- plant and equipment	17	31	-	-	-	-	17	31
- right-of-use assets	240	-	-	-	-	-	240	-
Segment assets/ total assets	24,432	13,114	4,596	3,818	66	103	29,094	17,035
Segment liabilities/ total liabilities	16,494	4,281	2,437	1,433	269	256	19,200	5,970
Capital expenditure								
- plant and equipment	1,566	945	221	211	-	-	1,787	1,156
- intangible assets	15	42	6	9	-	-	21	51
- right-of-use assets	6,277	-	224	-	-	-	6,501	-

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

	Group	
	FY2019	FY2018
	S\$'000	S\$'000
Segment profit	705	2,149
Interest income	56	41
Profit for the financial year	761	2,190

17. 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 93.7% or \$40.5 million of the Group's revenue in FY2019. The decrease in revenue of \$1.2 million for the operation of restaurants was mainly due to a decrease in revenue from the existing outlets of \$2.1 million, offset against a net increase in the revenue from the opening and closure of outlets of \$0.9 million.

The Group's food processing and distribution business accounted for 6.3% or \$2.7 million of the Group's revenue in FY2019. This segment is in line with the Group's strategy to reduce overheads and costs through a vertical integration of its supply chain. The revenue increased by 21.9% due to an increase in the supply of ready meals through the new catering kitchen set up in November 2018.

Others refer to investment holding companies.

Please refer to paragraph 9 for a detailed commentary of the Group's financial performance in FY2019.

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.

18. A breakdown of sales.

	Group Financial Year Ended		Increase/ (Decrease)
	31.12.2019	31.12.2018	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	22,098	21,621	2.2
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	684	1,129	(39.4)
(c) Sales reported for second half year	21,094	22,257	(5.2)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	77	1,061	(92.7)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Total annual dividend	
	Financial Year Ended	
	31 December	
	2019	2018
	S\$	S\$
Ordinary shares		
Final *	558,600	1,815,630
Total	558,600	1,815,630

* Proposed final dividend for FY2019 is estimated based on the number of shares (excluding treasury shares) outstanding as at the end of the financial year.

- 20. 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
27 February 2020