



Appreciation
Annual Report 2022

CORPORATE PROFILE

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

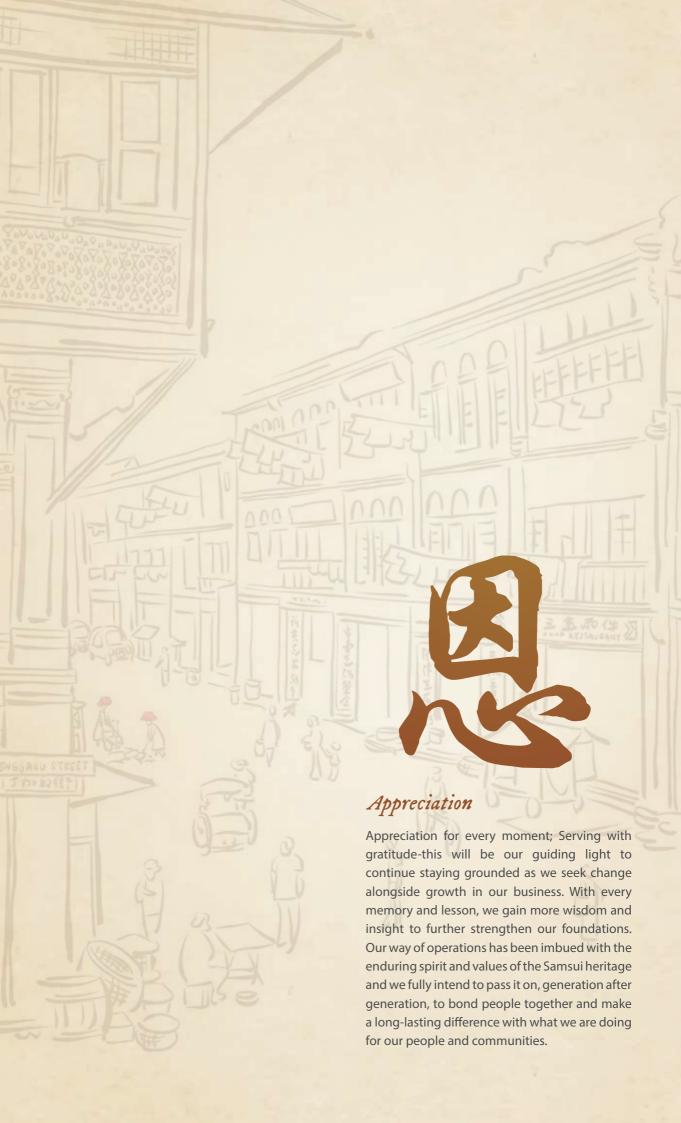
Today, the Company is listed on the Mainboard of the Singapore Exchange Limited and operates a portfolio of well-known food and beverage brands. The Group currently has 16 restaurant outlets in Singapore and Malaysia, as well as one franchised outlet in Indonesia.

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

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Proxy Form



CHAIRMAN'S MESSAGE







Dear Shareholders.

It is with pleasure that I present to you the Annual Report of Soup Holdings Limited for the financial year ended 31 December 2022 ("FY 2022").

IMPROVED PERFORMANCE FOR FY2O22 - DESPITE CHALLENGING TIMES

When Singapore gradually opened its border and lifted the remaining COVID-19 restrictions in the first quarter of FY2022, the Group faced another crisis as major suppliers in Malaysia had halted all chicken exports due to disruption caused by a global feed shortage. Challenges continued when heavy rain hit Malaysia in the second half year of FY2022. Many ginger seedlings were damaged and affected the source of supply of our key ingredient, ginger. The effects of extreme weather and pandemic-related supply disruptions had left us reeling from the impact of the growing food shortages and we had to scramble to shore up domestic supplies and tame food inflation.

Climate-related crisis is one of the most urgent challenges of our time. It is imperative that climate-related risks be identified and clear plans and targets be developed to mitigate risks. We have set up our first Task Force to work on recommendations for our Climate-Related Financial Disclosures ("TCFD") and we are committed to working towards sustainable development.

Despite an extremely challenging environment for the past one year, our commitment to create a delightful, traditional, and healthy meal made with quality ingredients for the customers has not changed. I am pleased to report that the Group's revenue and profit improved amidst efforts by our management team to increase sales and continuously improving on the business process.

CHAIRMAN'S MESSAGE

TURNING CHALLENGES INTO OPPORTUNITIES

The food and beverage industry are facing a multitude of challenges that are impacting the way companies do business. Supply chain disruptions have become more common due to climate change and geopolitical instability. The crisis had led the Group diversifying its supply base abroad, not solely to rely on Malaysia even though it remains as the most costeffective source of supply. In addition, the Group has also continuously tested new processes in preparing and enhancing our quality of ingredients so that we are not limited to our regular source of supply.

To address the changing dining behaviour and the new norms in the industry, the Group has embarked on business process redesign and data automation in the areas of procurement, inventory and human resource management through transformation and digitalisation efforts to streamline processes for better economies of scale and improvement to productivity during the Covid-19 pandemic. With the improved technology and efficiency, the Group is working to expand business and product portfolios into new markets and increase profitability.

DIVIDENDS

To reward our shareholders for their loyalty and support throughout the difficult years, I am pleased to announce that the Board of Directors has proposed a special dividend of 0.20 cent per share, together with a final dividend of 0.20 cent per ordinary share for FY2022 (FY2021: 0.20 cent per ordinary share).

FUTURE OUTLOOK

After three years battling COVID-19, 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, both locally and internationally.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I wish to convey my heartfelt thanks to our shareholders for your unstinting support and confidence in the Group. I would also like to thank our customers, suppliers and business associates for your steadfast support.

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

Professor Cham Tao Soon Non-Executive Chairman 6 April 2023





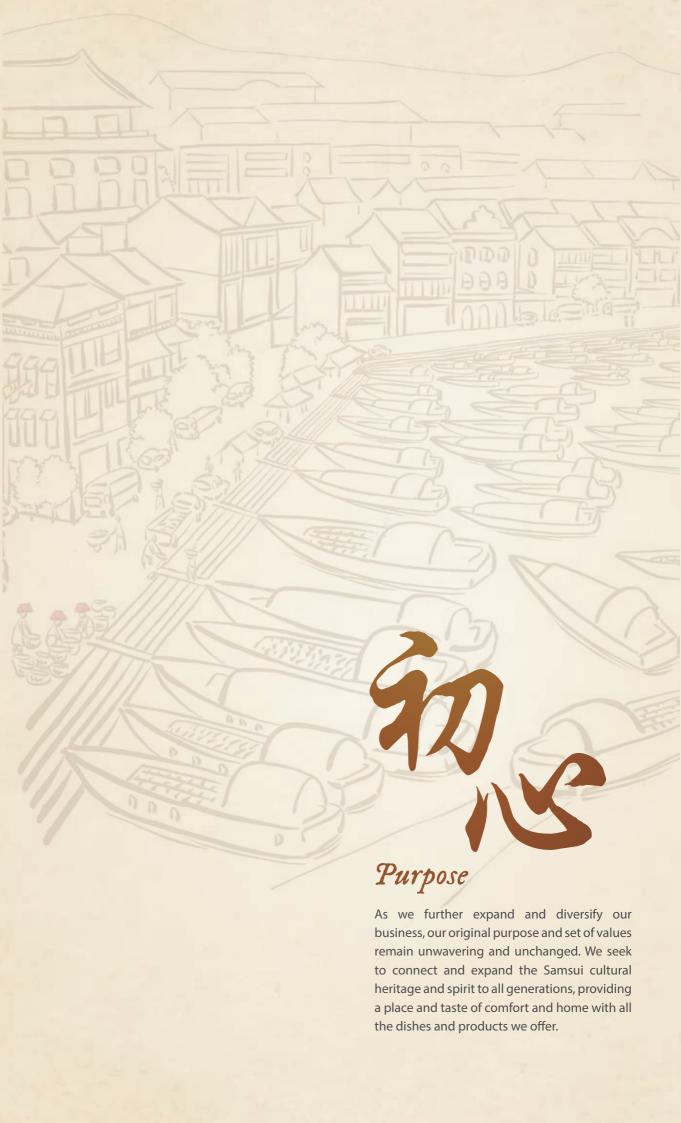




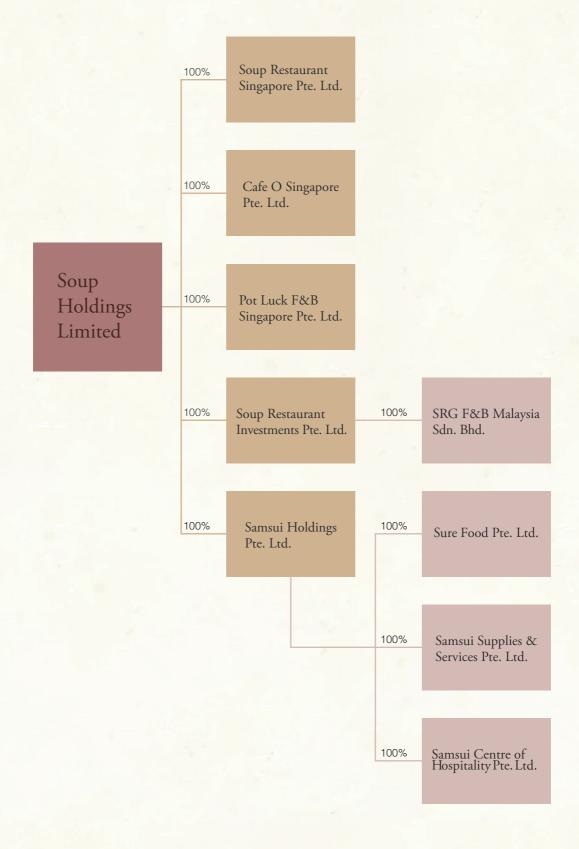








CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Professor Cham Tao Soon

Members

Wong Wei Teck Wong Chi Keong Then Khek Koon Chua Koh Ming Tan Choon Seng

AUDIT COMMITTEE

Chairman

Tan Choon Seng

Members

Professor Cham Tao Soon Chua Koh Ming

NOMINATING COMMITTEE

Chairman

Chua Koh Ming

Members

Professor Cham Tao Soon Tan Choon Seng Wong Wei Teck

REMUNERATION COMMITTEE

Chairman

Professor Cham Tao Soon

Members

Chua Koh Ming Tan Choon Seng

COMPANY SECRETARY

Chong In Bee

REGISTERED OFFICE

150 Kampong Ampat #04-01 KA Centre Singapore 368324 Tel: +65 6222 4668 Fax: +65 6222 4667

Email: email@souprestaurant.com.sq Website: www.souprestaurant.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue #14-03/07 **Keppel Bay Tower** Singapore 098632

AUDITORS

BDOIIP

Public Accountants and Chartered Accountants

600 North Bridge Road #23-01 Parkview Square Singapore 188778

Audit Partner-In-Charge

Leong Wenjie, Stephen (appointed in financial year 2021)



BOARD OF DIRECTORS

PROFESSOR CHAM TAO SOON

(Non-Executive Chairman and Independent Director)

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

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

WONG WEI TECK

(Managing Director)

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

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

WONG CHI KEONG

(Executive Director)

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

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

BOARD OF DIRECTORS

THEN KHEK KOON

(Executive Director)

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

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

CHUA KOH MING

(Independent Director)

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

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

TAN CHOON SENG

(Independent Director)

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

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



KEY MANAGEMENT

CHONG IN BEE

(Chief Financial Officer)

Ms Chong was appointed as Financial Controller on 3 July 2015 and was promoted to Chief Financial Officer on 1 March 2023. She is responsible for the financial reporting and compliance functions of the Group. She is also the Company Secretary for the Company and its subsidiaries in Singapore.

Ms Chong has more than 19 years of experience in the auditing and accounting profession. Prior to joining the Group, she worked as Finance Manager in a public-listed company and an auditor in public accounting firms.

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



OUR BRANDS

SOUP RESTAURANT

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



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

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

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

Soup Restaurant HERITAGE

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

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



"Soup Restaurant HERITAGE" elevates our customer's dining experience to a whole new level.

TEAHOUSE by Soup Restaurant

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

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



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

OUR BRANDS

CAFE O

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

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



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

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

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

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

POT LUCK

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



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

OUR FOOTPRINT

Singapore

SOUP RESTAURANT

Clementi Mall

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

Compass One

1 Sengkang Square #03-12 Compass One Singapore 545078

Holland Village

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

Hougang Mall

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

nex

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

Paragon

290 Orchard Road #B1-07 Paragon Singapore 238859

United Square

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

VivoCity

1 HarbourFront Walk #02-141 VivoCity Singapore 098585

Jewel

78 Airport Boulevard #03-201 Singapore 819666

Suntec City

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

TEAHOUSE BY SOUP RESTAURANT

Century Square

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

IMM Building

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

CAFE O

Holland Village

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

IMM Building

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

POT LUCK

IMM Building

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

Malaysia

SOUP RESTAURANT

1 Utama

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

Indonesia*

SOUP RESTAURANT

Plaza Indonesia

3rd Floor, Unit 29-31A Central Jakarta

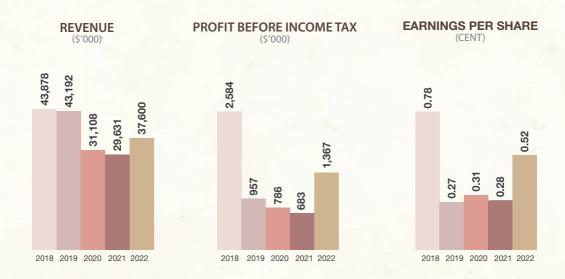
^{*} Franchised outlets

FINANCIAL HIGHLIGHTS

	FY2022	FY2021	FY2020	FY2019	FY2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and Profitability					
Revenue	37,600	29,631	31,108	43,192	43,878
Profit before income tax	1,367	683	786	957	2,584
Profit attributable to owners of the Company	1,462	773	867	761	2,190
Financial and Cash Flow Position					
Current assets	16,190	14,198	13,968	12,543	13,731
Current liabilities	10,371	9,315	10,413	11,852	5,702
Total assets	27,228	22,489	25,436	29,095	17,037
Total liabilities	15,893	12,072	15,236	19,200	5,972
Total equity	11,335	10,417	10,200	9,894	11,065
Cash and cash equivalents	13,067	10,811	10,100	8,288	10,039
Per Share (cents)		, The second			
Earnings per share (1)	0.52	0.28	0.31	0.27	0.78
Net asset value per share (2)	4.06	3.73	3.65	3.54	3.95

Remarks:

- (1) Based on weighted average number of ordinary shares for the financial year.
- (2) Based on total number of issued shares as at the end of the financial year (excluding treasury shares).



OPERATING AND FINANCIAL REVIEW

REVENUE AND PROFITABILITY

Revenue

The Group's revenue for the financial year ended 31 December 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"). The increase was attributable to an increase in revenue of \$8.4 million from the operation of restaurants segment, offset against a decrease in revenue of \$0.4 million from the food processing, distribution, and procurement services segment. The increase in the revenue for restaurant operations was attributable to easing of dining-in restrictions and additional safe-management measures gradually since FY2021.

Other Income

Other income decreased by \$2.7 million or 58.5% from \$4.6 million in FY2021 to \$1.9 million in FY2022 related to a decrease in government grants of \$2.5 million, a decrease in rent concession granted of \$0.4 million, offset by a gain on disposal of plant and equipment of \$0.2 million. Government grants decreased mainly due to lower payouts received as wage support for local employees under the Jobs Support Scheme of \$1.3 million and lower rental support scheme of \$1.0 million.

Purchases and other consumables

Purchases and other consumables saw an improvement of 2.0 percentage point at 21.3% of revenue as compared to FY2021 due to the Group's efforts to tighten costs control through alternative souring of raw materials without any compromise on the quality of raw materials.

Employee benefits expense

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.

Depreciation and amortisation expenses and impairment loss

The increase in depreciation and amortisation expenses of \$0.1 million was mainly due to amortisation charge incurred for computer software related to digitalisation projects. The impairment loss of plant and equipment and right-of-use assets totaling \$0.6 million, which are non-cash in nature, were related to the three underperforming restaurant outlets most impacted by COVID-19.

Other expenses

Other expenses increased by \$1.0 million or 12.8% 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.

OPERATING AND FINANCIAL REVIEW

Results For The Year

In line with the above, the Group's profit before income tax improved by \$0.7 million or 100.1% in FY2022 as compared to FY2021. Earnings per share based on weighted average number of ordinary shares stood at 0.52 cent in FY2022.

FINANCIAL POSITION REVIEW

Assets

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.

Liabilities

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 an increase 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

Total equity increased by \$0.9 million from \$10.4 million, as at FY2021, to \$11.3 million in FY2022, attributable mainly to the payment of the final dividend of \$0.6 million offset by the profit reported during the financial year. The Group's net asset value per share stood at 4.06 cents as at FY2022.















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BOARD STATEMENT

The Board of Directors of the Company ("the Board") is pleased to present the sixth Sustainability Report for the financial year ended 31 December 2022 ("FY2022"). The Group's initiatives undertaken in the past year have a common focus on the health, safety and well-being of both our customers and our employees, fulfilling our Group's Vision of "百年三盅-百年精神,造福人群".

The climate crisis is one of the most urgent societal issues of our time. A rise in global mean temperature could impact our ability to source ingredients and distribute quality products to our customers. It is imperative that we identify climate-related risks and develop clear plans and targets for mitigating the risks. With reference to the recommendations of our Task Force on Climate-Related Financial Disclosures ("TCFD"), we herein present our approach to climaterelated governance, strategy, risk management, operation procedures and targets.

Our direct engagement with stakeholders enabled the Group to identify and disclose our Environmental, Social and Governance ("ESG") practices and performances in order to stay relevant to our stakeholders. We need to demonstrate a strong will to act on our long-term and continuing commitment for better future performance and positive impacts while progressing towards achieving our Group's vision.

The Group is committed to working towards sustainable development and to establishing, promoting, and maintaining a culture in sustainability, environmental and social responsibility within its staff and members. The senior management and management staff across our businesses and operations will foster governance and leadership in sustainability and will work collaboratively to follow and promote good sustainability practice, to reduce the environmental impacts of all our activities and to work with our clients and partners to do the same.

REPORTING PERIOD AND COVERAGE

The Report describes the sustainability performance of the Group for the financial year ended 31 December 2022 ("FY2022").

The Report covers our business activities in Singapore which contributed approximately 98% (FY2021: 99%) for the reporting period by considering the significance of ESG factors.

REPORTING FRAMEWORK

The Report is prepared in accordance with the internationally accepted Global Reporting Initiative (GRI) Standards and published pursuant to 711(A) and 711(B) Singapore Exchange ("SGX-ST") Listing Rules. In addition, we have disclosed our first TCFD Report to understand and manage climate risks and opportunities.

The internal Audit function has performed independent reviews of the design of sustainability policies, compliance with policies, related reporting process and quality of data being produced and reported in this report. We do not plan to seek external assurance for our Sustainability Report. Instead, we provide assurance over the Sustainability Report through more effective back-to-back assurance with our businesses and operations as well as internal review by the Internal Audit functions.

FEEDBACK

We welcome feedback from all stakeholders on this Report to improve our sustainability practices. You may send your comments or feedback to our investor relations email account at email@souprestaurant.com.sq

STAKEHOLDERS ENGAGEMENT

An important step for the success of our sustainability practices is to identify the stakeholders. Regular engagement with the stakeholders has enabled us to better understand the material issues that affect them and helps us direct our focus on creating the desired sustainable

We have identified the key stakeholders who affect and/or could be affected by our organisation's activities, products or services and we engage them in a variety of formal and informal ways through the following channels:

S/N	Key Stakeholder	Engagement Channel	Frequency of Engagement
1	Customers	We encourage customers to provide their feedback, primarily through emails to our sales and services team and social media platforms such as Facebook. All the feedback is circulated to the Management team, including the Executive Directors. Customer satisfaction is important to us and the feedback collected enables our Group to improve our services, operations and business.	Daily
2	Employees	Executive Directors and senior management personnel visit our restaurants and central kitchens regularly to discuss the work schedule, progress and to understand first-hand the working conditions of our employees. During these sessions, Management is able to communicate with employees directly and share the business goals and values of the Group. Employees are encouraged to express their views and provide insights and information. Direct communication with our staff aligns the employees with our organisation's goals and values, and they are motivated to contribute to organisational success, with an enhanced sense of their own well-being. Other channels used include emails, regular meetings and annual staff evaluation sessions.	Throughout the year
3	Community	We work closely with various charity organisations and voluntary welfare homes to provide nutritious meals to their beneficiaries. We leverage on our core competency in the food and beverage ("F&B") sector to do good for the community. We also facilitate employment for the under-served segments in our community, such as ex-convicts and persons with disabilities. We strive to create an ecosystem for doing good as we believe this promotes sustainable positive vibes in the community.	Throughout the year
4	Regulators	We regularly attend training sessions and seminars organised by regulators, auditors and consultants to raise awareness of changes in laws and regulations that impact our business and to ensure compliance with them.	Throughout the year
5	Shareholders	We announce half-yearly and full-year results and any material and price-sensitive information to the public via SGXNET on a timely basis. Shareholders are encouraged to participate at annual general meetings and communicate their views on various matters affecting the Company.	the year
6	Suppliers	We maintain a good relationship with our suppliers and work closely with them. Suppliers are assessed and evaluated in terms of pricing, quality, delivery reliability and service performance. Feedback on any quality issues arising is communicated to suppliers immediately to ensure transparency. This is also to ensure the quality of products or services delivered to our Group.	

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors has the ultimate responsibility for the Group's sustainability strategy and maintains oversight of the Group's sustainability direction. To promote sustainability management, the Sustainability Steering Committee ("SSC") acts as an advisory committee to the Board of Directors. The Group's sustainability strategies and the progress on priority themes are discussed in the SSC under the lead of the Managing Director. The progress of environmental and social activities as well as business risks and opportunities are reported to the Board of Directors on half yearly basis.

THE **BOARD:**

oversees and manages the direction, approach performance sustainability of the Group, supported by the SSC which comprises of senior management executives led by the Managing Director.

SUSTAINABILITY STEERING COMMITTEE ("SSC"):

develops the sustainability strategy, set goals and targets, conduct materiality assessment and identify the high impact sustainability areas towards which we drive our efforts.

SUSTAINABILITY TASK FORCE ("STF"):

manages execution of sustainability policies, initiatives and programs.

SUSTAINABILITY REPORTING PROCESSES

The sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end result of this process is a list of material factors disclosed in the Report. The chart below shows the processes involved.



1. IDENTIFICATION:

Identify material factors that are relevant to our Group's activities.



2. PRIORITISATION:

prioritise material factors and identify material sustainability factors to be reported.



3. VALIDATION:

Verify the information and data collected on material sustainability factors identified to finalise the content of the Report.



4. REVIEW:

Monitor and update material factors from previous reporting periods, taking into account the feedback received from all stakeholders as well as changes in business operations.

MATERIALITY ASSESSMENT

Under our Group's Policy, each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting Priority	Description	Criteria
I	High	Factors with high reporting priority are reported in detail.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
III	Low	Factors with low reporting priority may be reported to fulfill regulatory or other reporting requirements. They are not included in this Report if not material.

MATERIAL FACTORS

The material factors selected for sustainability reporting are listed below.

	Material Factor	Reporting Priority	Stakeholder
Social	Product Quality and Safety	I	Customers
	Diversity and Equal Opportunity	I	Employees
	Employee and Talent Retention	I	Employees
	Occupational Health and Safety	I	Employees
	Giving Back to Community	II	Community
Environmental	Energy and Water Conservation	II	Community
	GHG Emission	II	Community
Economic	Sustainable Business Performance	ſ	Shareholders
Governance	Corporate Compliance	I	All Stakeholders and Regulators



I. PRODUCT QUALITY AND SAFETY

Our Group's principal activities are in the operations of restaurant outlets and central kitchen food processing facilities. There is absolutely no room for any compromise in food safety. The health and safety of our customers is our top priority, and we are committed to produce and serve safe and clean quality food with high standards of food safety best practices that conform to all regulatory requirements.

For our customers, we strive to serve healthy and nutritious food reminiscent of home-style cooking of the Samsui Women of yesteryear. Most of our dishes originate from family recipes and are distinctive and traditional. We aim to offer our customers delectable cuisines that are prepared in home-cooked style. As we pride ourselves on serving homemade goodness in every dish, our chef-designed menus focused on less salt and less oil to ensure that the meals we serve from both our restaurants and central kitchens are healthy, and nutritious.

Our centralised procurement team sources from responsible suppliers. They select, monitor and assess suppliers according to the Group's SOPs, which include carrying out interviews, periodic performance reviews, sample tests and visits to suppliers' storage locations. Suppliers are assessed and evaluated in terms of pricing, quality, delivery reliability and service performance. Feedback on any quality issues arising is communicated to suppliers immediately to ensure transparency. This is also to ensure the product quality or services delivered to our customers and end-users.

In terms of operations, the Group established a set of Standard Operating Procedures ("SOPs") to govern and monitor the day-to-day food preparation and food-handling processes. From time to time, we conduct a review of the SOPs to update and improve our practices.

To uphold our high standards of product quality and safety, the following policies are in place:

- 1. In-house audit team conducts regular Branch Quality Checks to ensure strict compliance with our SOPs.
- 2. Central kitchens implement a manual for the Hazard Analysis Critical Control Point ("HACCP"), a globally recognized system used to identify, reduce and eliminate potential food safety hazards.
- 3. A third party laboratory service is engaged to perform periodic testing of food products to ensure food safety and quality.
- 4. All staff handling food at the outlets and central kitchens must attend courses on food and beverage safety and hygiene.
- 5. All food will be stored and processed under safe conditions and within the specified range of temperature according to statutory requirements and recommended approved guidance.
- 6. All employees must maintain personal cleanliness and wear the correct protective clothing supplied at all times during their hours of work.

I. PRODUCT QUALITY AND SAFETY (CONT'D)

As at 31 December 2022, we have 20 (2021: 23) certified food hygiene officers and will continue to train and promote more employees to qualify as food hygiene officers.

There were no major food safety incidents* in FY2022.

Notwithstanding our best efforts, there was 1 (2021:2) incidents of non-compliance with regulations resulting in a warning issued by the Singapore Food Agency ("SFA") in FY2022. We take it very seriously and brought it to the attention of our Executive Directors.

To address the incident and to prevent recurrence, we conduct meetings with the persons in charge of our outlets and central kitchens to understand the course of incidents and what corrective actions should be undertaken. In addition, we continuously reinforce our internal processes and practices to ensure compliance with the regulations.

Note: *A Major Food Safety Incident is defined as an incident whereby at least 5 unrelated customers (within the same period) are affected from consuming food items by the Group.

II. DIVERSITY AND EQUAL OPPORTUNITY

We recruit across different demographics and believe that a diverse team can boost problem-solving capabilities and lead to greater productivity with varied skills and working experiences. We work as a family and there are no differentiations regardless of age, gender, race, religion, nationality, disability or family status. Inclusive hiring has become a tenet of our Group's values and we have included it as a policy statement in our Employee Handbook.

Table 1: Total number of Employees

As at 31 December 2022	Full Time	Temporary ^(*)	Total
Male	137	5	142
Female	74	29	103
Total	211	34	245

As at 31 December 2021	Full Time	Temporary ^(*)	Total
Male	130	11	141
Female	73	28	101
Total	203	39	242

The total number of employees for prior years has been restated as we exclude non-quaranteed hours employees to allow for consistent comparison. There are no material variances noted in the total number of employees after the redefinition.

II. DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

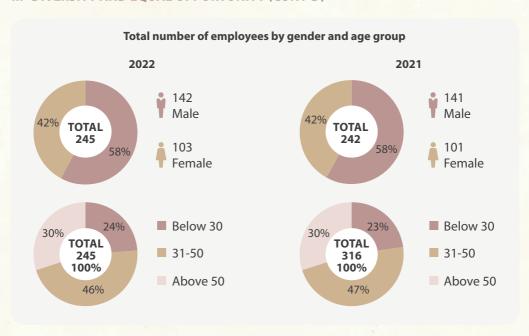


Table 2: New hires by gender and age group

2022	Age 30 & Below	Age 31 - 50	Age 51 & Above	Total	Age 30 & Below (%)	Age 31 – 50 (%)	Age 51 & Above (%)	Total (%)
Male	41	41	20	102	25	25	13	63
Female	17	31	13	61	10	19	8	37
Total	58	72	33	163	35	44	21	100

2022	Age 30 & Below	Age 31 - 50	Age 51 & Above	Total	Age 30 & Below (%)	Age 31 – 50 (%)	Age 51 & Above (%)	Total (%)
Male	27	28	11	66	22	22	9	53
Female	38	15	6	59	30	12	5	47
Total	65	43	17	125	52	34	14	100

II. DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

Table 3: Employee turnover by gender, age group and total turnover

2022	Age 30 & Below	Age 31 - 50	Age 51 & Above	Total	Age 30 & Below (%)	Age 31 – 50 (%)	Age 51 & Above (%)	Total (%)
Male	37	43	21	101	23	27	13	63
Female	18	29	12	59	11	18	8	37
Total	55	72	33	160	34	45	21	100

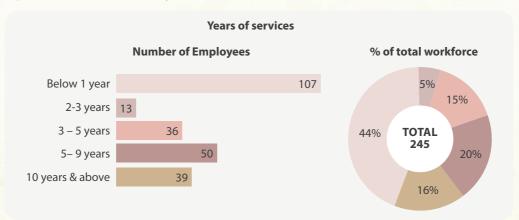
2022	Age 30 & Below	Age 31 - 50	Age 51 & Above	Total	Age 30 & Below (%)	Age 31 – 50 (%)	Age 51 & Above (%)	Total (%)
Male	30	37	11	78	22	28	8	58
Female	33	15	9	57	24	11	7	42
Total	63	52	20	135	46	39	15	100

Our Group has 1 (2021: 3) ex-convicts and 7 (2021: 18) employees with disabilities. In addition to some employees are from underprivileged backgrounds, working in varied positions within the Group. As part of our commitment, we will continue to design and create job opportunities for the underprivileged wherever possible.

III. EMPLOYEE AND TALENT RETENTION

We recognise that employees are valuable assets to a company, especially in the F&B sector, which is labor-intensive. A low turnover and stable workforce enable us to develop more skilled employees, reduce recruitment and training costs while maintaining a high standard of quality service, which is critical for the success of our organisation.

Despite the challenges posed by the during and post pandemic, there were no retrenchments or significant fluctuations in the number of employees in 2022. The F&B Industry is notorious for immensely high turnovers. As at 31 December 2022, approximately 51% of our employees have more than 3 years of service with the Group, same as per reported in the last financial year.



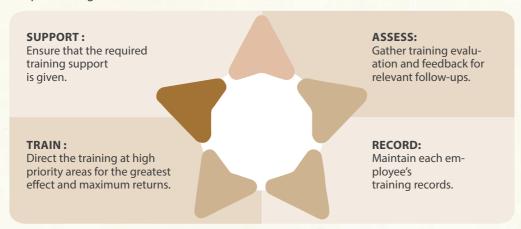
III. EMPLOYEE AND TALENT RETENTION (CONT'D)

Learning and Development

Learning is one of the four core values that our Group wanted to embed not only in the workplace but also encourage employees to embed it in their daily lives.

Our Group has an in-house Training Department, which was set up in FY2015, and is accredited as an Approved Training Organization ("ATO") by Workforce Singapore Agency ("WSG"). In FY2022, the Company has awarded an additional 59 (2021: 27) Statement of Attainment certificates to our staff, which is recognised nationwide.

Training Department conducts regular in-house training for our employees by harnessing a unique training framework STAR as follows:



The average training hours per employee per year is approximately 10 (2021: 20) hours, represent 50% decrease in average training hours. Last year, the Group focused on the leaderships training, a great way to identify new leaders and to enable employees at all levels to improve their capabilities. This year, training department has spent substantial time to train on the digitalisation projects across the Group, which its training hours are not tracked and included in the number of hours as the implementation of digitalisation projects were embedded into daily operation. In the next financial year, all the training hours will be recorded under new Human Resource Management System.

Table 4: Average Hours of Training per employee by Gender

	2022	2021
Male	8	14
Female	13	29

The Group also continued offering both traineeships and internships to students from the Institute of Technical Education ("ITE"), which we had offered since 2018. As at 31 December 2022, 14 (2021: 15) students have completed their traineeships and internships.

The Company will continues to assess the training needs of all employees across the organization and will design the training programme internally or engage external trainers where necessary.

III. EMPLOYEE AND TALENT RETENTION (CONT'D)

Outstanding Service Awards

The Group is extremely honoured to have the top Excellent Service Award - the coveted Star award - awarded to our Senior Restaurant Manager, Mr. Henry Teo Ah Herr. The Excellent Service Award (EXSA) is a national award that recognises individuals who delivered quality service. We are pleased that our investment human capital was recognised.



IV. OCCUPATIONAL HEALTH AND SAFETY

We are committed to creating a safe and healthy workplace environment for our employees, including reconceptualising the workplace and rendering full support to employees who are diagnosed with illness and facing difficulties.

Regardless of the circumstances, the following steps were implemented at all time for the Group's workplace health and safety:

- 1. Inculcate an "everybody plays a part to create a safe and healthy working environment" mind-set to all staff through orientation programmes and training sessions. Staff are also given a workplace safety and health handbook for easy reference.
- 2. Create awareness of workplace safety issues by sharing workplace accident cases through regular newsletters and team-sharing sessions.
- 3. All outlets are provided with a Risk Management File with risk assessment questionnaires on respective critical areas.
- 4. Enhance safety measures by installing the following in all our kitchens:
 - i) Automatic Trip System to ensure electrical system shut-down once there is a gas leak.
 - ii) Gas Leak Detector to shut down the gas inflow once a leak is detected.
 - iii) Exhaust Control System to shut down the gas inflow if the exhaust system malfunctions.

In FY2022, there were no workplace injuries resulting in a fatality or permanent disability. The number of recordable work-related injuries during reporting period was 13 cases, decreased by 41% as compared to 22 cases reported in FY2021. During the financial year, the Group obtained bizSAFE Level 2 issued by The Workplace Safety and Health Council.

V. GIVING BACK TO COMMUNITY

The Group's mission is to enable multi-pronged impact for the community through our core competency in the F&B sector.

Champion of Good

A cornerstone of our Group's values is to look after the people we come into contact with. We adhere to this value by serving simple healthy and nutritious meals, but without compromising on taste, to beneficiaries of the nursing homes and voluntary welfare organisations ("VWOs") that we cater to. These chef-designed meals adhere to the Health Promotion Board's guidelines and cater to a variety of diets such as diabetic, low-salt, easy-chew, blended and vegetarian. In this way, the Group strives to build a sustainable and inclusive ecosystem to do good. Our subsidiary, Samsui Supplies & Services Pte Ltd ("\$\$\$") took on the arduous task of catering up to 6,000 meals per day to VWOs and school, tapping on resources such as central kitchens.

Once again, SSS was named a Champion of Good for 2022 by the National Volunteer & Philanthropy Centre (NVPC) for the third time since its launch in 2017. Champions of Good was launched in 2017 as a national recognition initiative under the Company of Good. It recognises organisations that are exemplary in doing good and have also been a multiplier by engaging their partners and stakeholders on a collaborative journey.



Care for the less fortunate

The Group has established long time partnership with Alzheimer's Disease Association since 2017. In FY2022, we hosted 7 Memories Café sessions at various outlets for between 15-20 beneficiaries each time and the Group's staff volunteer to host and participate in these sessions. The sessions provide persons with dementia and their caregivers a safe and warm environment, away from their long-term care setting, for social interaction, engagement activities, such as sing-a-longs and dancing, and topped off by a sumptuous lunch.





ENVIRONMENTAL

The Group understands the urgent importance of identifying, monitoring, and mitigating climate-related risks to our business. Climate change can impact our future financial performance and affect the business continuity. We are committed through our ESG strategy to mitigate the risks. We have identified the key risks and group into two categories:

- Physical Risks associated with physical impacts from climate change that could affect our ingredient sourcing, production facilities and operational business continuity.
- Transition Risks related to the transition to a lower-carbon economy.

Table – Identified Climate-Related Risks And Opportunities

Descriptions		Strategy	Risk Management and Opportunity		
Phy	sical Risks				
a)	A rise in global average temperature increases would result in even more frequent and intense weather events. A major business interruption caused by natural disasters could threaten our capacity to continue operations or significantly impact profitability.	Our strategy is to manage the negative impacts on key natural resources inputs for food production and supply. Our goal is to integrate climate change risks into our business plans. This includes specifically identifying and planning for risks from long-term weather and climate changes at our plant and across our value chain.	Climate-related opportunities relate to efforts to mitigate and adapt to climate change, such as resource efficiencies and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.		
b)	Our main ingredients are nature produce, vegetables and livestock. The extreme weather makes it difficult to predict the stability of supply and reinforce the need for a more diverse supply chain. Failure to accurately predict and plan production, source, and purchase of raw material could result in delays or failures in delivery of quality products to our customers. The disruptions of supply could create volatility in ingredients costs, lead to lower margins and affecting the Company's growth plan due to shortage in supply of main ingredients.	Our goal is to ensure that our main suppliers have a robust understanding of the ESG risks and opportunities facing their own business so that we can minimise our own risks in planning and collaborate during crisis period. We will look to collaborate with additional third-party responsible sourcing suppliers as part of our risk mitigation strategy. By doing this, the Group will not rely on any one supplier providing a safety net if a supplier runs into difficulties, more flexibility to cope with unexpected events that could jeopardise capacity.	The related supply chain disruptions have compelled companies to rethink our supply chains. New opportunities emerged when the Group has to reach out to find new sources of supply, not only limited to Singapore and Malaysia. It has created new business opportunities and new ways of doing business which allows the Group to penetrate to new oversea markets by not dependent on limited sources of supply.		

Descriptions	Strategy	Risk Management and Opportunity		
Transition Risks				
a) Consumers' awareness on the climate change issues have increased over the years and customers have made changes to their consumer behaviour towards sustainable food consumption which means the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations. Failure to effectively identify the customers' trends and develop products that would meet customers' requirements to address customers' behaviour change could result In reduced demand for our products, resulting in decrease in sales and profitability and affect the business continuity.	We promote responsible souring, which will create supply chain diversity and focus on the ESG issues that matter to our customers and other stakeholders. We increase product offerings with more sustainably sourced food ingredients that will reduce our market risk from changing consumers' demand. The efforts are not limited to food ingredients but also materials used in the value chain, for e.g. packing materials.	New markets and products will emerge as part of the transition process to lower carbon economy. The Group will be able to expand business and product portfolios into new markets and increase profitability.		
b) Regular change on rules and regulations increases operating and compliance costs. Failures to act on the change exposes our business to reputation risk. This may affect investor confidence and impair our ability to efficiently raise capital for future business opportunities or sustain share value.	The Group understand the importance of consistently reporting on our progress, successes, and learnings throughout our ESG and climate change management journey, which includes progress towards these goals. Our team will attend trainings that provide us with regulatory updates and work with related associations to understand the industry practices. This helps us to anticipate and plan for significant policy changes in the markets we operate in.	Investors and stakeholders understand more of our business models. The Group places greater emphasis on developing a resilient business model.		

VI. ENERGY AND WATER CONSERVATION

It is everyone's responsibility to commit to the responsible usage of energy and water in our Group.

As part of our efforts, we have been adopting the following conservation initiatives:

- $\sqrt{\text{Maximise}}$ the use of lighting control circuits to offer flexibility in lighting the premises at specific areas for more efficient energy use
- √ Replace T5 lighting with LED lighting gradually
- $\sqrt{\text{Introduce water efficiency labelling for basins, taps and sinks}}$
- $\sqrt{\text{Track}}$ and monitor energy and water consumption regularly to control usage
- $\sqrt{}$ Introduce green technologies such as UVC emitters and electronic air filtration devices.

Level of consumption for energy and water:

100	Resource	Unit of Measurement	Purposes	Consumption Rate (Consumption/ Revenue)		Total Consumption	
				FY2022 Unit/S\$	FY2021 Unit/S\$	FY2022	FY2021
	Electricity	kWh	 Used for refrigerator, lighting, coldroom, chiller and office work 	0.062	0.078	2,423,633	2,479,686
	Liquefied petroleum gas ("LPG")	kWh	Operating cooking equipment	0.120	0.123	4,684,814	3,999,245
	Water		 Food preparations such as thawing of frozen meat Food ingredients such as soup base Cleaning and Dishwashing 	0.0014	0.0016	56,122	50,383

The consumption intensity data for prior years has been restated due to the redefinition of net revenue to include the total revenue which in line with total consumption to allow for consistent comparison.

VII. GHG EMISSION

We have started developing and reporting Scope 1 and Scope 2 GHG emissions in FY2022 to measure our baseline emissions. Data up to FY2021 was collected for estimating our baseline emissions for future target setting purposes.

Year	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Total GHG Emissions (tCO₂e)	GHG Emissions Intensity (tCO₂e/Revenue \$'000)
2022	994.73	443.91	1,438.64	0.037
2021	849.16	454.18	1,303.34	0.041

Scope 1 – direct emissions from sources owned or controlled by a company, consists of cooking gas. Scope 2 – indirect emissions from purchased electricity used for entire operations.

Food Wastage and Paper Consumption

The Group embarked on business process redesign and data automation in the areas of procurement, inventories and human resource management and has completed the projects in FY2022. The digitalisation efforts enable us to track and manage the food wastage and reduce the consumption of paper significantly. This is in line with Singapore commitment to Green Plan 2030 to advance Singapore's national agenda on sustainable development as the studies have shown that paper accounts for large percentage of total waste at landfills. Further analysis and quantitative figures are in progress.



VIII. SUSTAINABLE BUSINESS PERFORMANCE

The Group is committed to keeping our vision alive moving towards our 100th year and beyond as a Singapore iconic brand. Despite facing many challenges, the Group has managed to remain profitable for FY2022. The Group's revenue increased by 26.9% to \$37.6 million (2021: \$29.6 million) and our profit before income tax increased by 100.1% to \$1.4 million (2021: \$0.7 million).

The Board of Directors of the Company is recommending a special and final dividend payout to our shareholders. The Group has consistently declared dividends comprising at least 70% of the profits attributable to owners of the Company.

Please refer to the Financial Statements of the Annual Report 2022 for the details of our economic performance.

Revenue	\$37.6 million
Profit before income tax	\$1.4 million
Net cash from operating activities	\$9.3 million





IX. CORPORATE COMPLIANCE

We are committed to high standards of corporate governance and adhere to the applicable laws and regulations. Our objectives are not merely to be a profitable organisation, but we view maintaining public trust and balancing the interests of our stakeholders as our utmost priority.

The Board and Management believe that good corporate governance provides the framework for attaining our Group's objectives in a structured and robust manner. We use the framework in practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. Our corporate governance practices are set out in detail in the Corporate Governance Report of our Annual Report 2022.

Anti-corruption disclosures

Soup Holdings Limited Group's Code of Conduct and the core values of: Integrity, Diligence, Learning and Creativity for conducting our business with honesty, integrity and high ethical standards. The Company does not have a Risk Management Committee as the Board collectively oversees the risk management of the Group. In addition, the management regularly reviews the Group's business and operational effectives to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

Internally, the Company has in place a whistle-blowing policy in which staff of the company may raise concerns about possible improprieties in matters of financial matters or other matters including corruptions or dishonest acts, and the procedures for raising such concerns have been communicated to the staff of the Company. The Audit Committee meets with the internal auditor and external auditor to review the adequacy of audit arrangements, with emphasis on the scope of audit, and to discuss the observations of the auditor on the processes and procedures of the Group. Externally, the Company has in place a no-gift policy and anti-corruptions policy, and the policies have been communicated to business partners and included as part of the Authorised Vendor Terms & Conditions. Internally, the policies are included as part of the Employee Handbook and communicate to all new employees during orientation program.

In FY2022, there were no incidents related to non-compliance with any law or regulation.

OUR COMMITMENTS & TARGETS

Our Group is committed towards better practices for environmental, social and governance factors. The Group keeps track of our performance for the material factors which were identified in the reporting process and has set qualitative and quantitative targets for FY2022 as shown in the table below.

S/N	Material factors	Performance measure	2022 Performance	Commitments & Targets
1.	Product Quality and Safety	Incidents of non-compliance	Target partially met as follows: Zero food safety incidents in FY2022 and FY2021. One (2021: two) incidents of non-compliance with regulations resulting in a d warning issued by SFA.	Comply with food safety and hygiene related regulations and maintain best practices in operations. - maintain zero food safety incidents. - achieve zero incidents of non-compliance with regulations resulting in fines and warnings issued by SFA.
2.	Diversity and Equal Opportunity	Diversity of gender and age	Target met as follows: Percentage of female to total employees maintened at 42%. Good spread of employees with at least 20% from different age groups.	Adhere to the principles of Fair Employment Practices. Move towards a more balanced gender and age ratio.
3.	Employee and Talent Retention	Years of service	Target met as follows: 51% (2021: 51%) of employees have more than 3 years of service with the Group.	Employee retention maintain at least 50% of employees have more than 3 years of service with the Group.
4.	Occupational Health and Safety	Workplace injury incidents	Target met as follows: Zero workplace injuries resulting in a fatality or permanent disability. New target: 13 (2021: 22) cases of recordable work-related injuries during the financial year across our 15 outlets in Singapore	Maintain zero workplace injury incidents resulting in a fatality or permanent disability. Maintain low rate of recordable work-related injuries – less than one case of recordable work-related injuries per outlet.

OUR COMMITMENTS & TARGETS (CONT'D)

S/N	Material factors	Performance measure	2022 Performance	Commitments & Targets
5.	Giving back to community	Community projects	Target partially met as follows:- SCH has no new training program in FY2022 (2021: 2 training programs). The Group has 1 (FY2021: 2) ex-convict and 7 (FY2020: 18) employees with disabilities. SSS received Champion of Good 2022 as a recognition for doing good by engaging their partners and stakeholders	Increase number of training programs at SCH. Increase number of employees from vulnerable groups. Increase number of prolong community projects.
б.	Energy and Water conservation	Energy and Water consumption	on a collaborative journey. Target met as follows: Overall lower in the energy and water consumption.	Committed to responsible usage of energy and water: - Reduce level of consumption for energy and water.
7.	GHG Emission	GHG Emission	Data was collected for esimating our baseline emissions for future target setting purposes.	Reduce GHG emissions intensity.
8.	Sustainable Business Performance	Revenue, profit before income tax and operating cash flow	Target met as follows: Revenue - \$37.6 million (FY2021: \$29.6 million). Profit before income tax - \$1.4 million (FY2021: \$0.7 million). Final dividend of 0.20 (2021: 0.20) cent per ordinary share.	Continuously improve the Group's financial performance.
9.	Corporate Compliance	Non-compliance incidents	Target met as follows: Zero incidents related to non-compliance with any law or regulation and zero corruption cases.	Maintain zero incidents of non-compliance with laws and regulations and zero corruption case.

GRI CONTENT INDEX

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2-3	Reporting period, frequency and contact points	Sustainability Governance Structure Feedback	23 21
2-4	Restatements of information	Not Applicable	
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2-6	Activities, value chain and other business relationships	Corporate Structure Notes to the Financial Statements > Investments in subsidiaries	6 101
2-7	Employees	Diversity and Equal Opportunity Employee and Talent Retention Occupational Health and Safety	26-28 28-30 30
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GRI 413: L	ocal Community 2016		
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diversity	New hires and turnover by age groups	9	27-28
Employment	Total Turnover		28
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Trainings	Average training hours per employee by gender		29
Occupational Health & Safety	Fatalities	Occupational Health and Safety	30
	High-consequences injuries	Not applicable	
	Recordable injuries	Employee Health and Safety	30
	Recordable work-related ill health cases	Not applicable	
C. Governance			
Board Composition	Board Independence	Corporate Governance Report	47-48
	Woman on the Board	None	
Management Diversity	Women in the management team	2 of 4 Departments are led by female	-
Ethical Behavaiour	Anti-corruption disclosures	Corporate Compliance	36
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TCFD CONTENT INDEX

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a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Environmental	32-35
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The Board of Directors (the "Board") of Soup Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is firmly committed to maintaining a high standard of corporate governance to safeguard the interests of all its stakeholders and to ensure greater transparency.

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

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

For the financial year ended 31 December 2022 ("**FY2022**"), the Group has adhered to the principles as set out in the CCG 2018. In so far as any provisions have not been complied with, the reasons have been provided.

(A) BOARD MATTERS

The Board's Conduct of Affairs

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

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

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

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

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

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

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

Newly appointed Directors will be briefed by the Board to ensure that they are familiar with the Group's business and corporate governance practices. The Nominating Committee will ensure that any newly appointed Director, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. No new Director was appointed in FY2022.

Directors are free to request sponsorship from the Company to attend courses to update their knowledge in the rapidly changing business and regulatory environment and to better equip themselves to discharge their duties as Directors. During FY2022, the Directors were provided with regular updates from time to time by professional advisers, auditors and the management on new laws, regulations, listing requirements, governance practices, changes in accounting standards and business issues relevant to the performance of their duties and responsibilities as Directors.

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

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

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

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

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

The attendance of the Directors at Board and Board Committee meetings as well as general meetings, and the frequency of such meetings held during FY2022 are disclosed below:

Conoral

		Audit	Nominating Remuneration		General Meeting	
	Board	Committee	_	Committee	Annual	Extraordinary
_			Number of	Meetings Held		
	4	4	1	1	1	1
Name of Director Number of Meetings			eetings Attende	d		
Professor Cham						
Tao Soon	4	4	1	1	1	1
Wong Wei Teck	4	4*	1	1*	1	1
Wong Chi Keong	4	4*	1*	1*	1	1
Then Khek Koon	4	4*	1*	1*	1	1
Chua Koh Ming	4	4	1	1	1	1
Tan Choon Seng	4	4	1	1	1	1

Note:

* By invitation

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

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

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

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

Board Composition and Guidance

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

The Board comprises six members as follows:

Professor Cham Tao Soon (Non-Executive Chairman and Independent Director)

Wong Wei Teck
Wong Chi Keong
Then Khek Koon
Chua Koh Ming
Tan Choon Seng

(Managing Director)
(Executive Director)
(Executive Director)
(Independent Director)
(Independent Director)

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

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

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

Currently, Professor Cham Tao Soon and Mr Chua Koh Ming have served on the Board for more than nine years from the date of their first appointment. They will continue to be deemed independent until the conclusion of the AGM of the Company held for the financial year ending 31 December 2023.

The Company has in place a formal Board Diversity Policy. The Board understands and embraces the benefits of having diversity and views Board diversity as important to achieving the Company's business objectives. Differences in background, skills, experience, knowledge, gender and other relevant qualities will be taken into consideration in determining the composition of the Board. The Board Diversity Policy provides that, in reviewing the Board composition, the Nominating Committee will take into account factors such as gender, experience, skills, business experiences, knowledge, and diversity of perspectives. The Nominating Committee will also evaluate the effectiveness of the Board Diversity Policy and review it periodically to ensure that it remains relevant and effective.



The composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of skills, expertise and experience to enable the management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and make decisions in the best interests of the Company. Having considered the scope and nature of the operations of the Group, in concurrence with the Nominating Committee, the Board is satisfied that the current composition and size of the Board provide for sufficient diversity without interfering with efficient decision-making. The Board members reflect a wide range of background having been drawn from different industries with diverse skills and core competencies in accounting and finance, management, industry knowledge, strategic planning and customer-based experience and knowledge. Details of the Directors' academic and professional qualifications, and work experience are set out in the "Board of Directors" section of this Annual Report.

The Nominating Committee will adhere to the Board diversity objectives for any search of new Directors and seek suitable gender diversity as and when opportunity arises. All Board appointments will always be made based on merit.

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

Chairman and Chief Executive Officer

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

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

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

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

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

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

Board Membership

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

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

The Nominating Committee is responsible for:

- (a) reviewing the Board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel;
- (b) developing the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;
- (c) reviewing the training and professional development programmes for the Board and Directors:
- (d) the appointment and re-appointment of Directors, including alternate Directors if any;
- (e) determining, at least on an annual basis, if a Director is independent;
- (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- (g) reviewing regularly the Board structure, size and composition; and
- (h) recommending to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards.

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

The role of the Nominating Committee includes the responsibility of reviewing the re-nomination of Directors who retire by rotation. The Nominating Committee will consider important issues such as the composition and progressive renewal of the Board as well as each Director's integrity, competencies, independence mindedness, commitment, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the Nominating Committee for the re-appointment of Directors. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of his re-nomination as Director.

The Nominating Committee has recommended to the Board that Mr Wong Wei Teck and Mr Wong Chi Keong be nominated for re-election at the forthcoming AGM of the Company. The Board has accepted the Nominating Committee's recommendation.

The Nominating Committee is also responsible for identifying candidates and reviewing all nominations for the appointments of new Directors. The Nominating Committee would usually consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions to source for a suitable candidate. The Nominating Committee would meet and interview the candidates to assess their suitability before making a recommendation to the Board. In recommending new Directors to the Board, the Nominating Committee takes into consideration the integrity, diversity of competencies, expertise, industry experience and financial literacy required to support the Group's business activities or strategies, the current composition and size of the Board.

The Nominating Committee is responsible for determining annually, and as and when circumstances require, the independence of Directors as set out under Principle 2 of the CCG 2018 above.

The Nominating Committee ensures that new Directors are aware of their duties and obligations. Newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore are required to undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST within one year from their appointment dates. The Nominating Committee takes into consideration whether a candidate has multiple directorships and whether these other directorships will constrain the candidate in setting aside sufficient time and attention to the Company's affairs.

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

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

Board Performance

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

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

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

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

No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2022.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

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

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



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

No remuneration consultant was engaged by the Company in FY2022.

Level and Mix of Remuneration

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

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

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

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

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

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

Disclosure on Remuneration

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

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

A breakdown, showing the level and mix of each Director's remuneration for FY2022 is as follows:

Name of Director	Salary ⁽¹⁾ %	Bonus ⁽¹⁾ %	Directors' fees (2) %	Allowance and other benefits %	Total \$'000
Wong Wei Teck	91	8	_	1	350
Wong Chi Keong	91	8	_	1	297
Then Khek Koon	91	8	_	1	297
Professor Cham	51	0		'	231
Tao Soon	_	_	100	_	80
Chua Koh Ming	_	_	100	_	40
Tan Choon Seng	-	_	100	-	40

A breakdown, showing the level and mix of the key management personnel's remuneration for FY2022 is as follows:

Name of Key Management Personnel	Salary ⁽¹⁾ %	Bonus ⁽¹⁾	Allowance and other benefits %	Total %
Below \$250,000				
Chong In Bee	80	18	2	100

Notes:

- 1. Salary and bonus are inclusive of CPF contribution.
- 2. Directors' fees are only payable after approval by shareholders at the forthcoming AGM.

The Company has only one key management personnel who is not a Director or CEO in FY2022. The Board supports and is keenly aware of the need for transparency. However, the Board believes that the said remuneration disclosure requirement for key management personnel is sensitive, due to the nature of the matter. As the Company has a lean management team, such disclosure may adversely affect the cohesion and team spirit prevailing amongst the employees of the Company.

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

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

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

A total of 518,000 share awards had been granted and vested under the Plan since its inception. No awards have been made under the Plan during FY2022.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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

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

The Board has received assurance from the Managing Director, the Executive Directors and the Chief Financial Officer that (i) the financial records have been properly maintained and the financial statements for FY2022 provide a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems in place are adequate and effective to manage risks as at 31 December 2022.

The Board is of the view that based on internal controls established and maintained by the Group, the reports from internal and external auditors and with the concurrence of the Audit Committee, the risk management and internal control systems maintained by the management are effective and adequate to meet the needs of the Company having addressed the financial, operational, compliance and information technology risks as at 31 December 2022.

Audit Committee

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

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

The Audit Committee performs the following functions:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems, including financial, operational, compliance and information technology controls;
- (c) review the assurance from the Executive Directors and the Chief Financial Officer on the financial records and financial statements:
- (d) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (e) recommend to the Board the proposals to be made to the shareholders on the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor;
- (f) discuss problems and concerns, if any, arising from the interim and final audits in consultation with the external and internal auditors where necessary;
- (g) meet with the external and internal auditors annually without the presence of the management to discuss any problems and concerns they may have;
- (h) approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (i) ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience;
- (j) review the internal audit programme and ensure co-ordination between the internal and external auditors and the management;
- (k) review the adequacy of the Group's internal controls;
- (l) review the co-operation given by the Company's officers to the external auditor;
- (m) review and approve interested person transactions, if any;
- (n) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- (o) undertake such reviews and projects as may be requested by the Board, statute or the Listing Manual of the SGX-ST.

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

The Audit Committee has undertaken a review of all non-audit services provided by the external auditor and is of the opinion that the provision of such services does not affect the independence of the external auditor. The external auditor has also provided a confirmation of its independence to the Audit Committee. Accordingly, the Audit Committee has recommended the re-appointment of BDO LLP as auditor of the Company at the forthcoming AGM. A breakdown of the fees paid in total to the external auditor for audit and non-audit services for FY2022 is reflected in Note 22 to the audited financial statements.

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in appointing the auditing firms for the Group for FY2022.

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

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

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

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

The Company has in place a whistle-blowing policy, endorsed by the Audit Committee, in which employees of the Company may raise concerns about possible improprieties in matters of financial reporting, misconduct or wrongdoing relating to the Company and its officers or other matters. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that the identity of the whistle-blower will be kept confidential and the whistle-blower will be protected from reprisal within the limits of the law for whistle-blowing in good faith. The procedures for whistle-blowing are disseminated to all employees during corporate training and the orientation program. The employees can email to the Chairman of Audit Committee on all matters. The whistle-blowing policy and procedures are reviewed by the Audit Committee from time to time to ensure that they remain relevant. There were no whistle-blowing reports received in FY2022.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

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

For the forthcoming AGM, the notice of AGM and the accompanying Annual Report and proxy form are made available to shareholders solely by electronic means via publication on the Company's website and the SGXNet, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The forthcoming AGM will be held, in a wholly physical format, at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324, on 27 April 2023. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM, submission of questions by shareholders in advance of the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in details in the notice of AGM

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

All Directors attend general meetings and the external auditor will also be present at the AGM of the Company to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report. Please refer to Principle 1 of the CCG 2018 above for details on the Directors' attendance at general meetings held during FY2022.

The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote instead of the shareholder, while the Companies Act provides for a corporate shareholder of the Company which provides nominee or custodial services to third parties to appoint more than two proxies to attend and vote on its behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such shareholder. Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the internet are not compromised.

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

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board has declared a final dividend and a special dividend for FY2022, each amounting to 0.20 cent per ordinary share.

Engagement with Shareholders

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

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

Shareholders and investors may contact the Company or access information regarding the Company on its website (www.souprestaurant.com.sg) which provides, inter alia, corporate announcements, press releases and the latest financial results as released by the Company on SGXNet, and email account of its investor relations.

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

The Company conducts its investor relations on the following principles:

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

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

(E) MANAGING STAKEHOLDERS RELATIONSHIP

Engagement with Stakeholders

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

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

More details on the Company's approach to stakeholder engagement and materiality assessment are disclosed on pages 22 to 24 of this Annual Report. Please also refer to the Sustainability Report, which is part of this Annual Report, for further details.

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

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

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

MATERIAL CONTRACTS [Listing Manual Rule 1207(8)]

There is no material contract entered into by the Company and its subsidiaries involving the interests of the CEO, Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS [Listing Manual Rule 1207(17)]

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

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

The Company did not enter into interested person transactions which are required for disclosure pursuant to Rule 1207(17) of the Listing Manual of the SGX-ST during FY2022.

DEALINGS IN SECURITIES[Listing Manual Rule 1207(19)]

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



[Listing Manual Rule 720(6)]

Mr Wong Wei Teck and Mr Wong Chi Keong are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Wong Wei Teck and Mr Wong Chi Keong in accordance with Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	WONG WEI TECK	WONG CHI KEONG	
Date of appointment	20 July 1991	15 June 2011	
Date of last re-appointment (if applicable)	29 April 2021	29 April 2021	
Age	66	67	
Country of principal residence	Singapore	Singapore	
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Wong Wei Teck's overall contributions and performance, is of the view that he is suitable for re-appointment as Managing Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Wong Chi Keong's overall contributions and performance, is of the view that he is suitable for re-appointment as Executive Director of the Company.	
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall management, strategic planning and business development of the Group.	Executive. Involved in the brand development, marketing, promotion, public relations, design and project management, as well as upgrading and maintenance of the restaurant outlets.	
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director and a member of the Nominating Committee	Executive Director	
Professional qualifications	Professional Engineer (Civil) of Singapore Professional Engineers Board	Professional Engineer (Civil) of Singapore Professional Engineers Board	
Working experience and occupation(s) during the past 10 years	As set out in the "Board of Directors" section of this Annual Report.		
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 37,491,900 ordinary shares in the Company	Direct interest: 49,077,300 ordinary shares in the Company	
	Deemed interest: 4,000,000 ordinary shares in the Company		

	WONG WEI TECK	WONG CHI KEONG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal	Past (for the last 5 years)	Past (for the last 5 years)
commitments including directorships	Directorships: Nil	Directorships: Nil
an ectorsmps	Other Principal Commitments: Nil	Other Principal Commitments: Nil
	Present	Present
	Directorships:	Directorships:
	Soup Restaurant Singapore Pte. Ltd.	Soup Restaurant Singapore Pte. Ltd.
	CAFE O Singapore Pte. Ltd.	CAFE O Singapore Pte. Ltd.
	POT LUCK F&B Singapore Pte. Ltd.	POT LUCK F&B Singapore Pte. Ltd.
	Soup Restaurant Investments Pte. Ltd.	Soup Restaurant Investments Pte. Ltd.
	Samsui Holdings Pte. Ltd.	
	Other Principal	Other Principal
Disclose the following m	Commitments: Nil	Commitments: Nil
executive officer, chief fin	atters concerning an appo ancial officer, chief operatir lent rank. If the answer to	ng officer, general manager
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

		WONG WEI TECK	WONG CHI KEONG
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

		WONG WEI TECK	WONG CHI KEONG
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

		WONG WEI TECK	WONG CHI KEONG
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	In September 1999, Soup Restaurant (Seah Street) Pte Ltd (currently named as Pot Luck F&B Singapore Pte. Ltd.), Soup Restaurant (Causeway Point) Pte Ltd (currently named as Soup Restaurant Singapore Pte. Ltd.) and its two former management personnel were charged for employing seven Malaysian workers without valid work permits.	In September 1999, Soup Restaurant (Seah Street) Pte Ltd (currently named as Pot Luck F&B Singapore Pte. Ltd.), Soup Restaurant (Causeway Point) Pte Ltd (currently named as Soup Restaurant 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).	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).

WONG WEI TECK	WONG CHI KEONG
The companies paid a total fine of \$30,640 and the two former management personnel paid a total fine of \$14,480.	The companies paid a total fine of \$30,640 and the two former management personnel paid a total fine of \$14,480.
The management personnel involved and charged for the offences are no longer with the Group. Mr Wong Wei Teck was a director of Soup Restaurant (Seah Street) Pte Ltd and Soup Restaurant (Causeway Point) Pte Ltd at the material time but matters relating to the deployment of staff were not under his direct supervision and he was not investigated or charged for any of the offences.	The management personnel involved and charged for the offences are no longer with the Group. Mr Wong Chi Keong was a director of Soup Restaurant (Seah Street) Pte Ltd and Soup Restaurant (Causeway Point) Pte Ltd at the material time but matters relating to the deployment of staff were not under his direct supervision and he was not investigated or charged for any of the offences.
	Mr Wong Chi Keong was one of the executive directors of E3 Consultants Pte Ltd ("E3 Consultants") from 1989 to 2011. In 2002, the Inland Revenue Authority of Singapore carried out a tax audit of E3 Consultants for years of assessments from 1996 to 1999 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 and E3 Consultants was struck

	WONG WEI TECK	WONG CHI KEONG
(ii) any entity	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

The Directors of Soup Holdings Limited (formerly known as Soup Restaurant Group Limited) (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") and the statement of changes in equity of the Company for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

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

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

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

Name of Directors in which interests are held	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.1.2022	Balance as at 31.12.2022	Balance as at 1.1.2022	Balance as at 31.12.2022
The Company	Number of ordinary shares			
Professor Cham Tao Soon	300,000	300,000	200,000	200,000
Wong Wei Teck	37,491,900	37,491,900	4,000,000	4,000,000
Wong Chi Keong	49,077,300	49,077,300	-	-
Then Khek Koon	985,000	985,000	27,945,000	27,945,000
Chua Koh Ming	300,000	300,000	-	-
Tan Choon Seng	67,500	67,500	_	_

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2023 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2022.

5. Share options

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

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

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

6. Performance shares

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

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

6. Performance shares (Continued)

Since the commencement of the Share Plan till the end of the financial year ended 31 December 2022 ("FY2022"), awards comprising 518,000 shares were granted to certain employees on 5 December 2018. These awards were immediately vested on the date of the grant. No awards have been made under the Share Plan during the financial year ended 31 December 2022.

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

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

No shares comprised in the awards have yet to be released as at 31 December 2022.

7. Audit committee

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

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

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

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



DIRECTORS' STATEMENT

7. Audit committee (Continued)

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

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

8. Independent auditor

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

On behalf of the Board of Directors		
Wong Wei Teck Director	Wong Chi Keong Director	
Singapore 6 April 2023		

To the Members of Soup Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Soup Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on page 76 to 128, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022, and of the consolidated financial performance, consolidated changes in equity, consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

To the Members of Soup Holdings Limited

KEY AUDIT MATTER

AUDIT RESPONSE

Impairment assessment of plant and equipment and right-of-use assets

The Group primarily operates a chain of outlets under the names of "Soup Restaurant", "Cafe O", "Pot Luck" and "Samsui" in Singapore and Malaysia. As at 31 December 2022, the Group's plant and equipment and right-of-use assets amounted to \$725,951 and \$9,693,393 respectively which accounted for 38% of the Group's total assets.

For the financial year ended 31 December 2022, several outlets incurred losses, which provides an indication that certain plant and equipment and right-of-use assets of the Group may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use ("VIU") calculations.

In carrying out the impairment assessment, management has identified the cash generating units ("CGUs") to be the respective outlets to which the plant and equipment and right-of-use assets belong. Accordingly, the recoverable amounts of the CGUs are determined by estimating the expected discounted future cash flows which require key assumptions to be made regarding the annualised sales growth rate, gross profit margin and the discount rate.

Due to significant management judgement involved in the impairment assessment, as well as the materiality of the carrying amount of the plant and equipment and right-of use assets to the Group's financial statements, we have determined this area to be a key audit matter.

Refer to Note 3.2(i), Note 4 and Note 7 of the accompanying financial statements.

Our audit procedures included, amongst others, the following:

- Assessed management's determination as to whether there is an indication of impairment of the plant and equipment and right-of-use assets of each restaurant outlet.
- Evaluated the key assumptions used in the impairment assessment by:
 - Assessing the annualised sales growth rate and gross profit margin against historical performance.
 - Engaging our internal valuation specialists to evaluate the reasonableness of the discount rate used.
- Assessed the adequacy of the disclosure in the financial statements with respect to the impairment assessment.

To the Members of Soup Holdings Limited

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



To the Members of Soup Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information
 of the entities or business activities within the Group to express an opinion on
 the consolidated financial statements. We are responsible for the direction,
 supervision and performance of the group audit. We remain solely responsible
 for our audit opinion.

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

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

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



To the Members of Soup Holdings Limited

Report on Other Legal and Regulatory Requirements

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

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

BDO LLP

Public Accountants and Chartered Accountants

Singapore 6 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		Gr	oup	Com	pany
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
Non-current assets					
Plant and equipment	4	725,951	1,235,050	27,852	16,897
Investments in					
subsidiaries	5	-	-	1,664,617	1,664,617
Intangible assets	6	393,397	354,454	393,163	353,773
Right-of-use assets	7	9,693,393	6,697,309	64,854	194,563
Deferred tax assets	14	225,847	4,608	_	_
Total non-current					
assets		11,038,588	8,291,421	2,150,486	2,229,850
Current assets					
Inventories	8	337,775	392,054	_	_
Trade and other		221,112			
receivables	9	2,784,879	2,989,645	1,319,183	1,881,612
Current income tax					
recoverable		-	4,757	_	-
Cash and cash					
equivalents	10	13,067,104	10,811,226	7,857,667	5,008,261
Total current assets		16,189,758	14,197,682	9,176,850	6,889,873
Less:					
Current liabilities					
Trade and other					
payables	11	4,189,906	3,478,279	1,133,188	446,411
Provisions	12	827,588	953,516	40,000	40,000
Lease liabilities	13	5,201,142	4,844,234	65,728	129,703
Current income tax					
payable		152,022	38,969	36,903	_
Total current					
liabilities		10,370,658	9,314,998	1,275,819	616,114
Net current assets		5,819,100	4,882,684	7,901,031	6,273,759
Less:					
Non-current					
liabilities					
Other payables	11	159,119	72,415	159,119	72,415
Lease liabilities	13	5,345,533	2,656,858	_	65,728
Deferred tax liabilities	14	18,022	28,226	16,014	_
Total non-current					
liabilities		5,522,674	2,757,499	175,133	138,143
Net assets		11,335,014	10,416,606	9,876,384	8,365,466
Equity					
Share capital	15	6,592,761	6,592,761	6,592,761	6,592,761
Treasury shares	16	(4,082,954)	(4,082,954)	(4,082,954)	(4,082,954)
Translation reserve	17	14,223	(365)	(-,002,004)	(-1,002,33-1)
Retained earnings	1 /	8,810,984	7,907,164	7,366,577	5,855,659
Total equity		11,335,014	10,416,606	9,876,384	8,365,466
rotal equity		11,000,014	10,710,000	7,070,304	0,505,400

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year ended 31 December 2022

		Gr	oup
	Note	2022	2021
		\$	\$
Revenue	18	37,600,193	29,630,926
Other items of income			
Interest income from bank deposits		57,101	7,314
Other income	19	1,893,821	4,559,909
Other items of expense			
Changes in inventories	8	(41,189)	55,465
Purchases and other consumables	8	(8,003,620)	(6,883,619)
Employee benefits expense	20	(13,420,931)	(11,323,319)
Depreciation and amortisation expenses		(6,754,080)	(6,636,796)
Impairment loss on plant and equipment	4	(48,980)	(237,252)
Impairment loss on right-of-use assets	7	(586,369)	(287,531)
Loss allowance on trade and other receivables, net	9	(55,079)	(12,634)
Other expenses		(8,970,543)	(7,953,653)
Finance costs	21	(303,078)	(235,627)
Profit before income tax	22	1,367,246	683,183
Income tax credit	23	95,229	90,218
Profit for the financial year attributable to owners of the Company		1,462,475	773,401
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit</u> <u>or loss</u> :			
Exchange difference on translating foreign operation		14,588	1,989
Other comprehensive income for the financial year, net of tax		14,588	1,989
Total comprehensive income for the financial year attributable to owners of the Company		1,477,063	775,390
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	24	0.52	0.28



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For The Financial Year ended 31 December 2022

		Equit	y attributal	ole to owners	of the Con	npany
	Note	Share capital	Treasury shares	Translation reserve	Retained earnings	Total equity
		\$	\$	\$	\$	\$
Group						
Balance as at 1.1.2022		6,592,761	(4,082,954)	(365)	7,907,164	10,416,606
Profit for the financial year		_	-	-	1,462,475	1,462,475
Other comprehensive income for the financial year, net of tax						
Exchange difference on translating foreign operation		-	-	14,588	-	14,588
Total comprehensive income for the financial year		-	-	14,588	1,462,475	1,477,063
Distributions to owners						
Dividends	25	-	-	-	(558,655)	(558,655)
Balance as at 31.12.2022		6,592,761	(4,082,954)	14,223	8,810,984	11,335,014
Balance as at 1.1.2021		6,592,761	(4,082,954)	(2,354)	7,692,418	10,199,871
Profit for the financial year		_	-	-	773,401	773,401
Other comprehensive income for the financial year, net of tax						
Exchange difference on translating foreign operation		_	-	1,989	-	1,989
Total comprehensive income for the financial year		-	-	1,989	773,401	775,390
Distributions to owners						
Dividends	25	-	-	-	(558,655)	(558,655)
Balance as at 31.12.2021		6,592,761	(4,082,954)	(365)	7,907,164	10,416,606

STATEMENT OF CHANGES IN EQUITY For The Financial Year ended 31 December 2022

	Note	Share capital \$	Treasury shares \$	Retained earnings \$	Total equity \$
Company					
Balance as at 1.1.2022		6,592,761	(4,082,954)	5,855,659	8,365,466
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,069,573	2,069,573
Distributions to owners					
Dividends	25	-	-	(558,655)	(558,655)
Balance as at 31.12.2022		6,592,761	(4,082,954)	7,366,577	9,876,384
Balance as at 1.1.2021		6,592,761	(4,082,954)	6,216,673	8,726,480
Profit for the financial year, representing total comprehensive income for the financial year		-	_	197,641	197,641
Distributions to owners					
Dividends	25	-	-	(558,655)	(558,655)
Balance as at 31.12.2021		6,592,761	(4,082,954)	5,855,659	8,365,466

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year ended 31 December 2022

		Gre	oup
	Note	2022	2021
		\$	\$
Operating activities			
Profit before income tax		1,367,246	683,183
Adjustments for			
Adjustments for:	0	EE 070	12.624
Loss allowance on trade and other receivable, net Amortisation of grant income	9	55,079 (01,531)	12,634
Amortisation of intangible assets	19 6	(91,521) 113,411	- 25,923
Amortisation of right-of-use assets	7	6,075,076	5,720,425
_	4	565,593	890,448
Depreciation of plant and equipment Gain on lease modifications			090,440
	19 19	(111,916)	(2.800)
Gain on disposal of plant and equipment		(222,113)	(2,899)
Impairment loss on plant and equipment	4 7	48,980	237,252
Impairment loss on right-of-use assets	-	586,369	287,531
Inventories written off	8	13,090	22,720
Interest expense	21	303,078	235,627
Interest income from bank deposits	22	(57,101)	(7,314)
Bad debts written off	22	748	12,841
Plant and equipment written off	22	7,844	3,243
Rent concession granted on lease liabilities	19	(485,014)	(765,603)
Reversal of provision of restoration cost	19	(64,788)	
Operating cash flows before movements in		0.104.061	7.256.011
working capital		8,104,061	7,356,011
Inventories		41,189	(55,465)
Trade and other receivables		628,273	491,356
Trade and other payables		441,039	(452,376)
Cash generated from operations		9,214,562	7,339,526
Income taxes paid		(18,250)	(112,685)
Interest received		57,101	7,314 7,234,155
Net cash from operating activities		9,253,413	7,234,133
Investing activities			
Proceeds from disposal of plant and equipment	4	170,748	2,899
Purchase of plant and equipment	4	(166,379)	(133,592)
Purchase of intangible assets	6	(145,191)	(219,426)
Net cash used in investing activities		(140,822)	(350,119)
Financing activities			
Financing activities Dividends paid		(EEO (EE)	(5E0 GEE)
Dividends paid Interest paid	10	(558,655) (303,078)	(558,655) (235,627)
Repayment of obligations under leases	13 13	(5,998,232)	(235,627) (5.378,857)
Net cash used in financing activities	15	(6,859,965)	(5,378,857)
Net cash used in imancing activities		(6,859,965)	(6,173,139)
Net change in cash and cash equivalents		2,252,626	710,897
Cash and cash equivalents at the beginning of the			
financial year		10,811,226	10,100,329
Effect of currency translation on cash and cash			
equivalents		3,252	
Cash and cash equivalents at the end of the		40.657 ::::	10.011.55
financial year	10	13,067,104	10,811,226



For The Financial Year ended 31 December 2022

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

1. General

With effect from 5 May 2022, the name of the Company was changed from Soup Restaurant Group Limited to Soup Holdings Limited.

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

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

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

The consolidated financial statements of the Company and its subsidiaries (the "Group"), the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022 were authorised for issue in accordance with a Directors' resolution dated 6 April 2023.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2022

The new standards, amendments to standards, and interpretations published that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

New standards, amendments and interpretations issued but not yet effective

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

2.2 Basis of consolidation

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

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

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

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

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.3 Plant and equipment

Plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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

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

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

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

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

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

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

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.4 Intangible assets

Trademarks

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

Computer software

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

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

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

2.5 Leases

As lessee

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

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

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

Initial measurement

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

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

For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.5 Leases (Continued)

As lessee (Continued)

Initial measurement (Continued)

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

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

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

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

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

Subsequent measurement

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

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

Years

Premises and retails outlets

1.5 - 6

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

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.5 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

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

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

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

If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

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

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Inventories

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

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

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

2.8 Financial assets

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

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.8 Financial assets (Continued)

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

Amortised cost

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

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

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

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

Derecognition of financial assets

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

For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.9 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

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

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

Financial liabilities

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

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

Trade and other payables

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

Derecognition of financial liabilities

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.10 Offsetting financial instruments

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

2.11 Cash and cash equivalents

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

2.12 Provisions

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

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

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

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

2.13 Revenue recognition

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

Revenue from sale of food and beverage products

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

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

For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

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

Royalty fee

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

Interest income

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

2.14 Government grants

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

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

2.15 Employee benefits expense

Defined contribution plans

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

Employee leave entitlement

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

For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.16 Taxes

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

Current income tax

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

Current income taxes are recognised in profit or loss.

Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss.

For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.16 Taxes (Continued)

Sales tax

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

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

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

2.17 Foreign currency transactions and translation

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

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the translation reserve.

2.18 Dividends

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



For The Financial Year ended 31 December 2022

2. Significant accounting policies (Continued)

2.19 Segment reporting

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

3. Critical accounting judgements and key sources of estimation uncertainty

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

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the accounting policies

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

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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

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

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



For The Financial Year ended 31 December 2022

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

3.2 Key sources of estimation uncertainty (Continued)

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

The recoverable amount is sensitive to discount rates used for the discounted cash flow model as well as the margin and the annualised sales growth rates used. Management carried out an impairment review of plant and equipment and right-of-use assets and the impairment loss on plant and equipment and right-of-use assets charged to profit or loss for the financial year ended 31 December 2022 amounted to \$48,980 and \$586,369 (2021: \$237,252 and \$287,531) respectively, of which \$48,980 and \$586,369 (2021: \$137,252 and \$287,531) related to impairment loss on plant and equipment and right-of-use assets of certain outlets of the Group that incurred losses. The details of the impairment assessment and key assumptions used were disclosed in Note 4 and Note 7 to the financial statements.

Sensitivity analysis

Sensitivity analysis is not performed as the impairment assessment either resulted in impairment loss being recognised or recoverable amount determined that are barely breakeven. Accordingly, sensitivity analysis is not meaningful as any unfavourable changes to assumption used will cause the recoverable amount to be below the carrying amount of those CGU.

(ii) Accounting for leases

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

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

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



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	Air- conditioners Computers	Computers	Electrical equipment	Furniture and fittings	Kitchen equipment	Machinery	Motor vehicles	Office equipment	Renovation	Total
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Group										
Cost										
Balance as at 1.1.2022	1,318,227	388,258	1,265,972	2,075,698	2,921,343	260,073	138,203	138,252	5,315,467	13,821,493
Additions	5,030	37,200	9,520	6,710	114,777	4,245	1	ı	3,200	180,682
Written off	(61,090)	(23,865)	(61,209)	(37,750)	(178,032)	ı	ı	(2,660)	(334,072)	(703,678)
Disposal	(116,000)	(1,295)	(32,421)	(5,432)	(482,812)	ı	ı	ı	(357,994)	(995,954)
Exchange differences	(3,139)	(673)	(4,020)	(3,330)	(8,066)	(4,523)	(618)	(146)	(11,049)	(35,864)
Balance as at 31.12.2022	1,143,028	399,325	1,177,842	2,035,896	2,367,210	259,795	137,585	130,446	4,615,552	12,266,679
Accumulated depreciation										
and impairment										
Balance as at 1.1.2022	1,185,382	343,965	1,116,401	1,879,137	2,465,806	210,864	84,162	121,428	5,179,298	12,586,443
Depreciation	55,930	34,723	57,724	80,372	174,657	8,153	21,899	2,696	126,439	565,593
Impairment loss	4,173	1,416	4,628	7,797	30,966	ı	ı	ı	ı	48,980
Written off	(61,090)	(23,777)	(61,064)	(37,240)	(171,180)	ı	ı	(7,411)	(334,072)	(695,834)
Disposal	(116,000)	(1,295)	(32,421)	(5,335)	(422,274)	ı	ı	ı	(357,994)	(935,319)
Exchange differences	(2,889)	(897)	(3,143)	(2,799)	(6,540)	(2,310)	(278)	(146)	(10,133)	(29,135)
Balance as at 31.12.2022	1,065,506	354,135	1,082,125	1,921,932	2,071,435	216,707	105,783	119,567	4,603,538	11,540,728
Net carrying amount										
Balance as at 31.12.2022	77,522	45,190	95,717	113,964	295,775	43,088	31,802	10,879	12,014	725,951

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	Air-conditioners Computers \$	Computers \$	Electrical equipment \$	Furniture and fittings \$	Kitchen equipment \$	Machinery \$	Motor vehicles \$	Office equipment \$	Renovation \$	Total \$
Group										
Cost										
Balance as at 1.1.2021	1,319,169	382,874	1,265,859	2,075,717	2,862,516	258,780	222,380	128,497	5,317,182	13,832,974
Additions	ı	17,309	11,750	086	88,503	2,647	ı	008'6	1,600	132,589
Written off	ı	(11,653)	(10,448)	ı	(27,300)	ı	ı	ı	ı	(49,401)
Disposal	ı	I	ı	ı	ı	ı	(83,992)	1	ı	(83,992)
Exchange differences	(942)	(272)	(1,189)	(666)	(2,376)	(1,354)	(185)	(45)	(3,315)	(10,677)
Balance as at 31.12.2021	1,318,227	388,258	1,265,972	2,075,698	2,921,343	260,073	138,203	138,252	5,315,467	13,821,493
Accumulated depreciation and impairment										
Balance as at 1.1.2021	1,041,694	326,242	1,022,246	1,748,785	2,186,565	188,370	146,237	113,610	4,822,083	11,595,832
Depreciation	87,826	28,986	72,104	104,549	225,869	22,184	21,957	6,937	320,036	890,448
Impairment loss	26,687	643	33,110	26,546	79,986	ı	ı	926	39,354	237,252
Written off	I	(11,653)	(10,253)	ı	(24,252)	ı	ı	ı	ı	(46,158)
Disposal	I	ı	1	ı	ı	ı	(83,992)	ı	ı	(83,992)
Exchange differences	(825)	(253)	(808)	(743)	(2,362)	310	(40)	(45)	(2,175)	(6,639)
Balance as at 31.12.2021	1,185,382	343,965	1,116,401	1,879,137	2,465,806	210,864	84,162	121,428	5,179,298	12,586,443
Net carrying amount										
Balance as at 31.12.2021	132,845	44,293	149,571	196,561	455,537	49,209	54,041	16,824	136,169	1,235,050

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	Air- conditioners \$	Computers \$	Electrical equipment \$	Furniture and fittings	Office equipment \$	Renovation \$	Total \$
Company							
Cost							
Balance as at 1.1.2022	009'89	185,675	77,023	159,641	73,083	94,938	658,960
Additions	1	26,378	ı	ı	ı	ı	26,378
Transfer to a subsidiary	1	(1,167)	I	ı	I	ı	(1,167)
Written off	1	(15,554)	ı	ı	ı	ı	(15,554)
Balance as at 31.12.2022	009'89	195,332	77,023	159,641	73,083	94,938	668,617
Accumulated depreciation							
Balance as at 1.1.2022	009'89	172,636	76,654	159,629	909'69	94,938	642,063
Depreciation	1	13,037	103	12	2,271	I	15,423
Transfer to a subsidiary	1	(1,167)	I	I	ı	ı	(1,167)
Written off	1	(15,554)	I	I	I	ı	(15,554)
Balance as at 31.12.2022	009'89	168,952	76,757	159,641	71,877	94,938	640,765
Net carrying amount							
Balance as at 31.12.2022	ı	26,380	266	ı	1,206	ı	27,852

Plant and equipment (Continued)

	Air- conditioners	Computers	Electrical equipment	Furniture and fittings	Office equipment	Renovation	Total
	↔	. v	. v) +A	. v	₩	₩.
Company							
Cost							
Balance as at 1.1.2021	009'89	188,844	77,023	159,641	73,083	94,938	662,129
Additions	1	8,074	ı	1	ı	ı	8,074
Transfer to subsidiaries	1	(2,287)	ı	ı	ı	I	(2,287)
Written off	1	(8,956)	ı	ı	I	I	(8,956)
Balance as at 31.12.2021	009'89	185,675	77,023	159,641	73,083	94,938	096'859
Accumulated depreciation							
Balance as at 1.1.2021	009'89	176,780	76,551	159,430	66,119	94,938	642,418
Depreciation	ı	7,099	103	199	3,487	ı	10,888
Transfer to subsidiaries	1	(2,287)	ı	ı	ı	ı	(2,287)
Written off	1	(8,956)	1	1	ı	ı	(8,956)
Balance as at 31.12.2021	009'89	172,636	76,654	159,629	909'69	94,938	642,063
Net carrying amount							
Balance as at 31.12.2021	1	13,039	369	12	3,477	ı	16,897

For The Financial Year ended 31 December 2022

4. Plant and equipment (Continued)

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

	Gro	oup
	2022	2021
	\$	\$
Additions of plant and equipment	180,682	132,589
(Increase)/Decrease in other payables	(14,303)	1,003
Net cash payments made	166,379	133,592

During the financial year ended 31 December 2022, the Group disposed plant and equipment with net carrying amount of \$60,635 (2021: \$Nil) for consideration of \$282,748 (2021: \$2,899) of which \$170,748 (2021: \$2,899) was received in cash and the balance of \$112,000 (2021: \$Nil) remained outstanding and presented as other receivables – third parties (Note 9) at the end of the financial year.

During the financial year ended 31 December 2022 and 2021, certain outlets of the Group incurred losses, which provides an indication that the plant and equipment and right-of-use assets of these outlets may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use ("VIU") calculations.

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

	Gre	oup
	2022	2021
	%	%
Discount rate	9.50	8.80
Annualised sales growth rate	5 to 19	5 to 55
Gross profit margin	69 to 76	71 to 77

Following the impairment assessment, there were three (2021: three) CGUs having plant and equipment that are not expected to generate sufficient cash flows in comparison to their carrying amounts. An impairment loss on plant and equipment of \$48,980 (2021: \$137,252), representing the write-down of the excess of the carrying amount over the recoverable amount of the relevant plant and equipment was recognised in the profit or loss.

During the financial year ended 31 December 2021, management identified certain plant and equipment which are no longer expected to be used by the Group. Accordingly, management recognised an impairment charge amounting to \$100,000, representing the entire carrying amount of these plant and equipment.

For The Financial Year ended 31 December 2022

5. Investments in subsidiaries

	Com	pany
	2022 \$	2021 \$
Unquoted equity shares, at cost Deemed investment arising from discount on	1,600,102	1,600,102
non-current receivables from subsidiaries	164,615	164,615
Allowance for impairment loss	(100,100)	(100,100)
	1,664,617	1,664,617

The particulars of the subsidiaries are as follows:

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

- (1) Audited by BDO LLP, Singapore
- (2) Audited by BDO PLT, Malaysia, a member firm of BDO International Limited

For The Financial Year ended 31 December 2022

6. Intangible assets

			Computer software	
	Trademarks	Computer software	under development	Total
	\$	\$	\$	\$
Cuarra				
Group Cost				
Balance as at 1.1.2022	77,226	554,760	162,175	794,161
Additions	77,220	138,917	13,450	152,367
Reclassifications	_	162,175	(162,175)	132,307
Exchange difference	_	(19)	(102,173)	(19)
Balance as at		(19)		(19)
31.12.2022	77,226	855,833	13,450	946,509
Accumulated amortisation				
Balance as at 1.1.2022	48,306	391,401	_	439,707
Amortisation	7,048	106,363	_	113,411
Exchange difference	-	(6)	_	(6)
Balance as at				
31.12.2022	55,354	497,758	_	553,112
Net carrying amount				
Balance as at				
31.12.2022	21,872	358,075	13,450	393,397
Cost				
Balance as at 1.1.2021	77,226	398,429	-	475,655
Additions	_	156,331	162,175	318,506
Balance as at 31.12.2021	77,226	554,760	162,175	794,161
Accumulated amortisation				
Balance as at 1.1.2021	40,584	373,200	_	413,784
Amortisation	7,722	18,201	-	25,923
Balance as at				
31.12.2021	48,306	391,401		439,707
Net carrying amount				
Balance as at 31.12.2021	28,920	163,359	162,175	354,454
J1.1Z.ZUZ1	20,320	100,000	104,173	JJ4,4J4

For The Financial Year ended 31 December 2022

Group

6. Intangible assets (Continued)

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

			2022	2021
			\$	\$
Additions of intangible as	sets		152,367	318,506
Increase in other payable	S		(7,176)	(99,080)
Net cash payments made			145,191	219,426
	Trademarks \$	Computer software \$	Computer software under development \$	Total \$
<u> </u>		<u> </u>		
Company Cost				
Balance as at 1.1.2022	77,226	401,477	162,175	640,878
Additions	_	138,917	13,450	152,367
Reclassifications	_	162,175	(162,175)	-
Balance as at 31.12.2022	77,226	702,569	13,450	793,245
Accumulated amortisation				
Balance as at 1.1.2022	48,306	238,799	-	287,105
Amortisation	7,048	105,929	_	112,977
Balance as at 31.12.2022	55,354	344,728	_	400,082
Net carrying amount				
Balance as at 31.12.2022	21,872	357,841	13,450	393,163
Cost				
Balance as at 1.1.2021	77,226	245,469	_	322,695
Additions	_	156,008	162,175	318,183
Balance as at 31.12.2021	77,226	401,477	162,175	640,878
Accumulated amortisation				
Balance as at 1.1.2021	40,584	223,437	-	264,021
Amortisation	7,722	15,362	_	23,084
Balance as at 31.12.2021	48,306	238,799	-	287,105
Net carrying amount				
Balance as at 31.12.2021	28,920	162,678	162,175	353,773

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

For The Financial Year ended 31 December 2022

7. Right-of-use assets

	Premises and retail outlets
Group	
Balance as at 1.1.2022	6,697,309
Additions	9,655,354
Amortisation	(6,075,076)
Impairment loss	(586,369)
Exchange difference	2,175
Balance as at 31.12.2022	9,693,393
Balance as at 1.1.2021	9,139,117
Additions	3,568,622
Lease modifications	5,308
Amortisation	(5,720,425)
Impairment loss	(287,531)
Exchange difference	(7,782)
Balance as at 31.12.2021	6,697,309
Company	
Balance as at 1.1.2022	194,563
Amortisation	(129,709)
Balance as at 31.12.2022	64,854
Balance as at 1.1.2021	63,435
Additions	259,417
Amortisation	(128,289)
Balance as at 31.12.2021	194,563

During the financial year ended 31 December 2022 and 2021, certain outlets of the Group incurred losses, which provides an indication that the plant and equipment and right-of-use assets of these outlets may be impaired. Management performed impairment tests on the plant and equipment and right-of-use assets of these outlets and determined their recoverable amounts based on value-in-use ("VIU") calculations. The details of the impairment assessment and key assumptions used are disclosed in Note 4 to the financial statements.

Following the impairment assessment, there were three (2021: three) CGUs having right-of-use assets that are not expected to generate sufficient cash flows in comparison to their carrying amounts. An impairment loss on right-of-use assets of \$586,369 (2021: \$287,531), representing the write-down of the excess of the carrying amount over the recoverable amount of the relevant right-of-use assets was recognised in the profit or loss.

8. Inventories

	Gr	oup
	2022	2021
	\$	\$
Consumables	337,775	392,054

For The Financial Year ended 31 December 2022

8. Inventories (Continued)

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

	Gr	oup
	2022	2021
	\$	\$
Changes in inventories	41,189	(55,465)
Purchases and other consumables	8,003,620	6,883,619

During the financial year, the Group has written down \$13,090 (2021: \$22,720) of its consumables. The written down has been included in "changes in inventories".

9. Trade and other receivables

	2022 \$	2021	2022	2021
	\$	*		
		\$	\$	\$
Trade receivables				
- third parties	825,948	944,506	_	_
Less: loss allowance	(46,245)	(12,634)	_	_
_	779,703	931,872	-	-
Other receivables				
- third parties	202,517	263,159	10,110	7,117
- subsidiaries	_	_	1,659,950	2,453,780
Less: loss allowance	(21,468)	_	(776,201)	(776,201)
	181,049	263,159	893,859	1,684,696
GST receivables	46,605	57,077	13,840	14,156
Government grant receivables	370,400	388,643	370,400	131,846
Rental and utilities				
deposits	1,232,200	1,156,491	2,110	2,110
Prepayments	174,922	192,403	38,974	48,804
	2,005,176	2,057,773	1,319,183	1,881,612
Total trade and other receivables Less:	2,784,879	2,989,645	1,319,183	1,881,612
- prepayments	(174,922)	(192,403)	(38,974)	(48,804)
 government grant receivables 	(370,400)	(388,643)	(370,400)	(131,846)
- GST receivables	(46,605)	(57,077)	(13,840)	(14,156)
Add:				
- cash and cash equivalents (Note 10)	13,067,104	10,811,226	7,857,667	5,008,261
Financial assets at			.,00.,001	-,000,=01
amortised costs	15,260,056	13,162,748	8,753,636	6,695,067

For The Financial Year ended 31 December 2022

9. Trade and other receivables (Continued)

Trade and other receivables from third parties are non-interest bearing and generally on 1 to 30 (2021: 1 to 30) days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Gr	oup
	2022	2021
	\$	\$
Balance as at the beginning of the financial year	12,634	_
Loss allowance on trade and other receivables, net	55,079	12,634
Balance as at the end of the financial year	67,713	12,634

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

	Company	
	2022	2021
	\$	\$
Balance as at the beginning of the financial year and		
end of the financial year	776,201	776,201

During the current financial year, management identified other receivables from third parties amounting to \$748 (2021: \$12,841) which were credit impaired. Accordingly, the entire amount was fully written off.

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

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

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Singapore dollar	2,081,977	2,240,549	895,969	1,686,806
Malaysian ringgit	110,975	110,973	_	_
	2,192,952	2,351,522	895,969	1,686,806

For The Financial Year ended 31 December 2022

10. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fixed deposits with				
banks	6,310,777	3,254,147	6,310,777	3,254,147
Cash and bank balances	6,756,327	7,557,079	1,546,890	1,754,114
	13,067,104	10,811,226	7,857,667	5,008,261

Fixed deposits are placed for tenure of 91 to 93 (2021: 90 to 92) days during the financial year and will mature within 4 to 64 (2021: 35 to 61) days from the end of the financial year. The effective interest rate on the fixed deposits is approximately 1.15% (2021: 0.20%) per annum.

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

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

	Gr	Group		pany
	2022	2021	2022	2021
	\$	\$	\$	\$
Singapore dollar	12,979,813	10,685,932	7,857,667	5,008,261
Malaysian ringgit	87,291	125,294	-	_
	13,067,104	10,811,226	7,857,667	5,008,261

For The Financial Year ended 31 December 2022

11. Trade and other payables

	Group		Com	Company	
	2022	2022 2021		2021	
	\$	\$	\$	\$	
Non-current liabilities					
Deferred government					
grants	159,119	72,415	159,119	72,415	
		•	,	,	
<u>Current liabilities</u>					
Trade payables – third parties	870,303	847,274			
•	670,303	047,274	_	_	
Other payables - third parties	714014	690 722	152.706	122 200	
	714,014	680,733	152,706	133,308	
- a subsidiary	220.400	267.257	480,878	_	
GST payables	320,490	267,357	_	_	
Deferred government grants	138,400	367,446	119,760	59,431	
Deferred income	47,361	68,130	113,700	55,451	
Deposits received	193,320	34,991	_	_	
Accrued operating	193,320	34,991			
expenses	1,578,709	909,389	362,672	235,744	
Accrued unutilised	,,	,	/-	,	
annual leave	327,309	302,959	17,172	17,928	
	4,189,906	3,478,279	1,133,188	446,411	
Total trade and other					
payables	4,349,025	3,550,694	1,292,307	518,826	
Less:	.,0 .5,0=5	2,223,03.	.,,	0.0,020	
- deferred government					
grants	(297,519)	(439,861)	(278,879)	(131,846)	
- deferred income	(47,361)	(68,130)	_	_	
- deposits received	(193,320)	(34,991)	_	_	
- accrued unutilised					
annual leave	(327,309)	(302,959)	(17,172)	(17,928)	
- GST payables	(320,490)	(267,357)	-	-	
Add:					
lease liabilities (Note 13)	10,546,675	7,501,092	65,728	195,431	
Total other financial					
liabilities at amortised	12 700 704	0.030.400	1 001 004	FC4 402	
cost	13,709,701	9,938,488	1,061,984	564,483	

Trade and other payables are non-interest bearing and generally on 30 (2021: 30) days' credit terms.

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

For The Financial Year ended 31 December 2022

11. Trade and other payables (Continued)

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

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

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

	Gre	Group		oany
	2022	2021	2022 \$	2021
	\$	\$ \$		\$
Singapore dollar	3,081,105	2,256,246	996,256	369,052
Malaysian ringgit	81,921	181,150	_	_
	3,163,026	2,437,396	996,256	369,052

12. Provisions

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

Movements in the provisions were as follows:

	Group		Com	oany
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance as at the beginning of the financial year	953,516	953,858	40,000	40,000
Utilisation during the financial year	(60,000)	_	_	_
Reversal of provision (Note 19)	(64,788)	_	_	_
Exchange difference	(1,140)	(342)	-	-
Balance as at the end of the financial year	827,588	953,516	40,000	40,000

For The Financial Year ended 31 December 2022

13. Lease liabilities

	Group	Company
	\$	\$
As at 1.1.2022	7,501,092	195,431
Additions	9,655,354	-
Lease modifications – lease termination	(111,916)	_
Interest expense (Note 21)	303,078	2,442
Lease payments		
- Principal portion	(5,998,232)	(129,703)
- Interest portion	(303,078)	(2,442)
- Rent concession granted (Note 19)	(485,014)	-
Exchange difference	(14,609)	_
Balance as at 31.12.2022	10,546,675	65,728
As at 1.1.2021	10,080,346	65,465
Additions	3,568,622	259,417
Lease modifications	5,308	-
Interest expense (Note 21)	235,627	2,695
Lease payments		
- Principal portion	(5,378,857)	(124,704)
- Interest portion	(235,627)	(2,695)
- Rent concession granted (Note 19)	(765,603)	(4,747)
Exchange difference	(8,724)	
Balance as at 31.12.2021	7,501,092	195,431

For The Financial Year ended 31 December 2022

13. Lease liabilities (Continued)

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

	Gro	up	Comp	any
	2022	2021	2022	2021
-	\$	\$	\$	\$
Contractual				
undiscounted cash				
flows				
- Not later than a year	5,505,263	4,950,301	66,072	132,145
- Between one and five				
years	5,389,415	2,693,517	_	66,072
- More than five years	185,165	-	-	_
	11,079,843	7,643,818	66,072	198,217
Less: Future interest				
expense	(533,168)	(142,726)	(344)	(2,786)
Present value of lease				
liabilities	10,546,675	7,501,092	65,728	195,431
Presented in statements				
of financial position				
- Non-current	5 2/15 522	2,656,858		65 729
	5,345,533		- CE 729	65,728
- Current	5,201,142	4,844,234	65,728	129,703
	10,546,675	7,501,092	65,728	195,431

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

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

The total cash outflows for all leases including low value leases, short-term leases and contingent rent were \$7,422,550 (2021: \$6,667,492).

As at 31 December 2022, the incremental borrowing rate applied was 1.79% to 4.23% (2021: 1.79% to 3.18%) and 4.60% (2021: 4.60%) for leases of premises and retail outlets located in Singapore and Malaysia respectively.

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

	Gro	Group		any
	2022	2021	2022	2021
	\$	\$	\$	\$
Singapore dollar	9,460,919	7,252,200	65,728	195,431
Malaysian ringgit	1,085,756	248,892	_	_
	10,546,675	7,501,092	65,728	195,431

For The Financial Year ended 31 December 2022

14. Deferred tax assets/liabilities

Deferred tax liabilities

_	Group		Com	npany
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance as at the beginning of the financial year	28,226	124,787	_	12,000
(Credited)/Charged to profit or loss (Note 23)	(10,204)	(96,406)	16,014	(12,000)
Exchange difference	_	(155)	_	_
Balance as at the end of the financial year	18,022	28,226	16,014	_

Recognised deferred tax liabilities are attributable to the following:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Differences in tax	20.045	42.024	24462	
depreciation	20,015	43,034	24,163	_
Leases	(1,531)	-	(149)	
- Lease assets	259,200	-	11,025	-
- Lease liabilities	(260,731)	-	(11,174)	-
Other temporary				
differences	(462)	(14,808)	(8,000)	
	18,022	28,226	16,014	_

Deferred tax assets

	Group	
	2022	2021
	\$	\$
Balance as at the beginning of the financial year	4,608	30,000
Credited/(charged) to profit or loss (Note 23)	221,239	(25,392)
Balance as at the end of the financial year	225,847	4,608

For The Financial Year ended 31 December 2022

14. Deferred tax assets/liabilities (Continued)

Recognised deferred tax assets are attributable to the following:

	Grou	ıb dı
	2022	2021
	\$	\$
Leases	62,411	-
Lease assets	(1,324,704)	-
Lease liabilities	1,387,145	_
Unutilised capital allowance	1,473	1,899
Provisions	161,933	2,709
	225,847	4,608

Unrecognised deferred tax assets

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

	Group		
	2022	2021	
	\$	\$	
Excess of tax written down value over net carrying	4.562	1 4 76 4	
amount of plant and equipment	4,562	14,764	
Leases	61,032	119,136	
Lease assets	(166,073)	(986,645)	
Lease liabilities	227,105	1,105,781	
Unutilised tax losses	40,451	49,319	
Provisions	27,650	185,631	
Others	_	765	
	133,695	369,615	

As at 31 December 2022, unutilised tax losses of approximately \$238,000 (2021: \$290,000) were available for set-off against future taxable profits subject to the agreement by the respective tax authorities.

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



For The Financial Year ended 31 December 2022

15. Share capital

	Group and	d Company
	2022	2021
	\$	\$
Issued and paid up		
298,500,000 ordinary shares as at the		
beginning and end of the financial year	6,592,761	6,592,761

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

16. Treasury shares

	Group and Company			
	2022	2021	2022	2021
	Number of or	dinary shares	\$	\$
Balance as at the beginning of the financial year and end				
of the financial year	19,172,300	19,172,300	4,082,954	4,082,954

No awards have been made under the Share Plan during the financial year ended 31 December 2022 and 31 December 2021.

17. Translation reserve

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

18. Revenue

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

Disaggregation of revenue

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

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

For The Financial Year ended 31 December 2022

18. Revenue (Continued)

Disaggregation of revenue (Continued)

Segments	Operation of restaurants		Food processing, distribution and procurement services		То	tal
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Primary geographical markets						
Singapore	33,725,395	25,898,467	2,907,663	3,299,376	36,633,058	29,197,843
Malaysia	967,135	433,083	-	-	967,135	433,083
	34,692,530	26,331,550	2,907,663	3,299,376	37,600,193	29,630,926
Timing of transfer of goods and services Point in time	34,692,530	26,331,550	2,907,663	3.299.376	37,600,193	29,630,926

19. Other income

	Group		
	2022	2021	
	\$	\$	
Government grants	805,271	3,348,758	
Enterprise development grant	91,521	_	
Jobs support scheme	272,093	1,533,827	
Rental support scheme	_	997,344	
Job growth incentives	192,971	179,269	
Others	248,686	638,318	
Rent concession granted	485,014	909,913	
Short-term and low value leases	_	144,310	
Lease liabilities (Note 13)	485,014	765,603	
Royalty fees	15,773	_	
Gain on disposal of plant and equipment	222,113	2,899	
Gain on lease modifications (Note 13)	111,916	_	
Reversal of provision of restoration cost (Note 12)	64,788	_	
Sundry income	188,946	298,339	
	1,893,821	4,559,909	

Included in the government grants during the year ended 31 December 2022 is Enterprise Singapore for process redesign and automation projects and development of new computer software and Singapore Government under Jobs Support Scheme ("JSS") to provide wage support. The grant income in respect of JSS scheme is recognised on a systematic basis over the estimated period of economic uncertainty in which the Company recognises the related salary cost.

In addition, government grants also include grant provided by Singapore Government under Rental Support Scheme ("RSS") to support business for rental costs during Covid-19 pandemic period. The rent concession granted by landlords due to Covid-19 pandemic is recognised in the profit or loss in the respective months correspondingly of which the rental was waived.

For The Financial Year ended 31 December 2022

20. Employee benefits expense

	Group	
	2021	2021
	\$	\$
Salaries, bonuses and other benefits	12,385,837	10,466,845
Contributions to defined contribution plans	1,035,094	856,474
	13,420,931	11,323,319

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

21. Finance costs

	Group	
	2022 \$	2021 \$
Interest expense on lease liabilities (Note 13)	303,078	235,627

22. Profit before income tax

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

	Group		
	2022	2021	
	\$	\$	
Other expenses			
Audit fees			
- the auditor of the Company	114,200	109,200	
- other auditors	6,890	7,121	
Non-audit fees			
(i) Audit-related services			
- the auditor of the Company	2,500	12,300	
(ii) Non-audit related services			
- the auditor of the Company	32,900	25,600	
- other auditors	1,626	1,295	
Bad debts written off	748	12,841	
Cleaning services and materials	954,014	675,238	
Consultancy fees	27,171	7,890	
Credit card commission charges	479,244	317,608	
Directors' fees	160,000	160,000	
Lease expenses on			
- low value leases	82,444	87,965	
- short term leases	386,380	590,481	
- contingent rents	652,416	374,562	
Sales commission	1,788,647	1,839,491	
Plant and equipment written off	7,844	3,243	
Repair and maintenance	557,726	426,231	
Utilities	1,884,041	1,507,822	

For The Financial Year ended 31 December 2022

23. Income tax credit

	Group	
	2022	2021
	\$	\$
Current income tax		
- current financial year	169,747	35,450
- withholding tax	1,917	5,735
- over provision in respect of prior financial years	(35,450)	(60,389)
	136,214	(19,204)
Deferred tax		
- current financial year	(213,620)	(20,336)
- over provision in respect of prior financial years	(17,823)	(50,678)
	(231,443)	(71,014)
Total income tax credit recognised in profit or loss	(95,229)	(90,218)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2021: 17%) to profit before income tax as a result of the following differences:

	Group	
	2022	2021
	\$	\$
Profit before income tax	1,367,246	683,183
Income tax at Singapore statutory income tax rate	232,432	116,141
Effect of different tax rate in difference jurisdiction	5,324	(4,752)
Enhanced tax deduction	(395)	_
Tax effect of expenses non-deductible for income tax	CE 146	E1 202
purposes	65,146	51,393
Tax effect of income not subject to income tax	(51,240)	(453,675)
Tax effect of Singapore's statutory stepped income exemption	(59,038)	(35,295)
Utilisation of previously not recognised deferred tax assets	(298,921)	(8,781)
Deferred tax assets not recognised	63,001	332,858
Withholding tax	1,917	5,735
Over provision in respect of prior financial years		
- current income tax	(35,450)	(60,389)
- deferred tax	(17,823)	(50,678)
Others	(182)	17,225
Total income tax credit recognised in profit or loss	(95,229)	(90,218)

For The Financial Year ended 31 December 2022

24. Earnings per share

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

	Group	
	2022	2021
Earnings (\$)		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to the owners		
of the Company)	1,462,475	773,401
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	279,327,700	279,327,700
Earnings per share (cent)		
Basic and diluted	0.52	0.28

The Group does not have any dilutive potential ordinary shares for the financial years ended 31 December 2022 and 31 December 2021.

25. Dividends

	Group and Company	
	2022	2021
	\$	\$
Final tax-exempt dividend paid of 0.20 (2021: 0.20) Singapore cent per share in respect of the previous		
financial year	558,655	558,655

The Board of Directors of the Company has proposed a special tax-exempt dividend of 0.20 Singapore cent per share and final tax-exempt dividend of 0.20 Singapore cent per share in respect of profit for the financial year ended 31 December 2022. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in the shareholders' equity in the financial year ending 31 December 2023.

For The Financial Year ended 31 December 2022

26. Significant related party transactions

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

	Group		Com	ipany
	2022	2021	2022	2021
	\$	\$	\$	\$
Employee benefits paid to a close family member of a Director of the Company	_	165,869	_	165,869
Royalty fees charged to subsidiaries	_	_	944,797	754,563
Dividend received from subsidiaries	_	_	1,700,000	_
Management fees _charged to subsidiaries	_	-	1,211,575	1,260,808

Compensation of key management personnel

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

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

	Gre	oup	Com	pany
	2022	2021	2022	2021
	\$	\$	\$	\$
Directors' fees	160,000	160,000	160,000	160,000
Short-term employee benefits	1,386,812	1,413,552	1,083,677	1,084,864
Post-employment benefits	79,697	73,750	41,310	32,205
	1,626,509	1,647,302	1,284,987	1,277,069

For The Financial Year ended 31 December 2022

26. Significant related party transactions (Continued)

Compensation of key management personnel (Continued)

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

	Gro	oup	Com	pany
	2022	2021	2022	2021
	\$	\$	\$	\$
Directors of the Company				
Directors' fees	160,000	160,000	160,000	160,000
Short-term employee benefits	920,200	953,400	920,200	953,400
Post-employment benefits	23,200	17,718	23,200	17,718
	1,103,400	1,131,118	1,103,400	1,131,118
Directors of the subsidiaries				
Short-term employee benefits	341,671	351,557	_	_
Post-employment benefits	40 E44	/1 OEO		
Deficitio	40,544 382,215	41,959 393,516		
	1,485,615	1,524,634	1,103,400	1,131,118

27. Segment information

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

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

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

The operation of restaurants segment sells food and beverage products to the general public via restaurant outlets.

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.



For The Financial Year ended 31 December 2022

27. Segment information (Continued)

"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. Management evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

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

NOTES TO THE FINANCIAL STATEMENT For The Financial Year ended 31 December 2022

Segment information (Continued)

Summarised segment information is as follows:

			Food processing, distribution	g, distribution				
	Operation of	of restaurants	and procurement services	nent services	Others	ırs	Total	[a]
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	₩.	₩.	₩	₩	\$	₩.	₩
Total segment revenue	34,692,530	26,331,550	5,810,212	6,786,479	ı	ı	40,502,742	33,118,029
Inter-segment revenue	1	1	(2,902,549)	(3,487,103)	1	1	(2,902,549)	(3,487,103)
Revenue from external customers	34,692,530	26,331,550	2,907,663	3,299,376	1	1	37,600,193	29,630,926
Segment profit/(loss)	1,284,654	984,950	427,017	1,349	(306,297)	(220,212)	1,405,374	766,087
Interest income							57,101	7,314
Profit for the financial year							1,462,475	773,401
Depreciation and amortisation	6,287,930	6,004,056	466,150	632,740	I	I	6,754,080	9626,989
Impairment loss on right-of-use								
assets	586,369	287,531	ı	ı	ı	ı	586,369	287,531
Impairment loss on plant and								
equipment	48,980	137,252	ı	100,000	ı	I	48,980	237,252
Interest expenses	292,414	215,390	10,664	20,237	ı	I	303,078	235,627
Income tax credit/(expenses)	130,938	7,054	19,125	53,079	(54,834)	30,085	95,229	90,218
Segment assets/total assets	23,791,693	17,581,173	3,426,542	4,900,813	10,111	7,117	27,228,346	22,489,103
Segment liabilities/total liabilities	14,531,723	10,203,108	1,159,009	1,659,789	202,600	209,600	15,893,332	12,072,497
Capital expenditure								
- on plant and equipment	138,273	91,369	42,409	41,220	ı	I	180,682	132,589
- on right-of-use assets	9,655,354	3,520,504	ı	53,426	ı	ı	9,655,354	3,573,930
- on intangible assets	130,510	253,305	21,857	65,201	1	1	152,367	318,506

For The Financial Year ended 31 December 2022

27. Segment information (Continued)

Geographical information

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

	Singapore \$	Malaysia \$	Group \$
2022			
Total revenue from external parties	36,633,058	967,135	37,600,193
Non-current assets	9,880,376	1,158,212	11,038,588
2021			
Total revenue from external parties	29,197,843	433,083	29,630,926
Non-current assets	7,937,662	353,759	8,291,421

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

Segment results

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

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

	Gro	up
	2022	2021
	\$	\$
Segment profit	1,405,374	766,087
Interest income	57,101	7,314
Profit for the financial year	1,462,475	773,401

Segment assets

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



For The Financial Year ended 31 December 2022

27. Segment information (Continued)

Segment liabilities

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

Information about major customers

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

28. Financial risks management

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

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

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

28.1 Credit risk

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

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics on trade receivables from third parties. The Company has no significant concentration of credit risk except for the other receivables due from subsidiaries amounting to \$883,749 (2021: \$1,677,579) as at the end of the financial year.

Other receivables

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

For The Financial Year ended 31 December 2022

28. Financial risks management (Continued)

28.1 Credit risk (Continued)

Cash and cash equivalents

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group and the Company substantially placed its cash and cash equivalents in 3 (2021: 3) banks which represent 89% (2021: 85%) of the Group's cash and cash equivalents and 3 (2021: 2) banks which represent 96% (2021: 91%) of the Company's cash and cash equivalents respectively as at 31 December 2022. The Group and Company held cash and cash equivalents of \$13,067,104 and \$7,857,667 respectively as at 31 December 2022 (2021: \$10,811,226 and \$5,008,261).

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

Trade receivables

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

	Gross carrying amount	Impairment loss allowance
	\$	\$
Group		
2022		
Not past due	596,927	_
Past due but not impaired		
- 0 to 3 months	114,295	_
- More than 3 months	114,726	46,245
	825,948	46,245
2021		
Not past due	574,068	_
Past due but not impaired		
- 0 to 3 months	268,400	_
- More than 3 months	102,038	12,634
	944,506	12,634

Management believes that no impairment allowance is necessary in respect of trade receivables as these are substantially companies with good collection track record and no recent history of default, hence the expected credit loss is not material except for an amount of \$46,245 (2022: \$12,634) relating to credit-impaired balances from customer who are unlikely to repay.

For The Financial Year ended 31 December 2022

28. Financial risks management (Continued)

28.2 Liquidity risk

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

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

	Within one financial year \$	After one financial year but within five financial years \$	More than five years \$	Total \$
Group				
2022				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	3,163,026	-	-	3,163,026
Interest bearing				
- Lease liabilities	5,505,263	5,389,415	185,165	11,079,843
	8,668,289	5,389,415	185,165	14,242,869
2021				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	2,437,396	-	_	2,437,396
Interest bearing				
- Lease liabilities	4,950,301	2,693,517	-	7,643,818
	7,387,697	2,693,517	-	10,081,214
Company				
2022				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	996,256	_	_	996,256
Interest bearing	, , , , ,			,
- Lease liabilities	66,072	-	_	66,072
	1,062,328	-	-	1,062,328
2021				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	369,052	_	_	369,052
Interest bearing	233,032			203,002
- Lease liabilities	132,145	66,072	_	198,217
	501,197	66,072	_	567,269

For The Financial Year ended 31 December 2022

28. Financial risks management (Continued)

28.3 Offsetting financial assets and financial liabilities

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

Financial assets

		Related amounts set off in the statement of financial position				
	Gross amounts -financial assets	Gross amounts –financial liabilities	Net amounts of financial assets			
	\$	\$	\$			
Company As at 31 December 2022 Amounts due from subsidiaries	2,465,963	(1,582,214)	883,749			
Amounts due moin subsidiaries	2,403,903	(1,362,214)	665,749			
As at 31 December 2021 Amounts due from subsidiaries	2,748,909	(1,071,330)	1,677,579			
<u>Financial liabilities</u>						
	Related amounts set off in the statement of financial position					
	Gross amounts -financial assets \$	Gross amounts -financial liabilities \$	Net amounts of financial assets \$			
Company						
As at 31 December 2022						
Amounts due to a subsidiary	19,122	(500,000)	(480,878)			

29. Contingent liabilities

The Company has undertaken to provide financial support to certain of its subsidiaries to enable them to operate as going concern and to meet their obligations as and when they fall due at least 12 months from the end of the financial year. At the end of the financial year, certain subsidiaries had deficiencies in shareholders' fund aggregating \$2,355,990 (2021: \$1,496,962).

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



For The Financial Year ended 31 December 2022

30. Fair value of financial instruments

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.

31. Capital management policies and objectives

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

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

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

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

STATISTICS OF SHAREHOLDINGS As at 31 March 2023

SHARE CAPITAL

Number of ordinary shares in issue (excluding treasury shares) : 279,327,700 Number of treasury shares held : 19,172,300

Number of subsidiary holdings held : Nil

Class of shares : Ordinary shares Voting rights : One vote per share

% of aggregate number of treasury shares and subsidiary holdings held against the total number of shares in issue

(excluding treasury shares and subsidiary holdings) : 6.86%

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 99	4	0.19	69	0.00
100 - 1,000	70	3.27	54,000	0.02
1,001 - 10,000	1,609	75.08	6,485,793	2.32
10,001 - 1,000,000	442	20.62	34,121,999	12.22
1,000,001 AND ABOVE	18	0.84	238,665,839	85.44
TOTAL	2,143	100.00	279,327,700	100.00

TWENTY LARGEST SHAREHOLDERS

	NAME	NUMBER OF SHARES	%
1	MOK YIP PENG	66,009,400	23.63
		66,008,400	
2	WONG CHI KEONG	49,077,300	17.57
3	WONG WEI TECK	37,491,900	13.42
4	DB NOMINEES (SINGAPORE) PTE LTD	27,991,850	10.02
5	KGI SECURITIES (SINGAPORE) PTE. LTD	21,861,500	7.83
6	RAFFLES NOMINEES (PTE.) LIMITED	6,945,900	2.49
7	DBS NOMINEES (PRIVATE) LIMITED	6,020,489	2.16
8	LEE IN CHUN	5,022,700	1.80
9	THNG CHEO YAN	4,000,000	1.43
10	HO THIAM KIAT	2,080,000	0.74
11	HUANG XIANGMIAO	2,000,000	0.72
12	SIM KWANG WEI EUGENE	1,969,600	0.71
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,920,000	0.69
14	WEE KIM YEW ARTHUR	1,306,000	0.47
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,266,500	0.45
16	LEE SZE KIAN	1,256,800	0.45
17	TAN KIM SENG	1,250,500	0.45
18	CHUA GUAT HEE	1,196,400	0.43
19	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,000,000	0.36
20	THEN KHEK KOON	985,000	0.35
	TOTAL	240,650,839	86.17



STATISTICS OF SHAREHOLDINGS

As at 31 March 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INT	EREST
NAME OF SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES	% ⁽⁴⁾	NUMBER OF SHARES	% (4)
Mok Yip Peng	66,008,400	23.63	-	_
Wong Chi Keong	49,077,300	17.57	_	-
Wong Wei Teck (1)	37,491,900	13.42	4,000,000	1.43
Then Khek Koon (2)	985,000	0.35	27,945,000	10.00
Goh Khoon Lim (3)	_	-	21,848,700	7.82

Notes:

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

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company, approximately 25.5% of the Company's shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public as at 31 March 2023. Therefore the Company has complied with Rule 723 of the Listing Manual.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of SOUP HOLDINGS LIMITED (the "**Company**") will be held at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324 on Thursday, 27 April 2023 at 9.00 a.m., to transact the following business:

AS ORDINARY BUSINESS

- 1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. (Resolution 1)
- 2. To declare a final (tax exempt one-tier) dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2022 (2021: 0.20 cent per ordinary share). (Resolution 2)
- 3. To declare a special (tax exempt one-tier) dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2022 (2021: Nil). (Resolution 3)
- 4. To approve the payment of Directors' fees of \$160,000 for the financial year ended 31 December 2022 (2021: \$160,000).
- 5. To re-elect Mr Wong Wei Teck, a Director retiring pursuant to Regulation 107 of the Company's Constitution. [See Explanatory Note (i)]
- 6. To re-elect Mr Wong Chi Keong, a Director retiring pursuant to Regulation 107 of the Company's Constitution.

 [See Explanatory Note (ii)]
- 7. To re-appoint BDO LLP as auditor of the Company and to (**Resolution 7**) authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS

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

8. Authority to issue shares

(Resolution 8)

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

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

- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force.

provided that:

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

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

9. Renewal of Share Purchase Mandate

(Resolution 9)

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

[See Explanatory Note (iv)]

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

BY ORDER OF THE BOARD

Chong In Bee Company Secretary

12 April 2023 Singapore

Explanatory Notes:

- (i) Mr Wong Wei Teck will, upon re-election as a Director, remain as the Managing Director and a member of the Nominating Committee of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

- (iii) Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to shareholders of the Company.
- (iv) Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors, effective until the date on which the next AGM of the Company is held or is required by law to be held, the date on which the Share purchases are carried out to the full extent of the Share Purchase Mandate or the date on which the authority conferred in the Share Purchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting, whichever is earliest, to repurchase Shares by way of Market Purchases or Off-Market Purchases as defined in the Appendix 1 attached of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the price of up to but not exceeding the Maximum Price as defined in the Appendix 1 attached. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 are set out in greater detail in the Appendix 1 attached.

Notes:

- 1. The shareholders of the Company are invited to **attend physically** at the AGM. There will be no option for shareholders to participate virtually. Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to shareholders. Instead, these documents will be made available to shareholders solely by electronic means via publication on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.souprestaurant.com.sg/investorsrelations.
- 2. Shareholders may submit questions relating to the Annual Report and resolutions set out in the notice of AGM in advance:
 - (a) by email to agm2023@souprestaurant.com.sg; or
 - (b) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324.

All questions must be submitted by 19 April 2023.

Shareholders, including CPF and SRS investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the email address or office address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from shareholders soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from shareholders will be posted on the SGXNET and the Company's website. Any subsequent clarifications sought by the shareholders after 19 April 2023 will be addressed at the AGM. The minutes of the AGM will be published on the SGXNET and the Company's website within one month after the date of the AGM.

3. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such shareholder appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in the Proxy Form

A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

- 4. A proxy need not be a shareholder of the Company.
- 5. The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:
 - (a) by email to agm2023@souprestaurant.com.sg; or
 - (b) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324,

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 9.00 a.m. on 25 April 2023.

- 6. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
- 7. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
- 8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

SUMMARY SHEET FOR RENEWAL OF SHARE PURCHASE MANDATE

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

(A) Shares Purchased In The Previous Twelve Months

Pursuant to the Shares Purchase Mandate obtained at the Annual General Meeting on 28 April 2022, the Company had not bought back any issued ordinary shares in the capital of the Company (the "**Shares**") by way of market or off-market acquisitions.

(B) Renewal Of The Share Purchase Mandate

The Ordinary Resolution No. 9 if passed at the forthcoming annual general meeting to be held on 27 April 2023 ("FY2022 AGM") will renew the Share Purchase Mandate approved by the shareholders of the Company ("Shareholders") from the date of the FY2022 AGM at which the proposed renewal of the Share Purchase Mandate is approved until:

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

whichever is the earliest.

(C) Rationale For The Share Purchase Mandate

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

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

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

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

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

As at 31 March 2023 ("**Latest Practicable Date**"), approximately 71,103,900 Shares (25.5%) of a total of 279,327,700 Shares issued by the Company (excluding 19,172,300 Treasury Shares) are held by the public. The Company will ensure that the Share purchases will not cause market illiquidity or affect orderly trade and will ensure that Rule 723 of the Listing Manual is complied with.

(D) Financial Impact Of The Proposed Share Purchases

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

Section 76K of the Act allows the Company to:

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

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

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

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

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

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

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

- 2. The financial effects on the Company and the Group arising from the proposed purchases of the Company's Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased and the consideration paid at the relevant time.
- 3. Based on the existing issued and paid-up share capital of the Company of 279,327,700 Shares (excluding 19,172,300 Treasury Shares) as at the Latest Practicable Date, assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, or held as Treasury Shares, on or prior to the FY2022 AGM, the proposed purchases by the Company of up to a maximum of ten per cent. (10%) of its issued share capital under the Share Purchase Mandate will result in the purchase of up to 27,932,770 Shares. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- 4. An illustration of the impact of Share Purchases by the Company pursuant to the Share Purchase Mandate on the Group's and the Company's financial position is set out below based on the following assumptions:
 - (a) audited accounts of the Group and the Company as at 31 December 2022;
 - (b) in full exercise of the Share Purchase Mandate, 27,932,770 Shares were purchased;

- (c) in the case of a market purchase of Shares on the SGX-ST, meaning a purchase transacted through the ready market ("Market Purchase"), the Maximum Price (as defined below) for the market purchases is S\$0.095 which is five per cent. (5%) above the average closing prices of the Shares over the last five (5) market days preceding the Latest Practicable Date on which the transactions in Shares were recorded on the SGX-ST and accordingly the maximum amount of funds required for effecting the Market Purchase in the aggregate is S\$2,653,613; and
- (d) in the case of an off-market acquisition on an equal access scheme in accordance with Section 76C of the Act ("Off-Market Purchase"), the Maximum Price (as defined below) for the market purchases is \$\$0.108 which is twenty per cent. (20%) above the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme and accordingly the maximum amount of funds required for effecting the Off-Market Purchase in the aggregate is \$\$3,016,739.
- (i) <u>Market Purchase and Off-Market Purchase Made Entirely out of Capital or Profit and Held as Treasury Shares</u>

Market Purchase

	Group before Share purchase (\$'000)	Group after Share purchase (\$'000)	Company before Share purchase (\$'000)	Company after Share purchase (\$'000)
As at 31 December 2022				
Share Capital	6,593	6,593	6,593	6,593
Reserves	8,825	8,825	7,366	7,366
Equity excluding Treasury Shares	15,418	15,418	13,959	13,959
Treasury Shares	4,083	6,737	4,083	6,737
Total equity including Treasury Shares	11,335	8,681	9,876	7,222
Net tangible assets (1)	10,716	8,062	9,483	6,829
Current Assets	16,190	13,536	9,177	6,523
Current Liabilities	10,371	10,371	1,276	1,276
Cash and cash equivalents	13,067	10,413	7,858	5,204
Net Profit attributable to owners of parent	1,462	1,462	2,070	2,070
Total number of issued Shares ('000) ⁽²⁾	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.84	3.21	3.40	2.72
Earnings per Share (cents) ⁽³⁾	0.52	0.58	0.74	0.82
Current ratio (times) ⁽⁴⁾	1.56	1.31	7.19	5.11

Off - Market Purchase

	Group before Share purchase (\$'000)	Group after Share purchase (\$'000)	Company before Share purchase (\$'000)	Company after Share purchase (\$'000)
As at 31 December 2022				
Share Capital	6,593	6,593	6,593	6,593
Reserves	8,825	8,825	7,366	7,366
Equity excluding Treasury Shares	15,418	15,418	13,959	13,959
Treasury Shares	4,083	7,100	4,083	7,100
Total equity including Treasury Shares	11,335	8,318	9,876	6,859
Net tangible assets (1)	10,716	7,699	9,483	6,466
Current Assets	16,190	13,173	9,177	6,160
Current Liabilities	10,371	10,371	1,276	1,276
Cash and cash equivalents	13,067	10,050	7,858	4,841
Net Profit attributable to owners of parent	1,462	1,462	2,070	2,070
Total number of issued Shares ('000) ⁽²⁾	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.84	3.06	3.40	2.57
Earnings per Share (cents) ⁽³⁾	0.52	0.58	0.74	0.82
Current ratio (times) ⁽⁴⁾	1.56	1.27	7.19	4.83

Notes:

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

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

Market Purchase

	Group before Share purchase (\$'000)	Group after Share purchase (\$'000)	Company before Share purchase (\$'000)	Company after Share purchase (\$'000)
As at 31 December 2022				
Share Capital	6,593	6,593	6,593	6,593
Reserves	8,825	6,171	7,366	4,712
Equity excluding Treasury Shares	15,418	12,764	13,959	11,305
Treasury Shares	4,083	4,083	4,083	4,083
Total equity including Treasury Shares	11,335	8,681	9,876	7,222
Net tangible assets (1)	10,716	8,062	9,483	6,829
Current Assets	16,190	13,536	9,177	6,356
Current Liabilities	10,371	10,371	1,276	1,276
Cash and cash equivalents	13,067	10,413	7,858	5,204
Net Profit attributable to owners of parent Total number of issued	1,462	1,462	2,070	2,070
Shares ('000)	279,328	251,395	279,328	251,395
Financial Ratios Net tangible assets per Share (cents)	3.84	3.21	3.40	2.72
Earnings per Share (cents) ⁽²⁾ Current ratio (times) ⁽³⁾	0.52 1.56	0.58 1.31	0.74 7.19	0.82 5.11

Off - Market Purchase

	Group before Share purchase (\$'000)	Group after Share purchase (\$'000)	Company before Share purchase (\$'000)	Company after Share purchase (\$'000)
As at 31 December 2022				
Share Capital	6,593	6,593	6,593	6,593
Reserves	8,825	5,808	7,366	4,349
Equity excluding Treasury Shares	15,418	12,401	13,959	10,942
Treasury Shares	4,083	4,083	4,083	4,083
Total equity including Treasury Shares	11,335	8,318	9,876	6,859
Net tangible assets (1)	10,716	7,699	9,483	6,466
Current Assets	16,190	13,173	9,177	6,160
Current Liabilities	10,371	10,371	1,276	1,276
Cash and cash equivalents	13,067	10,050	7,858	4,841
Net Profit attributable to owners of parent	1,462	1,462	2,070	2,070
Total number of issued Shares ('000)	279,328	251,395	279,328	251,395
Financial Ratios				
Net tangible assets per Share (cents)	3.84	3.06	3.40	2.57
Earnings per Share (cents) ⁽²⁾	0.52	0.58	0.74	0.82
Current ratio (times) ⁽³⁾	1.56	1.27	7.19	4.83

Notes:

- (1) Net tangible assets equals total equity less minority interest less intangible assets, if any.
- (2) For illustrative purposes, Earnings Per Share is computed based on profit after tax and number of Shares as shown in the table above.
- (3) Current ratio equals current assets divided by current liabilities.
- 5. Shareholders should note that the financial effects set out above are based on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2022 and are for illustration only. The results of the Group and the Company for the financial year ended 31 December 2022 may not be representative of future performance.
- 6. The Company intends to use its internal sources of funds to finance its purchases of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchases of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

- 7. The Company will take into account both financial and non-financial factors, among other things, the market conditions at such time, the Company's financial condition, the performance of the Shares and whether such Share purchases would represent the most efficient and cost-effective approach to enhance the Share value. Share purchases will only be made if the Board believes that such purchases are likely to benefit the Company and increase economic value for Shareholders.
- (E) Consequences of Share Purchases Under The Singapore Code on Take-overs and Mergers
- In accordance with The Singapore Code on Take-overs and Mergers (the "Take-over Code"), a person will be required to make a general offer for a public company if:
 - (a) he and persons acting in concert with him acquires thirty per cent. (30%) or more of the voting rights of the company; or
 - (b) he and persons acting in concert with him already holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company, and he and his concert parties increase their voting rights in the company by more than one per cent. (1%) in any six-month period.
- 2. As at the Latest Practicable Date and before the proposed Share Purchase Mandate, the Directors' and substantial Shareholders' interests are as follows:

		Before P	urchase		After Pui	rchase
	Direct Interest	Deemed Interest	Total In	terest	Total Interest	
	Number of Shares	Number of Shares	Number of Shares	%	Number of Shares	%
Directors						
Wong Chi Keong	49,077,300	-	49,077,300	17.57	49,077,300	19.52
Wong Wei Teck ⁽¹⁾	37,491,900	4,000,000	41,491,900	14.85	41,491,900	16.50
Then Khek Koon ⁽²⁾	985,000	27,945,000	28,930,000	10.35	28,930,000	11.51
Professor Cham Tao Soon ⁽³⁾	300,000	200,000	500,000	0.18	500,000	0.20
Chua Koh Ming	300,000	-	300,000	0.11	300,000	0.12
Tan Choon Seng	67,500	-	67,500	0.02	67,500	0.03
Substantial Shareholders other than Directors						
Mok Yip Peng	66,088,400	-	66,088,400	23.63	66,088,400	26.26
Goh Khoon Lim ⁽⁴⁾	-	21,848,700	21,848,700	7.82	21,848,700	8.69

Notes:

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

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

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

(F) Miscellaneous

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

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

(G) Directors' Responsibility Statement

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

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

(H) Directors' Recommendation

The Directors of the Company are of the opinion that the renewal of the proposed Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend that Shareholders vote in favour of Ordinary Resolution 9.

(I) Taxation

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

(J) Documents For Inspection

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

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2022.

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

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

GUIDELINES ON SHARE PURCHASES

1. Shareholders' Approval

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

2. Mode Of Purchase

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

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

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

3. Funding Of Share Purchases

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

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

4. Trading Restrictions

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

5. Price Restrictions

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

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

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

6. Off-Market Purchases

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

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

7. Status Of Purchased Shares

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

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

Section 76K of the Act allows the Company to:

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

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

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

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

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

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

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

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

8. Notification To ACRA

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

9. Notification To SGX-ST

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

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

10. Suspension Of Purchase

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

SOUP HOLDINGS LIMITED

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

PROXY FORM

Important

- portant
 CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may approach their respective CPF agent banks and SRS operators at least seven working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such CPF and SRS investors shall be precluded from attending the AGM. This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*,	(Name) (NRIC/Passp	oort/Regis	stration nu	mber ^s	*	
of							(Address
being a	a shareholder/shareholders* of S	SOUP HOLDINGS I	LIMITED (1	the "Comp	any")	hereby	/ appoint:
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neld a 9.00 a. I/We* propos proxies	proxies* to attend and vote for t 150 Kampong Ampat, #04-01 m. and at any adjournment ther direct my/our* proxy/proxies* sed at the AGM as indicated heres* will vote or abstain from voting at the AGM and at any adjournry	KA Centre, Singal eof. to vote for, agai eunder. If no spec ng at his/their* dis	oore 368: nst or alific direct	324 on Thu ostain fron ion as to vo	ursdag n the oting	y, 27 A resolu is giver	pril 2023 a utions to b n, the proxy
NO.	RESOLUTIONS			FOR**	AGAI	NST**	ABSTAIN**
	ORDINARY BUSINESS				71071		7.5517.111
1.	To receive and adopt the Director Financial Statements for the December 2022 together with the Report thereon	ded 31					
2.	To declare a final dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2022						
3.	To declare a special dividend of 0.20 cent per ordinary share for the financial year ended 31 December 2022						
4.	To approve the payment of Directors' fees of \$160,000 for the financial year ended 31 December 2022						
5.	To re-elect Mr Wong Wei Teck as a	Director of the Com	npany				
6.	To re-elect Mr Wong Chi Keong as	a Director of the Co	mpany				
7.	To re-appoint BDO LLP as audito authorise the Directors to fix its re		and to				
	SPECIAL BUSINESS						
8.	To authorise the Directors to a convertible securities	llot and issue shar	res and				
9.	To approve the renewal of Share P	urchase Mandate					
** If	pelete accordingly Tyou wish to exercise all your votes oxes provided. Alternatively, please i					n a tick	 [√] within th
Dated	this day of	2023					
			Total nun	nber of Shar	es in	Numb	er of Shares
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			(b) Regist	er of Memb	ers		



Notes:

- 1. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the shareholder.
- 2. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such shareholder appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- 3. A proxy need not be a shareholder of the Company.
- 4. This Proxy Form, duly executed, must be submitted (a) by email to agm2023@souprestaurant.com.sg; or (b) by post to the registered office of the Company at 150 Kampong Ampat, #04-01 KA Centre, Singapore 368324, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 9.00 a.m. on 25 April 2023.
- 5. The appointment of a proxy or proxies shall not preclude a shareholder from attending and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.
- 6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
- 7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
- 8. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.
- 9. Persons who hold shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
- 10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this Proxy Form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 12 April 2023.



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Fax: 6222 4667

Email: email@souprestaurant.com.sg