

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

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2022

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Soup Holdings 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 2022	2021		31 December 2022	2021	
	SS'000	SS'000		SS'000	SS'000	
Revenue	18,620	14,589	27.6	37,600	29,631	26.9
<i>Other Items of income</i>						
Interest income from bank deposits	53	3	N.M.	57	7	N.M.
Other income	1,103	2,697	(59.1)	1,892	4,560	(58.5)
<i>Items of expense</i>						
Changes in inventories	16	106	N.M.	(41)	56	N.M.
Purchases and other consumables	(4,128)	(3,527)	17.0	(8,004)	(6,884)	16.3
Employee benefits expense	(6,591)	(5,343)	23.4	(13,420)	(11,323)	18.5
Depreciation and amortisation expenses	(3,502)	(3,310)	5.8	(6,754)	(6,637)	1.8
Impairment loss on plant and equipment	(49)	(121)	(59.5)	(49)	(237)	(79.3)
Impairment loss on right-of-use assets	(586)	(288)	103.5	(586)	(288)	103.5
Loss allowance on trade receivables, net	(56)	(12)	N.M.	(56)	(12)	N.M.
Other expenses	(4,508)	(4,160)	8.4	(8,968)	(7,954)	12.7
Finance costs	(219)	(92)	138.0	(303)	(236)	28.4
Profit before income tax	153	542	(71.8)	1,368	683	100.3
Income tax credit	211	59	257.6	95	90	5.6
Profit for the financial period/year attributable to owners of the Company	364	601	(39.4)	1,463	773	89.3
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translating foreign operation	8	-	N.M.	14	2	N.M.
Other comprehensive income for the financial period/year	8	-	N.M.	14	2	N.M.
Total comprehensive income for the financial period/year attributable to owners of the Company	372	601	(38.1)	1,477	775	90.6
Earnings per share attributable to owners of the Company						
Basic and diluted	0.13	0.22		0.53	0.28	

N.M. – Not meaningful

B. Condensed Interim Statements of Financial Position

	Group		Company	
	31 December 2022 S\$'000	31 December 2021 S\$'000	31 December 2022 S\$'000	31 December 2021 S\$'000
Non-current assets				
Plant and equipment	726	1,235	28	17
Investments in subsidiaries	-	-	1,665	1,665
Intangible assets	393	354	393	354
Right-of-use assets	9,693	6,697	65	194
Deferred tax assets	226	5	-	-
Total non-current assets	11,038	8,291	2,151	2,230
Current assets				
Inventories	338	392	-	-
Trade and other receivables	2,784	2,990	1,319	1,881
Current income tax recoverable	-	5	-	-
Cash and cash equivalents	13,067	10,811	7,858	5,008
Total current assets	16,189	14,198	9,177	6,889
<i>Less:</i>				
Current liabilities				
Trade and other payables	4,190	3,478	1,134	446
Provisions	827	954	40	40
Lease liabilities	5,201	4,844	66	130
Current income tax payable	152	39	37	-
Total current liabilities	10,370	9,315	1,277	616
Net current assets	5,819	4,883	7,900	6,273
<i>Less:</i>				
Non-current liabilities				
Other payables	159	72	159	72
Lease liabilities	5,345	2,657	-	66
Deferred tax liabilities	18	28	16	-
Total non-current liabilities	5,522	2,757	175	138
Net assets	11,335	10,417	9,876	8,365
Equity				
Share capital	6,593	6,593	6,593	6,593
Treasury shares	(4,083)	(4,083)	(4,083)	(4,083)
Translation reserve	14	-	-	-
Retained earnings	8,811	7,907	7,366	5,855
Total equity	11,335	10,417	9,876	8,365

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	12 months ended	
	31 December	
	2022	2021
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	1,368	683
<i>Adjustments for:</i>		
Loss allowance on trade receivables, net	56	12
Amortisation of grants	(92)	-
Amortisation of intangible assets	113	26
Amortisation of right-of-use assets	6,075	5,721
Depreciation of plant and equipment	566	890
Interest expense	303	236
Interest income from bank deposits	(57)	(7)
Impairment loss on plant and equipment	49	237
Impairment loss on right-of-use assets	586	288
Inventories written off	13	22
Gain on disposal of plant and equipment	(222)	(3)
Gain on lease modification	(112)	-
Other receivables written off	1	13
Plant and equipment written off	8	3
Rent concession granted on lease liabilities	(485)	(766)
Reversal of provision of restoration cost	(65)	-
Operating cash flow before working capital changes	8,105	7,355
<i>Working capital changes:</i>		
Inventories	41	(56)
Trade and other receivables	628	492
Trade and other payables	440	(452)
Cash generated from operations	9,214	7,339
Income taxes paid	(18)	(112)
Interest received	56	7
Net cash from operating activities	9,252	7,234
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	171	3
Purchase of plant and equipment	(166)	(134)
Purchase of intangible assets	(145)	(219)
Net cash used in investing activities	(140)	(350)
Cash flows from financing activities		
Dividends paid	(559)	(559)
Interest paid	(303)	(236)
Repayment of obligations under leases	(5,998)	(5,378)
Net cash used in financing activities	(6,860)	(6,173)
Net change in cash and cash equivalents	2,252	711
Cash and cash equivalents at the beginning of the financial year	10,811	10,100
Effect of currency translation on cash and cash equivalents	4	-
Cash and cash equivalents at the beginning of the financial year	13,067	10,811

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 1.1.2022	6,593	(4,083)	-	7,907	10,417
Profit for the financial year	-	-	-	1,463	1,463
<u>Other comprehensive income for the financial year, net of tax</u>					
Exchange difference on translating foreign operation	-	-	14	-	14
Total comprehensive income for the financial year	-	-	14	1,463	1,477
<u>Distributions to owners</u>					
Dividends	-	-	-	(559)	(559)
Balance as at 31.12.2022	6,593	(4,083)	14	8,811	11,335
Balance as at 1.1.2021	6,593	(4,083)	(2)	7,693	10,201
Profit for the financial year	-	-	-	773	773
<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	773	775
<u>Distributions to owners</u>					
Dividends	-	-	-	(559)	(559)
Balance as at 31.12.2021	6,593	(4,083)	-	7,907	10,417

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 1.1.2022	6,593	(4,083)	5,855	8,365
Profit for the financial year, representing total comprehensive income for the financial year	-	-	2,070	2,070
<u>Distributions to owners</u>				
Dividends	-	-	(559)	(559)
Balance as at 31.12.2022	6,593	(4,083)	7,366	9,876
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	-	-	197	197
<u>Distributions to owners</u>				
Dividends	-	-	(559)	(559)
Balance as at 31.2.2021	6,593	(4,083)	5,855	8,365

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Soup Holdings 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 2022 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 2022 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 2022.

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 2022.

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	17,181	12,882	2,814	3,288	-	-	19,995	16,170
Inter-segment revenue	-	-	(1,375)	(1,581)	-	-	(1,375)	(1,581)
Revenue from external customers	17,181	12,882	1,439	1,707	-	-	18,620	14,589
Segment profit/(loss)	89	417	347	292	(125)	(111)	311	598
Interest income							53	3
Profit for the financial period							364	601
Depreciation and amortisation	3,236	3,000	266	310	-	-	3,502	3,310
Impairment loss on plant and equipment	49	121	-	-	-	-	49	121
Impairment loss on right-of-use assets	586	288	-	-	-	-	586	288
Interest expense	214	83	5	9	-	-	219	92
Income tax credit/(expenses)	228	(11)	23	54	(40)	16	211	59
Segment assets/ total assets	23,792	17,581	3,425	4,901	10	7	27,227	22,489
Segment liabilities/ total liabilities	14,530	10,203	1,159	1,659	203	210	15,892	12,072
Capital expenditure								
- plant and equipment	83	66	36	29	-	-	119	95
- intangible assets	130	253	22	65	-	-	152	318
- right-of-use assets	5,147	1,988	-	53	-	-	5,147	2,041

4.1 Reportable segments (cont'd)

	Food Processing, Distribution and							
	Operation of Restaurants		Procurement Services		Others		Total	
	1 January to 31 December		1 January to 31 December		1 January to 31 December		1 January to 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
S\$'000		S\$'000		S\$'000		S\$'000		
Total segment revenue	34,693	26,332	5,810	6,786	-	-	40,503	33,118
Inter-segment revenue	-	-	(2,903)	(3,487)	-	-	(2,903)	(3,487)
Revenue from external customers	34,693	26,332	2,907	3,299	-	-	37,600	29,631
Segment profit/(loss)	1,284	984	427	2	(305)	(220)	1,406	766
Interest income							57	7
Profit for the financial year							1,463	773
Depreciation and amortisation	6,288	6,004	466	633	-	-	6,754	6,637
Impairment loss on plant and equipment	49	137	-	100	-	-	49	237
Impairment loss on right-of-use assets	586	288	-	-	-	-	586	288
Interest expense	292	216	11	20	-	-	303	236
Income tax credit/(expenses)	131	7	19	53	(55)	30	95	90
Segment assets/ total assets	23,792	17,581	3,425	4,901	10	7	27,227	22,489
Segment liabilities/ total liabilities	14,530	10,203	1,159	1,659	203	210	15,892	12,072
Capital expenditure								
- plant and equipment	138	91	43	41	-	-	181	132
- intangible assets	130	253	22	65	-	-	152	318
- right-of-use assets	9,655	3,521	-	53	-	-	9,655	3,574

4.2 Disaggregation of Revenue

	The Group					
	Operation of		Food processing,		Total	
	restaurants		distribution and			
			procurement services			
	6 months ended		6 months ended		6 months ended	
	31 December		31 December		31 December	
2022	2021	2022	2021	2022	2021	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<i>Primary geographical markets</i>						
Singapore	16,648	12,633	1,439	1,707	18,087	14,340
Malaysia	533	249	-	-	533	249
	17,181	12,882	1,439	1,707	18,620	14,589
<i>Timing of transfer of goods and services</i>						
Point in time	17,181	12,882	1,439	1,707	18,620	14,589

	The Group					
	Operation of		Food processing,		Total	
	restaurants		distribution and			
			procurement services			
	12 months ended		12 months ended		12 months ended	
	31 December		31 December		31 December	
2022	2021	2022	2021	2022	2021	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<i>Primary geographical markets</i>						
Singapore	33,726	25,899	2,907	3,299	36,633	29,198
Malaysia	967	433	-	-	967	433
	34,693	26,332	2,907	3,299	37,600	29,631
<i>Timing of transfer of goods and services</i>						
Point in time	34,693	26,332	2,907	3,299	37,600	29,631

4.3 A breakdown of sales

	Group		Increase/ (Decrease) %
	Financial Year Ended 31.12.2022 S\$'000	31.12.2021 S\$'000	
(a) Sales reported for first half year	18,980	15,042	26.2
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	1,099	172	539.0
(c) Sales reported for second half year	18,620	14,589	27.6
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	364	601	(39.4)

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 2022 and 31 December 2021:

	Group		Company	
	31 December 2022 S\$'000	31 December 2021 S\$'000	31 December 2022 S\$'000	31 December 2021 S\$'000
<u>Financial Assets</u>				
Trade and other receivables (#)	2,192	2,352	920	1,687
Cash and cash equivalents	13,067	10,811	7,858	5,008
Financial assets at amortised costs	15,259	13,163	8,778	6,695
<u>Financial Liabilities</u>				
Trade and other payables (*)	3,164	2,437	996	369
Lease liabilities	10,547	7,501	66	196
Financial liabilities at amortised costs	13,711	9,938	1,062	565

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/accrued unutilised annual leave

6. Profit before income tax

6.1 Significant items

	Group			Group		
	6 months ended 31 December		Increase / (Decrease) %	Financial year ended 31 December		Increase / (Decrease) %
2022	2021	2022		2021		
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss allowance on trade						
Receivables, net	56	12	N.M.	56	12	N.M.
Other receivables written off	1	13	(92.3)	1	13	(92.3)
Depreciation and amortisation expenses						
- intangible asset	85	12	608.3	113	26	334.6
- plant and equipment	199	413	(51.8)	566	890	(36.4)
- right-of-use assets	3,218	2,885	11.5	6,075	5,721	6.2
Impairment loss on plant and equipment	49	121	(59.5)	49	237	(79.3)
Impairment loss on right-of-use assets	586	288	103.5	586	288	103.5
Inventories written off	6	17	(64.7)	13	23	(43.5)
Foreign exchange loss/(gain), net	19	3	533.3	30	16	87.5
Government grant	(215)	(1,944)	(88.9)	(805)	(3,349)	(76.0)
Gain on disposal of plant and equipment	(222)	(3)	N.M.	(222)	(3)	N.M.
Lease expenses	795	697	14.1	1,121	1,089	2.9
Over provision of tax expense in respect of previous years	(359)	(85)	N.M.	(359)	(111)	N.M.
Plant and equipment written off	3	2	50.0	8	3	166.7

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 31 December		Increase / (Decrease) %	Financial year ended 31 December		Increase/ (Decrease) %
2022	2021	2022		2021		
	S\$'000	S\$'000		S\$'000	S\$'000	
Employee benefits paid to a close family member of a Director of the Company	-	92	(100.0)	-	173	(100.0)

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 31 December		12 months ended 31 December	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	(55)	(35)	(170)	(35)
Current withholding tax expense	(1)	(2)	(2)	(6)
Deferred income tax expense relating to origination and reversal of temporary differences	(92)	11	(92)	20
	<u>(148)</u>	<u>(26)</u>	<u>(264)</u>	<u>(21)</u>
Adjustment for over provision of tax in respect of prior years				
Current income tax				
– over provision in respect of prior years	35	34	35	60
Deferred tax				
– over provision in respect of prior years	324	51	324	51
	<u>359</u>	<u>85</u>	<u>359</u>	<u>111</u>
Income tax credit	<u>211</u>	<u>59</u>	<u>95</u>	<u>90</u>

8. Dividends

	Group	
	2022	2021
	S\$'000	S\$'000
Ordinary dividends paid:		
Final tax-exempt dividend paid of 0.20 (2021: 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	
	2022	2021	2022	2021
Net asset value per ordinary share (cents)	4.06	3.73	3.54	2.99

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 2022				
Cost	77	555	162	794
Accumulated amortisation	(52)	(416)	-	(468)
Net Carrying amounts	25	139	162	326
6 months ended 31 December 2022				
Opening net carrying amounts	25	139	162	326
Additions	-	139	13	152
Reclassification	-	162	(162)	-
Amortisation charge	(3)	(82)	-	(85)
Closing net carrying amounts	22	358	13	393
At 31 December 2022				
Cost	77	856	13	946
Accumulated amortisation	(55)	(498)	-	(553)
Net Carrying amounts	22	358	13	393
Company				
	Trademarks S\$'000	Computer software licenses S\$'000	Computer software under development S\$'000	Total S\$'000
At 30 June 2022				
Cost	77	402	162	641
Accumulated amortisation	(52)	(263)	-	(315)
Net Carrying amounts	25	139	162	326
6 months ended 31 December 2022				
Opening net carrying amounts	25	139	162	326
Additions	-	139	13	152
Reclassification	-	162	(162)	-
Amortisation charge	(3)	(82)	-	(85)
Closing net carrying amounts	22	358	13	393
At 31 December 2022				
Cost	77	703	13	793
Accumulated amortisation	(55)	(345)	-	(400)
Net Carrying amounts	22	358	13	393

11. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to \$119,000 (31 December 2021: \$96,000) and disposed of assets amounting to \$60,600 (31 December 2021: \$Nil)

12. Share capital

	The Group and the Company			
	31 December 2022		31 December 2021	
	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 2022 and 31 December 2021 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 2022 and 31 December 2021.

(a) Treasury shares

The treasury shares held by the Company as at 31 December 2022 and 31 December 2021 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 2022 and 31 December 2021.

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 Holdings Limited and its subsidiaries as at 31 December 2022 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 2022 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 2022 ("FY2022") was \$37.6 million, an increase of \$8.0 million or 26.9% as compared to \$29.6 million for the financial year ended 31 December 2021 ("FY2021"). Revenue for the operation of restaurants segment saw an increase of \$8.4 million mainly attributable to an increase in revenue from existing outlets. Dining-in restrictions and additional safe-management measures affected the sales in FY2021. The increase was offset against a decrease in revenue of \$0.4 million from the food processing, distribution, and procurement services segment.

Other income decreased by \$2.7 million or 58.5% mainly related to lower payouts received as wage support for local employees under the Jobs Support Scheme of \$2.5 million as well as rental rebates received from Landlords of \$0.4 million. The decrease was offset by gain on disposal of plant and equipment of \$0.2 million.

Purchases and other consumables saw an improvement of 2.0 percentage point at 21.2% of revenue as compared to FY2021 due to the Group's efforts to tighten costs control through alternative sourcing of raw materials without any compromise on the quality of raw materials.

Employee benefits expense increased by \$2.1 million or 18.5% in FY2022 mainly due to an increase in staff bonuses and related staff costs such as payments for casual workers which is commensurate with higher business activities after the dining-in restrictions were lifted.

The increase in depreciation and amortisation expenses was mainly due to amortisation charge incurred for computer software related to digitalisation projects.

Other expenses increased by \$1.0 million or 12.7% in FY2022. The increase is mainly due to an increase in repair and maintenance of \$0.1 million and overall higher operating expenses such as utilities, contract workers, credit card charges and advertising costs of \$0.9 million, which is commensurate with higher business activities.

As a result, the profit before income tax improved by \$0.7 million or 100.3% in FY2022 as compared to FY2021. Earnings per share stood at 0.53 cents in FY2022.

(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 \$2.7 million from \$8.3 million, as at 31 December 2021 (“FY2021”), to \$11.0 million as at 31 December 2022 (“FY2022”), mainly due to additional right-of-use assets of \$9.7 million as a result of lease renewals, the acquisition of intangible assets of \$0.1 million and the recognition of deferred tax assets of \$0.2 million. The increase was offset against the depreciation and amortisation expenses of \$6.8 million and impairment loss of \$0.6 million on plant and equipment and right-of-use assets.

Current assets increased by \$2.0 million as compared to FY2021 mainly due to an increase in cash and cash equivalents of \$2.2 million offset by a decrease in trade and other receivables of \$0.2 million. The increase in cash and cash equivalents was attributable mainly to the net cash from operating activities of \$9.2 million, payment of final dividend of \$0.6 million and repayment of obligations under leases of \$6.0 million. The payments made for purchases of plant and equipment and intangible assets of \$0.3 million was offset against the proceeds from disposal of plant and equipment.

Total liabilities increased by \$3.8 million from \$12.1 million as at FY2021 to \$15.9 million as at FY2022 mainly due to net increase in lease liabilities of \$3.0 million as a result of the repayment of obligations under leases offset against increase in lease liabilities for lease renewal, an increase in trade and other payables of \$0.8 million, a decrease in provisions for costs of restoration of \$0.1 million and a decrease in the current income tax payable of \$0.1 million. Trade and other payables increased due to an increase in accrued staff bonus and deposits received in advance for Chinese New Year’s celebration.

Total equity amounted to \$11.3 million and net asset value per share stood at 4.06 cents as at FY2022.

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.

Food & Beverage (F&B) industry is in the midst of asymmetrical recovery.

The Group is optimistic about the outlook of the Food & Beverage businesses in Singapore while remaining cautious of the challenges that market poses. The Group is taking proactive steps to recover and expand the business, plans include progressing upstream to secure supplies, investment in central support to improve efficiency and development of possible new concepts with streamline operations. With these plans and new establishment, the group aims to diversify into retail market with products which aligns with our values and belief. The Group will strive to remain flexible and adaptable while accelerating transformative and digitalisation efforts to achieve better economy of scale and productivity.

The food processing and distribution business remains focused on its core strategies to widen its distribution networks for consumer goods and ready meals. The Group will continue its journey to venture into new realms including manufacturing and exporting of its bottled sauces overseas.

5. Dividend Information

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

Name of dividend	Special	Final
Dividend type	Cash	Cash
Dividend per ordinary share	0.20 cent per ordinary share	0.20 cent per ordinary share
Tax rate	Tax exempt (one-tier)	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 92.3% or \$34.7 million of the Group's revenue in FY2022. The increase in revenue of \$8.4 million was mainly related to an increase in revenue from existing outlets as the restaurants business has recovered well since the dining-in restrictions and measures were lifted in March 2022.

The Group's food processing and distribution business accounted for 7.7% or \$2.9 million of the Group's revenue in FY2022. The decrease in revenue of \$0.4 million was attributable to a decrease in the sales of the Samsui ginger sauces as compared to FY2021 due to shortage of ginger supply.

Others refer to investment holding companies.

Please refer to paragraph 2 for a detailed commentary of the Group's financial performance in FY2022.

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
27 February 2023