三盅两件

SOUP
RESTAURANT

Growing and Celebrating with our Nation

Annual Report 2015

CONTENTS

CORPORATE PROFILE

Growing and **Celebrating** with our **Nation**

Founded in 1991, Soup Restaurant Group Limited had 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 18 restaurant outlets in Singapore and Malaysia, as well as a franchised outlet in Indonesia.

Celebrating Our Roots

The origins of our culinary heritage, which we have been preserving for years, can be traced back to the bustling streets of old Chinatown, where traders, labourers and the common people interacted.

One distinct group, the Samsui women, came to Singapore in 1920s through to the 1940s to work. Living together, these women were known for their unity and pragmatism, which can be reflected in the dish they are widely known for: the simple goodness of steamed chicken with ginger sauce.

OUR BRANDS

三盅两件 SOUP RESTAURANT

SOUP RESTAURANT

Our Soup Restaurant outlets serve traditional iconic dishes which are a treat for the whole family.

At Soup Restaurant, our unique Chinatown Heritage dishes like Samsui Ginger Chicken, steamed minced pork and herbal soups, remind our customers of the tasty, nutritious meals that have bonded Chinese families for generations.

Our concept is home-style and family oriented. Our logo, the Samsui woman, symbolises the values that inspire our cooking – tradition, resilience and family ties.

The Samsui woman 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 industry, laid bricks with her bare hands, carried building materials over her shoulders and cleared debris. She was the quintessential construction worker for that period. Every day, she looked forward to her daily ritual of a simple, nutritious meal with her sisters from her hometown. During Chinese New Year, they gathered to indulge in their favourite food – 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 and her legacy is a big part of our history. Her spirit is interwoven into the fabric of our brand as we enliven her heritage with our repertoire of simple, nutritious home-style food that had kept her healthy and strong for the hard labour that awaited her each day.

At Soup Restaurant, our culture is also steeped in our philosophy of reunion. We want everybody's reunion with their loved ones to be moments they can cherish every day.

OUR BRANDS

CAFE-O

CAFE O showcases Singapore's unique coffee shop culture where locals can find comfort and familiarity in homegrown drinks and dishes such as kopi O, teh tarik, nasi lemak and roti prata.

Our specially-designed signage underscores this cultural legacy. Depicted in the four official languages of Singapore, it embodies the equal standing and harmonious relationship that all races enjoy in Singapore. This tribute to Singapore's multi-racial culture sets CAFE O apart from other brands in the market.

CAFE O's design concept reinterprets the atmosphere and dining experience of traditional local coffee shops. Customers can enjoy kopi-siew-dai and half-boiled eggs while seated on timber chairs or 1950's-style formica benches on a tiled mosaic floor. True to CAFE O's multi-racial focus, metal grill handrails in our cafes are decorated with motifs inspired by Chinese, Malay, Indian and Eurasian heritage and traditions. Pendant lamps in a variety of forms and colours add to the effect of being in a cultural melting pot. Old picture frames, as well as photos of Singaporean families and their day-to-day activities, are displayed for customers to soak in the nostalgic atmosphere and relive the good old days of Singapore's past.

CAFE O has adopted blue as its brand colour – our salute to the kopi uncles who used to wear blue-striped pyjama pants to work. The familiar blue-striped apron on CAFE O's staff, made from the same fabric, signifies the continuation of Singapore's coffee shop tradition.

CAFE O's design concept pays tribute to Singapore's unique multi-racial culture, and more importantly, provides a truly Singaporean dining experience for all to enjoy.

POT LUCK

POT LUCK is a new 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!

CORPORATE STRUCTURE

SOUP RESTAURANT GROUP LIMITED

- < 100% > **SOUP RESTAURANT SINGAPORE PTE. LTD.**
- < 100% > **CAFE O SINGAPORE PTE. LTD.**
- < 100% > **POT LUCK F & B SINGAPORE PTE. LTD.**
- < 100% > **SOUP RESTAURANT INVESTMENTS PTE. LTD.**
  - < 100% > **SRG F & B MALAYSIA SDN. BHD.**
- < 100% > **SAMSUI HOLDINGS PTE. LTD.**
  - < 100% > **SURE FOOD PTE. LTD.**
  - < 100% > **SAMSUI SUPPLIES & SERVICES PTE. LTD.**

OUR FOOTPRINT

SINGAPORE

SOUP RESTAURANT

Century Square
2 Tampines Central 5
#B1-01/12/13
Century Square
Singapore 529509

Changi Airport T2
Singapore Changi
Airport Terminal 2
#036-086
Viewing Mall North
Singapore 819643

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

Compass Point
1 Sengkang Square
#03-16/17
Compass Point
Shopping Centre
Singapore 545078

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

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

Jurong Point
1 Jurong West Central 2
#02-32/33
Jurong Point
Shopping Centre
Singapore 648886

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

Paragon
290 Orchard Road
#B1-07
Paragon
Singapore 238859

Suntec City
3 Temasek Boulevard
#B1-122
Suntec City Mall
Singapore 038983

Hersing Centre
450 Lorong 6 Toa Payoh
#01-10
Hersing Centre
Singapore 319394

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

VivoCity
1 HarbourFront Walk
#02-141
VivoCity
Singapore 098585

CAFE O

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

Woodlands XChange
30 Woodlands Avenue 2
#01-38/39/40
Woodlands XChange
Singapore 738343

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

Jaya Shopping Center
Level 3 #L3-12
Jaya Shopping Center
Jalan Semangat Seksyen 14
Petaling Jaya 46100
Selangor Darul Ehsan
Malaysia

INDONESIA*

SOUP RESTAURANT

- Plaza Indonesia

* Franchised outlet

Pot Luck

Century Square

Changi Airport


Paragon

VivoCity

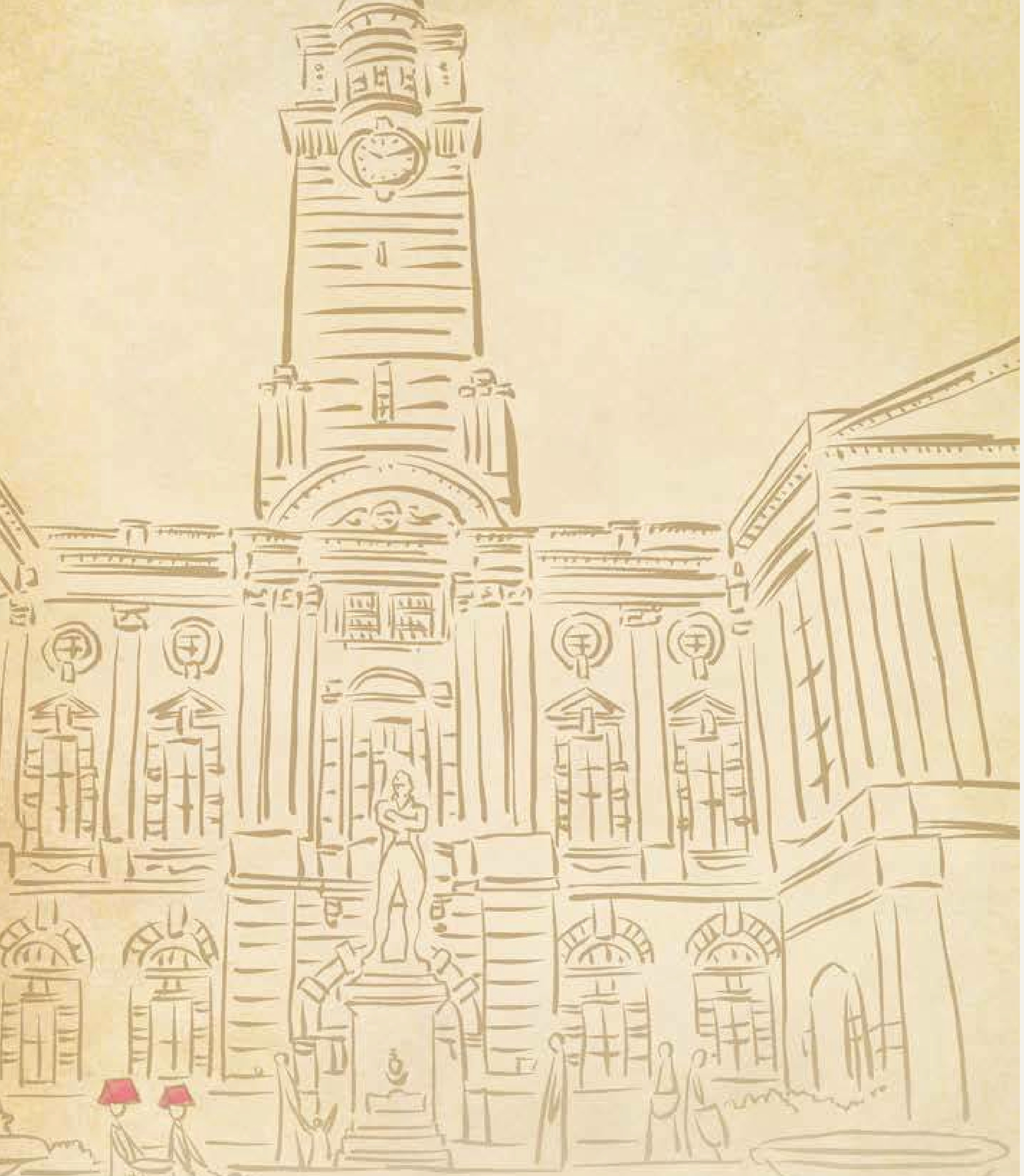

Jurong Point

Suntec City


Cafe O at IMM

Clementi Mall

United Square



Local Flavour for a Global Taste

Today, Singapore is a world-class gastronomic destination, welcoming food lovers from all over the world. Soup Restaurant, home to distinctive culinary offerings, is ever dedicated to bring delight, togetherness and a genuine taste of a unique Singaporean flavour to a wider audience.

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Soup Restaurant Group Limited, I present to you the Annual Report for the financial year ended 31 December 2015 ("FY2015").

IMPROVED PERFORMANCE FOR FY2015

Despite an increasingly challenging environment for the food and beverage ("F&B") industry in Singapore, I am pleased to report that Group revenue and profit improved amidst efforts by our management team to increase sales and control operating costs.

Our revenue increased by $1.5 million or 3.7% to $41.0 million. This was attributed to improved sales from both operating segments, with restaurant operations increased by $1.0 million, and food processing, distribution and procurement services by $0.5 million. Our profit before income tax increased by $0.1 million or 14.2% to $1.1 million.

BRAND DIFFERENTIATION

During the year, the Group started a brand enhancement exercise and rolled out a new "传承" or "HERITAGE" concept at our revamped Jurong Point outlet in November. This concept features a new menu with specially created dishes, improved customer service standards and a 4th generation design for its interior. The enhancement has been well-received by customers and we plan to introduce the same concept to more outlets this year.

The Group also focused on promoting brand awareness during the year. We launched our multi-pronged marketing plan to increase public awareness of our various brands. We started buffet specials at our Hougang Mall outlet during off-peak hours throughout the year. To celebrate SG50 and pay tribute to the Samsui Women's contributions to nation building, the Group was the main sponsor of the local movie "1965", in which our signature dish Samsui Ginger Chicken and its history was prominently featured. At the same time, we also organised events and promotions featuring a dish cooked by popular MediaCorp artiste Qi Yuwu. In addition, the Soup Restaurant 'Value Card' was also introduced. The membership program was well received with a steady take-up rate resulting in increased customer visits to our outlets.

We continued our food processing and distribution business under the Samsui brand with distribution of our own brand of sauces, including the signature Samsui Ginger Sauce, in NTUC, Cold Storage and Isetan supermarkets.

DIVIDENDS

To reward our shareholders for their loyalty and support, I am pleased to announce that the Board of Directors has proposed a final dividend of 0.325 cents per share for FY2015.

CORPORATE SOCIAL RESPONSIBILITY

In line with our mission to be at the forefront of corporate social responsibility, Samsui Supplies and Services Pte Ltd ("Samsui") has been working with the National Volunteer and Philanthropy Centre ("NVPC") to provide good food to the underprivileged. We also collaborated with the Movement of the Intellectually Disabled of Singapore ("MINDS") to launch the Samsui-MINDS Mart and partnered NVPC in the President's Volunteer and Philanthropy Awards 2015. We also served as an influencer for the launch of the national giving website, giving.sg.

Samsui was lauded by our Finance Minister, Mr Heng Swee Keat during his budget announcement on 24 March 2016 as an "inspiring example" of a company that is contributing to society.

CHAIRMAN'S MESSAGE

I would like to take this opportunity to thank our staff for generously contributing their time and effort towards our social causes.

FUTURE OUTLOOK

With the current economic outlook and uncertainty in the global environment, we anticipate that Singapore's F & B industry will remain challenging. We will strive to take this opportunity to consolidate and streamline our brands while looking for prime locations within Singapore and overseas for expansion. We intend to open more "传承" or "HERITAGE" outlets as well as start a "茶楼"or "TEAHOUSE" concept serving our Nanyang Delights and other popular dishes this year. We will also focus our efforts in exploring new retail concepts and in marketing.

APPRECIATION

On behalf of the entire Board of Directors, I would like to convey my heartfelt thanks to our shareholders for your support and confidence in the Group. I would also like to thank our customers, suppliers and business associates for their steadfast support throughout the year. Last but not least, I wish to extend my appreciation to my fellow Directors for their guidance and wise counsel, and to management and staff for their dedication and hard work. We look forward to another better year ahead.

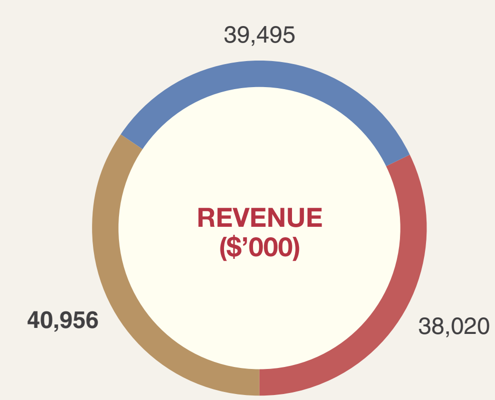
Professor Cham Tao Soon
Non-Executive Chairman
30 March 2016

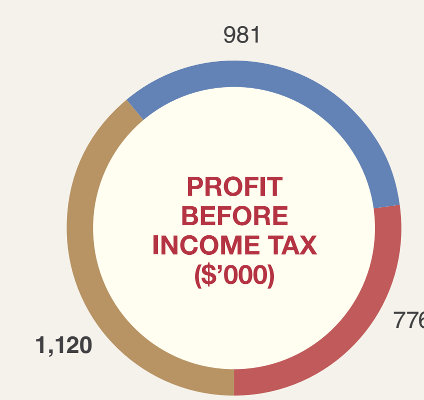
Soup Restaurant Value Card (VIP Card)

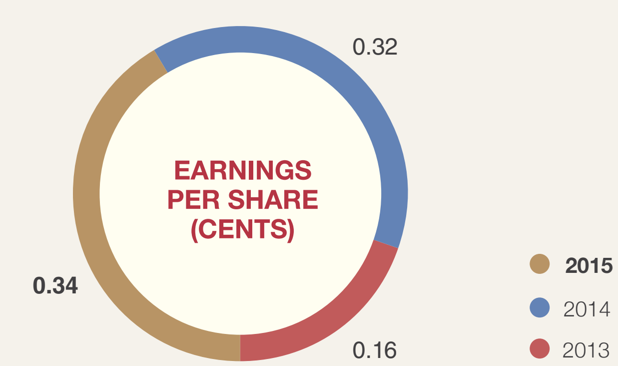
FINANCIAL HIGHLIGHTS

	FY2015 $'000	FY2014 $'000	FY2013 $'000
REVENUE AND PROFITABILITY			
Revenue	40,956	39,495	38,020
Profit before income tax	1,120	981	776
Profit attributable to owners of the Company	968	911	467
FINANCIAL AND CASH FLOW POSITION			
Current assets	12,819	13,637	14,695
Current liabilities	5,235	5,398	5,179
Total assets	15,811	17,668	19,590
Total liabilities	5,515	5,700	5,416
Total equity	10,296	11,968	14,174
Cash and cash equivalents	8,319	9,125	10,948
PER SHARE (CENTS)			
Earnings per share (1)	0.34	0.32	0.16
Net asset value per share (2)	3.64	4.19	4.89

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 reported an increase in revenue of 3.7% or $1.5 million to $41.0 million in FY2015 as compared to $39.5 million in FY2014. This was attributed to improved sales from both operating segments, operation of restaurants by $1.0 million and food processing, distribution and procurement services by $0.5 million. The operation of restaurants accounted for 97.2% or $39.8 million of the Group's revenue during the year, contributed by the existing 19 restaurant outlets in Singapore and Malaysia. The revenue generated from food processing, distribution and procurement services grew by 68.6% from $0.6 million to $1.1 million as a result of various promotional and sales initiatives carried out during the year.

Other Income

Other income increased by $0.1 million or 12.0% in FY2015 due to government grants of $0.2 million received mainly for the Wage Credit Scheme and Special Employment Credit, offset by a decrease in franchise fees and sundry income of $0.1 million.

Purchases and Other Consumables

Purchases and other consumables were maintained at approximately 23% of revenue as a result of the Group's efforts to contain food costs through alternative sourcing of raw materials and bulk purchasing.

Employee benefits expense

Employee benefits expense increased by $0.8 million or 5.3% to $15.1 million in FY2015 as a result of wage revisions and increase in headcount to meet operational expansion. This increase was also in line with the prevailing labour market conditions as the government tightened the foreign workers policy and the labour crunch in the food and beverages sector led to higher demand for local workers.

Other operating expenses

Other operating expenses increased by $0.3 million or 2.3% to $14.3 million in FY2015. These were mainly due to impairment of plant and equipment of $0.2 million, increase in operating lease expenses of $0.4 million, increase in repair and maintenance of $0.2 million, and increase in advertising costs of $0.2 million. This was partially offset by a decrease in professional and consultancy fees of $0.3 million, decrease in utilities spending of $0.2 million and decrease in expenses of hiring contract workers of $0.1 million.

Results for the year

In line with the above, the Group's profit before income tax increased by 14.2% to $1.1 million in FY2015 as compared to $1.0 million in FY2014. Earnings per share based on weighted average number of ordinary shares for FY2015 stood at 0.34 cents.

OPERATING AND FINANCIAL REVIEW

FINANCIAL POSITION REVIEW

Assets

Non-current assets decreased by $1.0 million from $4.0 million as at 31 December 2014 ("FY2014") to $3.0 million as at 31 December 2015 ("FY2015"), mainly due to depreciation expense and impairment of plant and equipment amounting to $1.9 million, partially offset by additions of plant and equipment of $0.8 million.

Current assets decreased by $0.8 million from $13.6 million as at FY2014 to $12.8 million as at FY2015 mainly due to a decrease in cash and cash equivalents.The decrease was attributable to payments made for purchases of plant and equipment of $1.0 million, payment of dividend of $2.1 million and the share buyback of $0.5 million, offset by net cash from operating activities of $2.8 million.

Liabilities

Total liabilities decreased by $0.2 million or 3.2% to $5.5 million as at FY2015 mainly due to a decrease in accrued operating expenses offset by an increase in deferred income for vouchers redeemable which were associated with the introduction of the Soup Restaurant Value Card.

Total Equity

Total equity decreased by $1.7 million to $10.3 million as at FY2015, attributable mainly to the payment of final dividend of $2.1 million and share buyback of $0.5 million offset against profit before income tax. The Group reported a net asset value per share of 3.64 cents as at FY2015 against 4.19 cents as at FY2014.

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 Audit Committee and member of the Nominating and Remuneration Committees. He has more than 30 years of experience in the academia sector and is currently the Special Advisor to SIM Governing Council. He is on the Advisory Board of SAP (Asia Pacific Japan) and also sits on the board of public listed and private companies, including NSL Ltd and Fundedbyme Asia Pacific Pte 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.

MOK YIP PENG

Managing Director

Mr Mok, a co-founder of the Company, has been with the Company since its incorporation in 1991. He is involved in the management and strategic planning of the Group and oversees the operations of the food and beverages outlets. He is also a member of the Nominating Committee. Prior to founding the Company, Mr Mok was involved in engineering consultancy and design review with several companies, including Ove Arup and Partners, Mass Rapid Transit Corporation and E3 Consulting Engineers.

Mr Mok holds a Bachelor in Civil Engineering from the National University of Singapore.

WONG CHI KEONG

Executive Director

Mr Wong, a co-founder of the Company, was appointed as Executive Director on 15 June 2011. He oversees the brand development, marketing, 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.

WONG WEI TECK

Executive Director

Mr Wong, one of the founders of the Company, has been appointed as Executive Director of the Group since 2000. Having been with the Company since its inception in 1991, Mr Wong was instrumental to the Group's growth and development over the years and its listing on the Singapore Exchange. Currently, he oversees the Corporate Services Division, including administration, human resource and information technology infrastructures of the Group. He is also spearheading the Group's Corporate Social Responsibility initiatives. Prior to joining the Group, he was working as an engineer with several companies, including Mass Rapid Transit Corporation and Taylor Woodrow PLC construction group.

Mr Wong holds a Bachelor in Civil Engineering from the National University of Singapore and is a Professional Engineer certified by the Singapore Professional Engineers Board.

BOARD OF DIRECTORS

THEN KHEK KOON

Executive Director

Mr Then was appointed as Non-Executive Director on 19 September 2004 and was re-designated to Executive Director on 1 January 2012. He oversees the corporate and business development of the Group. Under the Samsui line of companies, Mr Then oversees the food processing business and the procurement of food and services. Mr Then has over 20 years of experience in the petroleum industry and is currently on the board of several companies.

Mr Then holds a Bachelor of Mechanical Engineering from the University of Singapore.

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.

SAW MENG TEE

Independent Director

Mr Saw was appointed as Independent Director on 23 March 2007. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He has vast experience in the audit and finance industry and serves on the board of several private companies. He is also a partner of a CA firm which he established in 1999.

He holds a Bachelor of Accountancy from Nanyang Technology University and is a Fellow Chartered Accountant registered with the Institute of Singapore Chartered Accountants and a Fellow of the Insolvency Practitioners Association of Singapore.

KEY MANAGEMENT

CHONG IN BEE

Financial Controller

Ms Chong was appointed as Financial Controller on 3 July 2015 and is responsible for the overall financial reporting functions of the Group. She is also the Company Secretary for the Company and its subsidiaries in Singapore.

Ms Chong has more than 10 years of experience in the auditing and accounting profession. Prior to joining the Group, she was the Finance Manager of a private company and an auditor in public accounting firms.

She holds a Bachelor of Accountancy from Multimedia University, Malaysia and is a non-practising member of the Institute of Singapore Chartered Accountants and Association of Chartered Certified Accountants.

NG ENG CHYUAN

Chief Operating Officer, F & B Brands

Mr Ng was appointed as Chief Operating Officer, F & B Brands on 3 September 2013. He is responsible for the sales and operations of all restaurant businesses of the Group.

Mr Ng has over 20 years of experience in sales and operations, personnel and training, kitchen and hygiene as well as beverage and bar management in various food and beverage industries.

He graduated from the Singapore Hotel Association Training and Education Centre and holds a Double Diploma in Enterprise Development by the International Professional Managers Association, UK. He also obtained a Master of Business Administration (Entrepreneurial Management) from Entrepreneurship Institute Australia, now known as Australian Institute of Business, in 2009.

SU DO KIN MENG

General Manager, Malaysia

Mr Su Do joined the Group as General Manager for its operations in Malaysia on 15 March 2012 and has been appointed as Director of the Company's subsidiary, SRG F & B Malaysia Sdn Bhd ("SRGM") since 1 August 2012. He is responsible for the business development of SRGM, including the setting up of new restaurant outlets in Malaysia. He had held various senior positions with more than 30 years of working experience in established multinational firms such as Caltex Oil Malaysia Ltd (Chevron), Agip Petroli SpA (Singapore) and Prima Group Malaysia.

Mr Su Do holds a Diploma in Marketing from Chartered Institute of Marketing, London.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Professor Cham Tao Soon

Members

Mok Yip Peng
Wong Chi Keong
Wong Wei Teck
Then Khek Koon
Chua Koh Ming
Saw Meng Tee

AUDIT COMMITTEE

Chairman

Professor Cham Tao Soon

Members

Chua Koh Ming
Saw Meng Tee

NOMINATING COMMITTEE

Chairman

Chua Koh Ming

Members

Professor Cham Tao Soon
Saw Meng Tee
Mok Yip Peng

REMUNERATION COMMITTEE

Chairman

Saw Meng Tee

Members

Professor Cham Tao Soon
Chua Koh Ming

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.sg
Website: www.souprestaurant.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

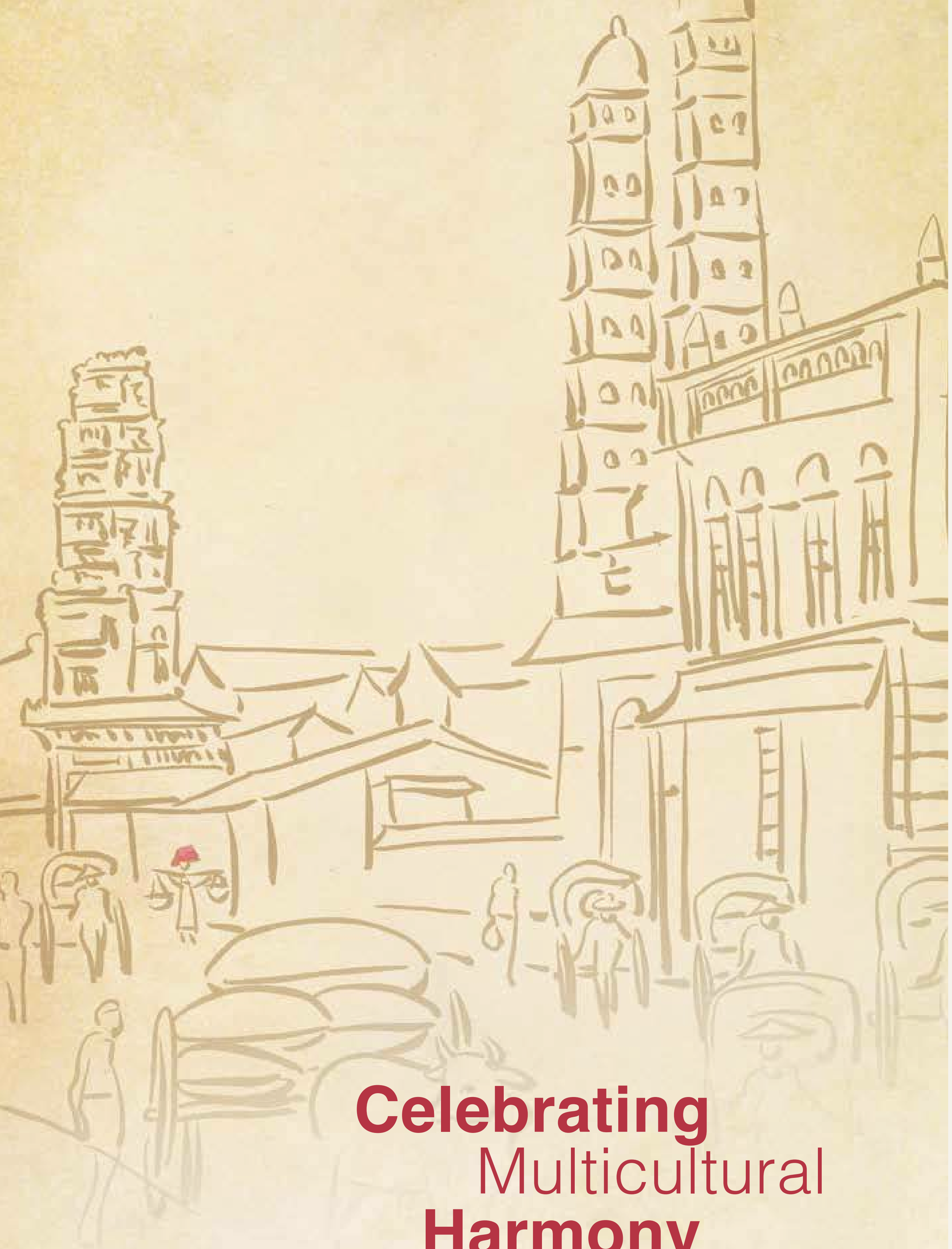
AUDITORS

BDO LLP

Public Accountants and Chartered Accountants
21 Merchant Road #05-01
Singapore 058267

Audit Partner-in-charge

William Ng Wee Liang
(Appointed in financial year 2013)



Celebrating Multicultural **Harmony**

Singapore is a convergence of traditions and ways of life where different ethnic groups' culinary heritage have co-existed harmoniously to this day. Soup Restaurant is a testament of this admirable trait of Singapore.

CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS OF 2015

In 2015, the Soup Restaurant Group continued with our corporate social responsibility efforts to assist voluntary welfare organisations in providing wholesome meals for their beneficiaries. We believe that by tapping on our skill sets and our existing infrastructure in F&B, we are able to give back to the community in which we operate, in a more effective manner.

Last year, we prepared more than 500,000 meals for the underprivileged, including elderly, children and the intellectually disabled. Besides food preparation, our subsidiary, Samsui Supplies and Services, also worked with business partners and Community Chest to raise funds for beneficiaries.

These meals - mainly local fare such as chicken curry, laksa and mee rebus - are usually provided to the needy for free or at a minimal cost. To keep costs low, we engage vendors and business partners to contribute to the preparation and distribution of the meals. Besides providing tasty and nutritious meals, we also served Samsui-inspired reunion dinner dishes and yu sheng during the festive season, while our corporate partners channelled their resources towards planning activities for our beneficiaries.

JAN'15

MINDS Chinese New Year Ang Bao Project

- Purchased hand-painted Ang Baos and Pineapple Tarts made by MINDS' beneficiaries to give to customers

FEB'15

Salvation Army, Peacehaven Nursing Home

- Organised Chinese New Year celebration party for the elderly

APR'15

In Partnership with NVPC

- Business Times featured our CSR efforts in an article titled, 'A cause worthy of a food rally'

JUL'15

In Partnership with MM2 and the cast of '1965'

- With Joanne Peh & Qi Yuwu, we organised a lunch for a group of pioneer generation elderly

AUG'15

MINDS Mart

- Collaborated with MINDS to provide warehousing work opportunities for MINDS' beneficiaries

OCT'15

President's Volunteerism & Philanthropy Awards Dinner 2015

- Prepared canapes for the dinner
- Partnered with MINDS' beneficiaries who helped pack 400 sets of our sauces as door gifts

NOV'15

'Makan Project'

- Served as an influencer for the launch of the national giving website www.giving.sg
- Raise funds for the Makan Project which sponsored meals to Salvation Army and MINDS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of Soup Restaurant Group Limited (the “Company” and together with its subsidiaries, the “Group”) is committed to maintaining a high standard of corporate governance to safeguard the interest of all its stakeholders.

This Report discloses the Company’s corporate governance framework and practices with specific reference made to the principles of the Code of Corporate Governance 2012 (“CCG 2012”) and explains any deviation from the CCG 2012.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and management remains accountable to the Board.

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 shareholders’ 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 its 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 the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

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 general meetings are scheduled in advance in consultation with all the Directors in order to assist the Directors in planning their attendance at these meetings. In addition, Regulation 120(2) of the Company’s Constitution provides for telephonic and video-conferencing meetings. If a Director is unable to attend the meeting in person, the Director is invited to participate in the meeting via telephone or video conference, where necessary.

CORPORATE GOVERNANCE REPORT

The attendance of the Directors at Board and Committee meetings as well as the frequency of such meetings held during the financial year ended 31 December 2015 ("FY2015") are disclosed below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
	Number of Meetings Held			
	4	4	1	1
Name of Director	Number of Meetings Attended			
Professor Cham Tao Soon	4	4	1	1
Mok Yip Peng	4	4*	1	1*
Wong Chi Keong	4	4*	1*	1*
Wong Wei Teck	3	3*	1*	1*
Then Khek Koon	4	4*	1*	1*
Chua Koh Ming	4	4	1	1
Saw Meng Tee	4	4	1	1

Note:
* By invitation

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

(a) approval of quarterly and full year results announcements;

(b) approval of annual report and financial statements;

(c) declaration of interim dividends and proposal of final dividends;

(d) approval of corporate strategies;

(e) authorisation of 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.

Incoming Directors will be briefed by the Board to ensure that they are familiar with the Group's business and corporate governance practices. The Company encourages newly appointed first-time Directors to undergo appropriate training to familiarise themselves with the relevant laws and regulations in connection with the discharge of their duties. 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. Directors are also provided with regular updates from time to time by professional advisors, 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 had undergone appropriate training on the roles and responsibilities required of a listed company's Directors.

All Directors are appointed to the Board by way of a formal letter of appointment, indicating the scope of duties and obligations.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises seven members as follows:

Professor Cham Tao Soon	(Non-Executive Chairman and Independent Director)
Mok Yip Peng	(Managing Director)
Wong Chi Keong	(Executive Director)
Wong Wei Teck	(Executive Director)
Then Khek Koon	(Executive Director)
Chua Koh Ming	(Independent Director)
Saw Meng Tee	(Independent Director)

The independence of each Independent Director is subject to annual review by the Nominating Committee. Each Independent Director has to submit a confirmation of his independence based on the guideline provided in CCG 2012.

The Nominating Committee had also conducted a rigorous review of the independence of Professor Cham Tao Soon (appointed on 14 May 2007), Mr Chua Koh Ming and Mr Saw Meng Tee (both appointed on 23 March 2007). Professor Cham Tao Soon's ninth anniversary of serving on the Board is 14 May 2016, while Mr Chua Kok Ming and Mr Saw Meng Tee have served on the Board for more than nine years after 23 March 2016. The Nominating Committee is of the view that independence cannot be arbitrarily determined merely on the basis of a set period of time and has taken into consideration the following factors in assessing Independent Directors. They have:-

(a) demonstrated strong independence in discharging their duties and responsibilities with the utmost commitment in upholding the interest of the non-controlling shareholders;

(b) engaged the Board in constructive discussion;

(c) expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management;

(d) sought clarification as they deemed necessary, including through direct access to the Management; and

(e) developed significant insights in the Group's businesses and operations and continue to provide significant and valuable contribution objectively to the Board as a whole; and

(f) provided stability to the Board.

The Board, taking into account the views of the Nominating Committee, is of the opinion that Professor Cham Tao Soon, Mr Chua Koh Ming and Mr Saw Meng Tee are considered independent in accordance with CCG 2012 as they are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement, notwithstanding that they have served or will serve on the Board beyond nine years.

CORPORATE GOVERNANCE REPORT

The appointment of three Independent Directors which make up more than one-third of the Board, provides a strong and independent element on the Board capable of exercising objective judgment on corporate affairs of the Company. No individual or small group of individuals dominates the Board's decision-making.

The Board and Nominating Committee regularly examine the Board size. The Board is of the view that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision-making.

The Independent Directors are constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of the management in meeting agreed objectives and monitor the reporting of the performance.

The Board is also satisfied that it comprises directors with a variety of skills, expertise and working experiences to provide core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

When necessary, the Independent Directors meet and discuss on the Group's affairs without the presence of the management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

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.

In view of the above, Professor Cham Tao Soon was appointed as the Independent Non-Executive Chairman of the Board with effect from 1 August 2012. His duties as the Independent Non-Executive Chairman include:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensure 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 Independent Directors in particular; and

(h) promoting high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Nominating Committee comprises a majority of Independent Directors, namely Mr Chua Koh Ming as Chairman, Professor Cham Tao Soon, Mr Saw Meng Tee and Mr Mok Yip Peng as members.

The Nominating Committee is responsible for:

(a) reviewing the Board succession plans for Directors, in particular, the Chairman and the CEO;

(b) developing a process for evaluation of the performance of the Board, its Committees and Directors;

(c) reviewing the training and professional development programs for the Board;

(d) the appointment and re-appointment of Directors, including alternate Directors if applicable;

(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;

(h) recommending to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards; and

(i) assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board.

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 Annual General Meeting. Further, all the Directors are required to retire from office at least once in every three years, with the exception of the Managing Director.

The Nominating Committee has recommended to the Board that Mr Wong Chi Keong and Mr Then Khek Koon be nominated for re-election at the forthcoming Annual General Meeting of the Company. In making the recommendation, the Nominating Committee has considered both Directors' overall contributions and performance.

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of his re-nomination as Director.

The Nominating Committee is responsible for determining annually, the independence of Directors. The Nominating Committee had also taken into account the circumstances set forth in Guidelines 2.3 and 2.4 of the CCG 2012 in determining the independence of the Directors who had served the Board beyond nine years. The relevant factors are set out under Principle 2.

The search and nomination process for new Directors, if any, are through contacts and recommendations. The Nominating Committee will review and assess candidates before making a recommendation to the Board. In recommending new Directors to the Board, the Nominating Committee takes into consideration the skills and experience required to support the Group's business activities or strategies, the current composition and size of the Board.

As part of the Board nomination process, the Nominating Committee will consider important issues such as the composition and progressive renewal of the Board as well as each Director's competencies, commitment, contribution and performance for the re-appointment of Directors.

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.

Notwithstanding that some of the Directors have multiple board representations, the Nominating Committee is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. The academic and professional qualifications of and shareholdings held by the Directors in the Company and its subsidiaries (if any) are set out in the "Board of Directors" and "Directors' Statement" sections of this Annual Report respectively.

The date of first appointment and date of last re-election as Directors, present and past directorships over the preceding three (3) years in other listed companies are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Directorships in Other Listed Companies
Professor Cham Tao Soon	14 May 2007	30 April 2015	NSL Ltd Singapore Press Holdings Limited *(Retired on 2 December 2014)* Far Eastern Bank Limited *(Retired on 25 April 2014)* United Overseas Bank Limited *(Retired on 25 April 2014)* MFS Technology Ltd *(Retired on 7 August 2013)*
Mok Yip Peng	20 July 1991	-	None
Wong Chi Keong	15 June 2011	30 April 2014	None
Wong Wei Teck	20 July 1991	30 April 2014	None
Then Khek Koon	19 September 2004	29 April 2013	None
Chua Koh Ming	23 March 2007	30 April 2015	None
Saw Meng Tee	23 March 2007	30 April 2015	None

The Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director 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.

There is no alternate Director on the Board.

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The Board has implemented a 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's 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.

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

The Board considers the current evaluation of the Board's performance as adequate, having regard to the size and complexity of the Group's businesses. The Board is also satisfied that it has met its performance objectives for the year.

Access to Information

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All Directors shall have unrestricted access to the Company's records and information and independent access to the Company Secretary, the key management personnel and other employees of the Company.

Board members are also 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. Detailed board papers are prepared for each meeting of the Board which contains sufficient information on the issues to be considered at Board meetings.

The Company Secretary attends Board meetings to ensure that Board procedures are followed and that all applicable rules and regulations are complied with. The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

The Directors, either individually or as a group, shall have the right to seek independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his role and responsibilities as a Director.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Remuneration Committee comprises entirely of Independent Directors, namely Mr Saw Meng Tee as Chairman, Professor Cham Tao Soon and Mr Chua Koh Ming 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 determines specific remuneration packages for each Executive Director. The recommendations of the Remuneration Committee will be submitted for endorsement by the entire Board. 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.

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 and the remuneration package related to him.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Remuneration Committee will review annually all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses and benefits-in-kind, to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's objectives and that the remuneration reflects employees' duties and responsibilities.

The Executive Directors do not receive Directors' fees. The remuneration for the Executive Directors comprises a basic salary, an annual bonus equivalent to one month's basic salary and a variable performance bonus, based on the performance of the Group. The Independent Directors do not have any service agreements and will be 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 and time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at the Annual General Meeting of the Company.

CORPORATE GOVERNANCE REPORT

As the variable components of the remuneration packages of the Executive Directors and key management personnel are moderate and do not form a significant portion of the packages, 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 of misconduct resulting in financial loss to the Company.

The Company implemented a performance share plan approved by shareholders on 22 July 2013. For details of the plan, please refer to Principle 9 of the CCG 2012 below.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The Group has a remuneration policy for its Executive Directors and key management personnel consisting of fixed and variable components. The fixed component comprises a base salary and contractual bonus (if any). The variable bonus takes into account the performance of the Group and the performance of the individual as well as market rates.

A breakdown, showing the level and mix of each Director's remuneration for FY2015 is as follows:

Name of Director	Salary[1] %	Bonuses %	Directors' Fees[2] %	Allowance and other benefits %	Total $'000
Mok Yip Peng	91	7	-	2	351
Wong Chi Keong	91	7	-	2	274
Wong Wei Teck	91	7	-	2	275
Then Khek Koon	91	7	-	2	271
Professor Cham Tao Soon	-	-	100	-	70
Chua Koh Ming	-	-	100	-	30
Saw Meng Tee	-	-	100	-	30

The summary of key management personnel's remuneration for FY2015 is as follows:

Name of Key Management Personnel	Salary[1] %	Bonuses %	Allowance and other benefits %	Total %
<u>Below $250,000</u>				
Toh Yen Sang[3]	100	-	-	100
Chong In Bee	100	-	-	100
Ng Eng Chyuan	97	-	3	100
Su Do Kin Meng	86	-	14	100

CORPORATE GOVERNANCE REPORT

The Company has three key management personnel who are not Directors or CEO. The total remuneration paid to the above key management personnel was approximately $350,000 for FY2015.

The summary of the remuneration of an employee who is an immediate family member of a Director and whose remuneration exceeds $50,000 for FY2015 is as follows:

Name of Employee	Salary[1] %	Bonuses %	Allowance and other benefits %	Total %
Between $150,000 to $200,000				
Tan Kim Lian Jasmine[4]	93	7	-	100

Saved as disclosed, no other employee of the Company and its subsidiaries is an immediate family member of a Director or the CEO of the Company, and whose remuneration exceeds S$50,000 during FY2015.

Notes:
(1) Salary is inclusive of CPF contribution.
(2) Directors' fees are only payable after approval by shareholders at the forthcoming Annual General Meeting.
(3) Toh Yen Sang is the sister-in-law of Mr Mok Yip Peng, Managing Director. She ceased to be the Chief Financial Officer on 3 July 2015.
(4) Ms Tan Kim Lian Jasmine is the spouse of Mr Then Khek Koon, Executive Director.

Soup Restaurant Performance Share Plan

The Company has adopted a performance share plan known as Soup Restaurant Performance Share Plan (the "Plan") approved by shareholders of the Company 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 (excluding controlling shareholders) whose employment have been confirmed and who hold such rank as may be designated by the committee, comprising Mr Mok Yip Peng, 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.

No awards have been made under the Plan since its inception and during FY2015.

CORPORATE GOVERNANCE REPORT

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board recognises its responsibility to provide a balanced and understandable assessment of the Company's performance, position and prospects and takes adequate steps to ensure compliance with legislative and regulatory requirements.

The Board reports to the shareholders at each general meeting, while the management of the Company is accountable to the Board. The Company announces its quarterly and full year results and makes disclosure of other relevant information of the Company to the Singapore Exchange Securities Trading Limited ("SGX-ST") and the public via SGXNET in accordance with the listing manual of the SGX-ST ("Listing Manual").

To enable effective monitoring and decision-making by the Board, the management provides the Board with a continual flow of relevant information on a timely basis as well as quarterly management accounts of the Group. Detailed Board papers are prepared and circulated for each meeting of the Board and Board Committees which contains sufficient information on the issues to be considered at these meetings.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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. 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 auditors.

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 system of internal controls maintained by the management is effective and adequate to meet the needs of the Company having addressed the financial, operational, compliance and information technology controls, and risks management systems. 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 judgment in decision-making, human errors, fraud or other irregularities.

The Board has also received assurance from the Executive Directors and the Financial Controller that (i) the financial records have been properly maintained and the financial statements provide a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems in place are effective to manage risks.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee comprises entirely of Independent Directors, namely Professor Cham Tao Soon as Chairman, Mr Chua Koh Ming and Mr Saw Meng Tee as members. The Audit Committee has written terms of reference that describe the responsibilities of its members. The Chairman and members 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, including financial, operational, compliance and information technology controls;

(c) review the effectiveness of the Group's internal audit function;

(d) review the scope and results of the external audit as well as the independence and objectivity of the external auditors;

(e) recommend to the Board the proposals to be made to the shareholders on the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;

(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 as set out in the CCG 2012;

(l) review the co-operation given by the Company's officers to the external auditors;

(m) review and approve interested person transactions, if any; and

(n) undertake such reviews and projects as may be requested by the Board or statute or the Listing Manual.

CORPORATE GOVERNANCE REPORT

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 executive officer to attend its meetings. The Audit Committee is kept abreast by the management and the external auditors of changes to the Financial Reporting Standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

BDO LLP has been appointed as the external auditors of the Company and its Singapore incorporated subsidiaries, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number of and experience of supervisory and professional staff assigned to the particular audit. BDO LLP is registered with the Accounting and Corporate Regulatory Authority of Singapore.

BDO Malaysia has been appointed as the external auditors of the Company's overseas subsidiary, SRG F & B Malaysia Sdn Bhd. Both BDO LLP and BDO Malaysia are members of BDO International Limited. Accordingly, the Company has complied with Rule 712 and Rule 715 of the Listing Manual.

The Audit Committee has undertaken a review of all non-audit services provided by the external auditors and is of the opinion that the provision of such services does not affect the independence of the external auditors. A breakdown of the fees paid in total to the external auditors for audit and non-audit services for FY2015 is reflected in Note 20 to the audited financial statements.

The external auditors have also provided a confirmation of their independence to the Audit Committee. Accordingly, the Audit Committee has recommended the re-appointment of BDO LLP as auditors of the Company at the forthcoming Annual General Meeting.

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 reporting or other matters and procedures for raising such concerns are also communicated to the staff of the Company.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company had appointed Ernst & Young Advisory Pte Ltd as internal auditors to carry out the review of the internal control systems of the Group. The Internal Auditors are guided by the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Audit Committee approves the hiring, removal, evaluation and compensation of the internal auditor. The internal auditors reported their findings to the Audit Committee periodically and worked closely with the external auditors. The Audit Committee is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience.

Material non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the Audit Committee as part of the review of the Group's internal control system. To ensure the effectiveness and adequacy of the internal audit function, the Audit Committee reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified annually.

CORPORATE GOVERNANCE REPORT

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

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights
Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders
Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings
Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company announces its quarterly and full year results and any material and price-sensitive information to the public via SGXNET on a timely basis. All shareholders of the Company will receive the Annual Report of the Company and the notice of the Annual General Meeting at least 14 days before the meeting. All announcements, including the Annual Report, are also available on the Company's website.

Shareholders can also access the Company's website for more information and updates on the Company's business and developments. The shareholders of the Company can submit their feedback and raise any question to the Company's investor relations contact as provided in the Company's website.

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 requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Regulation 90(2) of the Company's Constitution allows a member of the Company to appoint up to two proxies to attend and vote instead of the member. In line with the amendments to the Companies Act, Chapter 50, corporate shareholders of the Company which provide nominee or custodial services to third parties are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by the member.

The Company has separate resolutions for each distinct issue tabled for shareholders' approval at general meetings. In line with Rule 730A of the Listing Manual, with effect from 1 August 2015, all the resolutions will be voted on by way of poll and the Company will announce the detailed results showing the number of votes cast for and against each resolution and the respective percentages to the public.

CORPORATE GOVERNANCE REPORT

At general meetings, shareholders are given opportunities to voice their views and direct their questions to Directors or Management regarding the Company. The chairpersons of the Audit, Nominating and Remuneration Committees and the external auditors will be present to address and assist the Directors in addressing queries raised by the shareholders. The Company Secretary will also be available to advise shareholders on the rules, including voting procedures that govern these general meetings. All minutes of general meetings will be prepared and made available to shareholders upon their request.

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

The Company does not have a Risk Management Committee. However, the Board will regularly review the Group's business and operating activities and the business environment to identify areas of significant business risks and recommend appropriate measures which will control or 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) & (18)]

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 shareholders. The Company monitors all its interested person transactions which are subject to review by the Audit Committee on a quarterly 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, are complied with. In addition, such transactions will also be subject to shareholders' approval, if required under Chapter 9 of the Listing Manual.

There was no transaction with interested persons during FY2015 that exceeded the stipulated threshold as specified in Chapter 9 of the Listing Manual.

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 shall not deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and one month before the announcement of the Company's full year financial statements. In addition, the Directors and officers are discouraged from dealing in the Company's securities on short term considerations.

DIRECTORS' STATEMENT

The Directors of Soup Restaurant Group Limited (the "Company") are pleased to 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 2015 and the statement of financial position of the Company as at 31 December 2015.

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 properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 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 ended on that date; 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
Mok Yip Peng
Wong Chi Keong
Wong Wei Teck
Then Khek Koon
Chua Koh Ming
Saw Meng Tee

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 Act, except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.1.2015	**Balance as at 31.12.2015**	**Balance as at 1.1.2015**	**Balance as at 31.12.2015**
<u>The Company</u>	**<u>Number of ordinary shares</u>**			
Professor Cham Tao Soon	300,000	300,000	200,000	200,000
Mok Yip Peng	65,543,600	65,543,600	-	-
Wong Chi Keong	48,952,300	48,952,300	-	-
Wong Wei Teck	41,091,900	41,091,900	-	-
Then Khek Koon	-	-	28,945,000	28,945,000
Chua Koh Ming	300,000	300,000	-	-
Saw Meng Tee	300,000	300,000	-	-

By virtue of Section 7 of the Act, Mok Yip Peng is deemed to have an interest in all related corporations of the Company. 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 2016 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2015.

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 of Mok Yip Peng, Wong Wei Teck, Wong Chi Keong and Then Khek Koon (the "Committee").

DIRECTORS' STATEMENT

6. **Performance shares (Continued)**

The Share Plan applies to full-time employees (excluding controlling shareholders) whose employment have been confirmed and hold such rank as may be designated by the Committee as eligible to participate in the Share Plan. Mok Yip Peng and Wong Chi Keong, who are Executive Directors and Controlling Shareholders, as well as the Non-Executive Directors, are not eligible to participate in the Share Plan.

No Awards have been granted under the Share Plan since its inception and during the financial year.

7. **Audit Committee**

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

Professor Cham Tao Soon (Chairman)
Chua Koh Ming
Saw Meng Tee

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 quarterly, half-yearly and annual 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; and
(f) the re-appointment of the external auditor of the Company.

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

Mok Yip Peng
Director

Wong Wei Teck
Director

Singapore
30 March 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUP RESTAURANT GROUP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Soup Restaurant Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 41 to 85, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUP RESTAURANT GROUP 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.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Non-current assets					
Plant and equipment	4	2,904,814	3,903,794	131,766	222,066
Investments in subsidiaries	5	-	-	1,600,002	1,600,002
Intangible assets	6	87,302	127,338	68,266	115,910
Total non-current assets		2,992,116	4,031,132	1,800,034	1,937,978
Current assets					
Inventories	7	204,862	164,566	-	-
Trade and other receivables	8	4,290,676	4,214,234	2,855,011	2,393,568
Current income tax recoverable		5,106	133,902	-	-
Cash and cash equivalents	9	8,318,894	9,124,743	5,646,684	6,510,722
Total current assets		12,819,538	13,637,445	8,501,695	8,904,290
Less:					
Current liabilities					
Trade and other payables	10	4,424,783	4,538,057	813,038	1,193,140
Provisions	11	698,432	733,838	40,000	38,095
Current income tax payable		111,833	126,205	27,087	11,900
Total current liabilities		5,235,048	5,398,100	880,125	1,243,135
Net current assets		7,584,490	8,239,345	7,621,570	7,661,155
Less:					
Non-current liabilities					
Deferred tax liabilities	12	280,170	302,039	20,000	40,000
Net assets		10,296,436	11,968,438	9,401,604	9,559,133
Equity					
Share capital	13	6,592,761	6,592,761	6,592,761	6,592,761
Treasury shares	14	(3,328,278)	(2,821,081)	(3,328,278)	(2,821,081)
Translation reserve	15	5,617	(4,129)	-	-
Accumulated profits		7,026,336	8,200,887	6,137,121	5,787,453
Total equity		10,296,436	11,968,438	9,401,604	9,559,133

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 $	Group 2014 $
Revenue	16	40,955,766	39,495,244
Other items of income			
Interest income from bank deposits		20,502	10,162
Other income	17	627,523	559,957
Items of expense			
Changes in inventories		40,296	74,137
Purchases and other consumables		(9,435,813)	(9,216,031)
Employee benefits expense	18	(15,072,568)	(14,314,750)
Depreciation and amortisation expenses		(1,714,141)	(1,644,970)
Impairment of plant and equipment		(166,986)	-
Other expenses		(14,124,413)	(13,967,108)
Finance costs	19	(9,707)	(15,589)
Profit before income tax	20	1,120,459	981,052
Income tax expense	21	(152,957)	(69,482)
Profit for the financial year attributable to owners of the Company		967,502	911,570
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operation		9,746	563
Other comprehensive income for the financial year		9,746	563
Total comprehensive income for the financial year attributable to owners of the Company		977,248	912,133
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	22	0.34	0.32

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Equity attributable to owners of the Company				
	Note	Share capital $	Treasury shares $	Translation reserve $	Accumulated profits $	Total equity $
Group						
Balance as at 1.1.2015		6,592,761	(2,821,081)	(4,129)	8,200,887	11,968,438
Profit for the financial year		-	-	-	967,502	967,502
Other comprehensive income for the financial year						
Exchange difference on translating foreign operation		-	-	9,746	-	9,746
Total comprehensive income for the financial year		-	-	9,746	967,502	977,248
Distributions to owners						
Dividends	23	-	-	-	(2,142,053)	(2,142,053)
Purchase of treasury shares	14	-	(507,197)	-	-	(507,197)
		-	(507,197)	-	(2,142,053)	(2,649,250)
Balance as at 31.12.2015		6,592,761	(3,328,278)	5,617	7,026,336	10,296,436
Balance as at 1.1.2014		6,592,761	(1,854,979)	(4,692)	9,440,625	14,173,715
Profit for the financial year		-	-	-	911,570	911,570
Other comprehensive income for the financial year						
Exchange difference on translating foreign operation		-	-	563	-	563
Total comprehensive income for the financial year		-	-	563	911,570	912,133
Distributions to owners						
Dividends	23	-	-	-	(2,151,308)	(2,151,308)
Purchase of treasury shares	14	-	(966,102)	-	-	(966,102)
		-	(966,102)	-	(2,151,308)	(3,117,410)
Balance as at 31.12.2014		6,592,761	(2,821,081)	(4,129)	8,200,887	11,968,438

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital $	Treasury shares $	Accumulated profits $	Total equity $
Company					
Balance as at 1.1.2015		6,592,761	(2,821,081)	5,787,453	9,559,133
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,491,721	2,491,721
Distributions to owners					
Dividends	23	-	-	(2,142,053)	(2,142,053)
Purchase of treasury shares	14	-	(507,197)	-	(507,197)
		-	(507,197)	(2,142,053)	(2,649,250)
Balance as at 31.12.2015		6,592,761	(3,328,278)	6,137,121	9,401,604
Balance as at 1.1.2014		6,592,761	(1,854,979)	5,074,116	9,811,898
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,864,645	2,864,645
Distributions to owners					
Dividends	23	-	-	(2,151,308)	(2,151,308)
Purchase of treasury shares	14	-	(966,102)	-	(966,102)
		-	(966,102)	(2,151,308)	(3,117,410)
Balance as at 31.12.2014		6,592,761	(2,821,081)	5,787,453	9,559,133

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Group 2015 $	Group 2014 $
Cash flows from operating activities		
Profit before income tax	1,120,459	981,052
Adjustments for:		
Amortisation of intangible assets	70,350	61,204
Amortisation of discount on provision	9,707	15,589
Depreciation of plant and equipment	1,643,791	1,583,766
Interest income from bank deposits	(20,502)	(10,162)
Gain on disposal of plant and equipment	-	(9,275)
Impairment of plant and equipment	166,986	-
Plant and equipment written off	36,714	22,097
Provision for unutilised leave	33,145	(59,115)
Unrealised foreign exchange loss	50,858	13,107
Operating cash flow before working capital changes	3,111,508	2,598,263
Working capital changes:		
Inventories	(40,296)	(74,137)
Trade and other receivables	(76,442)	(557,624)
Trade and other payables	(138,436)	278,008
Cash generated from operations	2,856,334	2,244,510
Income taxes paid	(60,402)	(349,468)
Interest received	20,502	10,162
Net cash from operating activities	2,816,434	1,905,204
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	9,275
Purchase of plant and equipment	(951,018)	(590,679)
Purchase of intangible assets	(22,015)	(30,076)
Net cash used in investing activities	(973,033)	(611,480)
Cash flows from financing activities		
Dividends paid	(2,142,053)	(2,151,308)
Purchase of treasury shares	(507,197)	(966,102)
Net cash used in financing activities	(2,649,250)	(3,117,410)
Net change in cash and cash equivalents	(805,849)	(1,823,686)
Cash and cash equivalents at the beginning of the financial year	9,124,743	10,948,429
Cash and cash equivalents at the end of the financial year (Note 9)	8,318,894	9,124,743

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

1. General corporate information

The statement of financial position and statement of changes in equity of Soup Restaurant Group Limited (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2015 were authorised for issue in accordance with a Directors' resolution dated 30 March 2016.

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

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS") including the related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates ("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 and presentation currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in conformity with FRS requires the 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.

In the current financial year, the Group has adopted all the new and revised FRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

<u>FRS issued but not yet effective</u>

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	Disclosure Initiative	1 January 2016
FRS 7 (Amendments)	Disclosure Initiative	1 January 2017
FRS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16 and FRS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27 (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
Improvements to FRSs (November 2014)		1 January 2016

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of the above FRS in future periods will have no material impact on the financial statements of the Group in the period of their initial adoption except as disclosed below.

FRS 109 - Financial Instruments

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

FRS 109 - Financial Instruments (Continued)

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. The new impairment requirements are also likely to bring significant changes for impairment provision on trade and other receivables.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard, there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. On adoption of FRS 115, the Group will be required to address variable consideration elements in determining the transactions price, which in turn will be the amount to be recognised as revenue for that financial year based on the actual quantity sold as at the end of that financial year. The difference between the estimated transaction price and the contract price of the products sold will be recognised as a contract liability shown on the Group's statement of financial position.

The Group is also in the process of assessing the potential impact on accounting for contract modifications.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 115 Revenue from Contracts with Customers (Continued)

The Group plans to adopt the standard in the financial year beginning on 1 January 2018 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

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 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 control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indication for the asset concerned.

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.

2.3 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the plant and equipment 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 of plant and equipment 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 costs of servicing are recognised in profit or loss when incurred.

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.

NOTES
TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (Continued)

2.3 Plant and equipment (Continued)

Depreciation is calculated on the straight-line method so as to allocate the depreciable amount of the plant and equipment over their estimated useful lives as follows:

	Years
Air-conditioners	6
Computers	3
Electrical equipment	6
Furniture and fittings	6
Kitchen equipment	6
Machinery	10
Motor vehicles	6
Office equipment	6
Renovation	2 - 4

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.

2.4 Intangible assets

Trademarks

Trademarks are capitalised and 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 licenses

Acquired computer software licenses are initially capitalised 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 licenses are 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.

NOTES
TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (Continued)

2.5 Impairment of non-financial assets

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.6 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.

2.7 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the nature and purpose for which the assets were acquired. The management determines the classification of their financial assets at initial recognition.

All financial assets are initially recognised at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially recognised at fair value.

2. Summary of significant accounting policies (Continued)

2.7 Financial assets (Continued)

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The loans and receivables in the statements of financial position comprise trade and other receivables (excluding prepayments and Goods and Service Tax ("GST") receivables) and cash and cash equivalents.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Recognition and derecognition

Financial assets are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or the Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Impairment

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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TO THE FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (Continued)

2.7 Financial assets (Continued)

Impairment (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.8 Financial liabilities

The Group classifies its financial liabilities as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables (excluding deferred government grant, GST payables, deferred income 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.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument in accordance to the substance of the contractual arrangements.

Financial liabilities are derecognised when, and only when, the contractual obligations have been discharged, cancelled or they expire.

The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.9 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.

2.10 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities and is recognised in accordance to the substance of the contractual arrangements. Ordinary shares are classified as equity instruments and are recorded at the proceeds received, net of direct issue costs.

2. Summary of significant accounting policies (Continued)

2.10 Equity instruments (Continued)

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

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares 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 a capital reserve of the Company.

2.11 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.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and fixed deposits with banks which are subject to insignificant risk of changes in value.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of business. Revenue is presented, net of returns, rebates and discounts and sales related taxes. The Group's revenue is in respect of external transactions only.

2. Summary of significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

Revenue from sale of food and beverage products

Revenue from operation of restaurants is recognised upon the billing of food and beverage products to customers.

Revenue from the processing, distribution and procurement of food and beverage products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer upon passage of title to the customers, which generally coincides with their delivery and acceptance, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Any cash received in advance for sale of food and beverage products 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 is recognised on accruals basis in accordance with the substance of the relevant agreement. Royalty arrangements are based on sales and are recognised by reference to the underlying arrangement.

Interest income

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

Franchise fee

Master franchise fee is recognised upon the grant of rights, completion of the designated phases of the franchise setup and transfer of know-how to the franchisee in accordance with the terms stated in the franchise agreement. Unit franchise fee is recognised when the right to receive payment has been established, which generally coincides with the commencement of operations of each restaurant.

2.14 Employee benefits expense

Retirement benefit costs

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.

2. Summary of significant accounting policies (Continued)

2.14 Employee benefits expense (Continued)

Employee leave entitlement

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

2.15 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 instalment.

Grants in recognition of specific expenses are recognised in profit or loss over the period necessary to match them with the relevant expenses they are intended to compensate.

2.16 Leases

When the Group and the Company are the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

Contingent rents are recognised as an expense in profit or loss in the financial year in which they are incurred.

2.17 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.17 Taxes (Continued)

Current tax (Continued)

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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 used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the 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, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity.

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2. Summary of significant accounting policies (Continued)

2.17 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 statements of financial position.

2.18 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items 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, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed.

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.

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TO THE FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (Continued)

2.19 Dividends

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

2.20 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 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 and the reported amounts of revenues and expenses, within the next financial year, are discussed below.

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

3.2 Key sources of estimation uncertainty (Continued)

(i) Depreciation of plant and equipment

The plant and equipment are depreciated on a straight-line method over their useful lives. The management estimates the useful lives of plant and equipment to be within 2 to 10 years. The carrying amounts of the Group's and the Company's plant and equipment as at 31 December 2015 were $2,904,814 (2014: $3,903,794) and $131,766 (2014: $222,066) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the plant and equipment, which could then consequentially impact future depreciation charges.

(ii) Impairment of plant and equipment

Plant and equipment 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 are determined based on value-in-use, by discounting the expected future cash flows for each CGU.

The recoverable amount is sensitive to discount rates used for the discounted cash flow model as well as the expected future cash inflows and the growth rates used. The impairment loss on plant and equipment charged to profit or loss for the financial year ended 31 December 2015 amounted to $166,986 (2014: Nil). The carrying amount of the Group's and the Company's plant and equipment as at 31 December 2015 were $2,904,814 (2014: $3,903,794) and $131,766 (2014: $222,066), respectively. Details of the assumptions used in the impairment assessment of plant and equipment is disclosed in Note 4 to the financial statements.

(iii) Allowance for impairment of trade and other receivables

The management establishes allowance for impairment of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables (excluding the prepayments) as at 31 December 2015 were $4,162,700 (2014: $4,152,389) and $2,825,691 (2014: $2,363,973) respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Income tax expense

The Group has exposure to income taxes in various jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises receivables and liabilities on expected tax issues based on their best estimates of the likely taxes recoverable and due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's and the Company's current income tax positions as at 31 December 2015 were income tax recoverable of $5,106 (2014: $133,902) and income tax payable of $111,833 (2014: $126,205) and income tax payable of $27,087 (2014: $11,900) respectively. The carrying amounts of the Group's and the Company's deferred tax liabilities as at 31 December 2015 were $280,170 (2014: $302,039) and $20,000 (2014: $40,000) respectively.

(v) Impairment of investments in subsidiaries

The Group follows the guidance of FRS 36: Impairment of Assets in determining the indications of impairment of investments in subsidiaries.

At the end of each financial year, an assessment is made on whether there is any indication that the investments in subsidiaries may be impaired. When there is indication of impairment, the management then assesses the recoverable amount by estimating the value-in-use using cash flows for a period up to 5 years, discounted using a suitable rate to present value. The carrying amount of investments in subsidiaries as at 31 December 2015 was $1,600,002 (2014: $1,600,002).

4. Plant and equipment

	Air-conditioners $	Computers $	Electrical equipment $	Furniture and fittings $	Kitchen equipment $	Machinery $	Motor vehicles $	Office equipment $	Renovation $	Total $
Group										
Cost										
Balance as at 1.1.2015	979,108	350,432	970,315	1,850,806	1,936,002	223,601	118,371	104,281	4,167,354	10,700,270
Additions	27,008	20,324	84,444	187,287	165,506	-	-	2,678	407,488	894,735
Written off	(40,984)	(1,200)	(37,573)	(122,012)	(65,208)	(5,900)	-	(1,008)	(225,397)	(499,282)
Exchange differences	(6,525)	(1,817)	(5,504)	(12,515)	(21,125)	-	-	(471)	(55,869)	(103,826)
Balance as at 31.12.2015	958,607	367,739	1,011,682	1,903,566	2,015,175	217,701	118,371	105,480	4,293,576	10,991,897
Accumulated depreciation										
Balance as at 1.1.2015	546,938	302,689	541,116	1,103,037	1,020,135	69,590	52,880	43,582	3,116,509	6,796,476
Depreciation	130,357	33,526	139,870	274,123	283,422	22,311	23,817	16,147	720,218	1,643,791
Written off	(31,820)	(1,200)	(31,780)	(109,852)	(59,761)	(2,409)	-	(349)	(225,397)	(462,568)
Exchange differences	(3,847)	(1,111)	(3,023)	(6,027)	(8,339)	-	-	(130)	(35,125)	(57,602)
Balance as at 31.12.2015	641,628	333,904	646,183	1,261,281	1,235,457	89,492	76,697	59,250	3,576,205	7,920,097
Impairment loss recognised during the financial year and balance as at 31.12.2015	15,746	-	10,405	28,805	20,082	-	-	-	91,948	166,986
Net carrying amount										
Balance as at 31.12.2015	301,233	33,835	355,094	613,480	759,636	128,209	41,674	46,230	625,423	2,904,814

4. Plant and equipment (Continued)

	Air-conditioners $	Computers $	Electrical equipment $	Furniture and fittings $	Kitchen equipment $	Machinery $	Motor vehicles $	Office equipment $	Renovation $	Total $
Group										
Cost										
Balance as at 1.1.2014	927,540	336,513	938,787	1,816,701	1,982,815	229,620	167,371	99,997	3,785,509	10,284,853
Additions	71,430	19,076	36,468	83,641	144,443	4,000	-	18,730	408,227	786,015
Disposals	-	-	-	-	-	-	(49,000)	-	-	(49,000)
Written off	(18,857)	(4,807)	(4,048)	(47,289)	(186,074)	(10,019)	-	(14,372)	(15,350)	(300,816)
Exchange differences	(1,005)	(350)	(892)	(2,247)	(5,182)	-	-	(74)	(11,032)	(20,782)
Balance as at 31.12.2014	979,108	350,432	970,315	1,850,806	1,936,002	223,601	118,371	104,281	4,167,354	10,700,270
Accumulated depreciation										
Balance as at 1.1.2014	438,905	255,551	409,998	874,482	920,365	49,427	78,063	42,758	2,479,118	5,548,667
Depreciation	127,443	52,111	134,339	271,581	278,203	23,279	23,817	15,213	657,780	1,583,766
Disposals	-	-	-	-	-	-	(49,000)	-	-	(49,000)
Written off	(18,857)	(4,807)	(2,788)	(42,170)	(177,259)	(3,116)	-	(14,372)	(15,350)	(278,719)
Exchange differences	(553)	(166)	(433)	(856)	(1,174)	-	-	(17)	(5,039)	(8,238)
Balance as at 31.12.2014	546,938	302,689	541,116	1,103,037	1,020,135	69,590	52,880	43,582	3,116,509	6,796,476
Net carrying amount										
Balance as at 31.12.2014	432,170	47,743	429,199	747,769	915,867	154,011	65,491	60,699	1,050,845	3,903,794

4. **Plant and equipment (Continued)**

	Air-conditioners $	Computers $	Electrical equipment $	Furniture and fittings $	Motor vehicles $	Office equipment $	Renovation $	Total $
Company								
Cost								
Balance as at 1.1.2015	68,600	231,694	77,903	165,098	28,011	62,196	94,938	728,440
Additions	-	9,256	-	1,350	-	-	-	10,606
Written off	-	-	-	(384)	-	-	-	(384)
Balance as at 31.12.2015	68,600	240,950	77,903	166,064	28,011	62,196	94,938	738,662
Accumulated depreciation								
Balance as at 1.1.2015	40,016	204,162	41,382	93,056	12,516	31,319	83,923	506,374
Depreciation	11,434	20,777	12,985	27,511	7,151	9,878	11,015	100,751
Written off	-	-	-	(229)	-	-	-	(229)
Balance as at 31.12.2015	51,450	224,939	54,367	120,338	19,667	41,197	94,938	606,896
Net carrying amount								
Balance as at 31.12.2015	17,150	16,011	23,536	45,726	8,344	20,999	-	131,766

4. **Plant and equipment (Continued)**

	Air-conditioners $	Computers $	Electrical equipment $	Furniture and fittings $	Motor vehicles $	Office equipment $	Renovation $	Total $
Company								
Cost								
Balance as at 1.1.2014	68,600	232,299	77,903	165,386	77,011	55,237	94,938	771,374
Additions	-	4,202	-	-	-	6,959	-	11,161
Disposals	-	-	-	-	(49,000)	-	-	(49,000)
Written off	-	(4,807)	-	(288)	-	-	-	(5,095)
Balance as at 31.12.2014	68,600	231,694	77,903	165,098	28,011	62,196	94,938	728,440
Accumulated depreciation								
Balance as at 1.1.2014	28,583	171,282	28,397	65,659	54,364	22,230	57,202	427,717
Depreciation	11,433	37,687	12,985	27,541	7,152	9,089	26,721	132,608
Disposals	-	-	-	-	(49,000)	-	-	(49,000)
Written off	-	(4,807)	-	(144)	-	-	-	(4,951)
Balance as at 31.12.2014	40,016	204,162	41,382	93,056	12,516	31,319	83,923	506,374
Net carrying amount								
Balance as at 31.12.2014	28,584	27,532	36,521	72,042	15,495	30,877	11,015	222,066

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:

	Group 2015 $	Group 2014 $
Additions of plant and equipment	894,735	786,015
Provision for dismantlement, removal or restoration (Note 11)	-	(39,701)
Other payables	56,283	(155,635)
Net cash payments made	951,018	590,679

During the financial year, the Group carried out a review of the recoverable amount of its plant and equipment for restaurant outlets (CGUs) with indications of impairment. Following the review, two restaurant outlets have plant and equipment that are not expected to generate sufficient cash flows in comparison to their carrying amounts. An impairment loss, of $166,986 (2014: Nil), representing the write-down of the excess of the carrying amount over the recoverable amount of the plant and equipment was recognised in the profit or loss.

The recoverable amount of $55,558 for the two CGUs have been determined based on the value-in-use calculations using key assumptions as follows:

- cash flow projections are for two months and 16 months respectively, which represent the expiry of the two CGUs' lease terms;
- revenue and costs growth rates of 1% to 3%;
- operating expenses growth rates of 3% to 6%;
- discount rate of 6.5% (applied only for cash flows projections of more than 12 months);
- only non-transferable plant and equipment are impaired as transferable plant and equipment shall be used to replace fully depreciated plant and equipment in other outlets.

5. Investments in subsidiaries

	Company 2015 $	Company 2014 $
Unquoted equity shares, at cost	1,600,102	1,600,102
Allowance for impairment loss	(100)	(100)
	1,600,002	1,600,002

5. Investments in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ principal place of business	Effective equity interests held 2015 %	Effective equity interests held 2014 %
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 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
Held by Soup Restaurant Investments Pte. Ltd.				
SRG F & B Malaysia Sdn. Bhd.(2)	Operation of restaurants	Malaysia	100	100

(1) Audited by BDO LLP, Singapore, a member firm of BDO International Limited

(2) Audited by BDO, Malaysia, a member firm of BDO International Limited

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6. Intangible assets

	Trademarks $	Computer software licenses $	Total $
Group			
Cost			
Balance as at 1.1.2015	23,300	190,156	213,456
Additions	-	30,314	30,314
Balance as at 31.12.2015	23,300	220,470	243,770
Accumulated amortisation			
Balance as at 1.1.2015	3,018	83,100	86,118
Amortisation	2,330	68,020	70,350
Balance as at 31.12.2015	5,348	151,120	156,468
Net carrying amount			
Balance as at 31.12.2015	17,952	69,350	87,302
Cost			
Balance as at 1.1.2014	12,173	171,207	183,380
Additions	11,127	18,949	30,076
Balance as at 31.12.2014	23,300	190,156	213,456
Accumulated amortisation			
Balance as at 1.1.2014	1,429	23,485	24,914
Amortisation	1,589	59,615	61,204
Balance as at 31.12.2014	3,018	83,100	86,118
Net carrying amount			
Balance as at 31.12.2014	20,282	107,056	127,338

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6. Intangible assets (Continued)

	Trademarks $	Computer software licenses $	Total $
Company			
Cost			
Balance as at 1.1.2015	23,300	177,706	201,006
Additions	-	17,865	17,865
Balance as at 31.12.2015	23,300	195,571	218,871
Accumulated amortisation			
Balance as at 1.1.2015	3,018	82,078	85,096
Amortisation	2,330	63,179	65,509
Balance as at 31.12.2015	5,348	145,257	150,605
Net carrying amount			
Balance as at 31.12.2015	17,952	50,314	68,266
Cost			
Balance as at 1.1.2014	12,173	171,207	183,380
Additions	11,127	6,499	17,626
Balance as at 31.12.2014	23,300	177,706	201,006
Accumulated amortisation			
Balance as at 1.1.2014	1,429	23,485	24,914
Amortisation	1,589	58,593	60,182
Balance as at 31.12.2014	3,018	82,078	85,096
Net carrying amount			
Balance as at 31.12.2014	20,282	95,628	115,910

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

	Group 2015 $	Group 2014 $
Additions of intangible assets	30,314	30,076
Other payables	(8,299)	-
Net cash payments made	22,015	30,076

7. Inventories

	Group 2015 $	Group 2014 $
Consumables	204,862	164,566

7. 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:

	Group	
	2015	2014
	$	$
Changes in inventories	(40,296)	(74,137)
Purchases and other consumables	9,435,813	9,216,031

8. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Trade receivables				
- third parties	311,390	351,871	-	-
- GST receivables	143,888	152,187	6,605	9,724
	455,278	504,058	6,605	9,724
Other receivables				
- third parties	402,575	416,876	121,269	136,837
- subsidiaries	-	-	2,683,903	2,232,706
Less: Allowance for impairment loss	-	-	(83,891)	(83,891)
	402,575	416,876	2,721,281	2,285,652
Government grant receivables	184,870	120,330	38,220	-
Rental and utilities deposits	3,119,977	3,111,125	59,585	68,597
Prepayments	127,976	61,845	29,320	29,595
Trade and other receivables	4,290,676	4,214,234	2,855,011	2,393,568
Less:				
- prepayments	(127,976)	(61,845)	(29,320)	(29,595)
- GST receivables	(143,888)	(152,187)	(6,605)	(9,724)
Add:				
- cash and cash equivalents (Note 9)	8,318,894	9,124,743	5,646,684	6,510,722
Total loans and receivables	12,337,706	13,124,945	8,465,770	8,864,971

Trade and other receivables from third parties are non-interest bearing and generally on 1 - 30 days’ credit terms.

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand. The balance relates to advances and expenses paid on behalf for the subsidiaries.

Movement in allowance for impairment loss of amounts due from subsidiaries was as follows:

	Company	
	2015	2014
	$	$
Balance as at the beginning of the financial year	83,891	-
Allowance for impairment loss during the financial year	-	83,891
Balance as at the end of the financial year	83,891	83,891

8. Trade and other receivables (Continued)

The impairment amount of $83,891 recognised in prior financial year arose mainly from a subsidiary, Soup Restaurant Investments Pte. Ltd., where the present value of estimated future cash flows of the amount due from subsidiary was lower than the carrying amount.

Government grant receivables include accrued amounts of $146,650 (2014: $120,330) and $38,220 (2014: Nil) in respect of the Capability Development Grant (“CDG”) for Brand Development and Intellectual Property & Franchising. As at the end of the financial year, the Group has completed 100% (2014: 86%) and 38% (2014: Nil) of the relevant milestones that are required to be completed by 29 February 2016 and 31 January 2017 respectively. Management has assessed that it has fulfilled and it will continue to fulfil the conditions attached to both grants and that both grants will be received. The related grant income have been set-off against the relevant expenses for both grants incurred in the consolidated statement of comprehensive income.

The currency profiles of the Group’s and Company’s trade and other receivables are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Singapore dollar	4,180,180	4,085,538	2,855,011	2,393,568
Malaysian ringgit	110,496	128,696	-	-
	4,290,676	4,214,234	2,855,011	2,393,568

9. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Fixed deposits with banks	3,074,158	4,569,451	3,074,158	4,569,451
Cash and bank balances	5,244,736	4,555,292	2,572,526	1,941,271
	8,318,894	9,124,743	5,646,684	6,510,722

Fixed deposits are placed for tenure of 63 to 94 days (2014: 63 to 92 days) during the financial year and will mature within 25 days (2014: 23 to 26 days) from the end of the financial year. The effective interest rates on the fixed deposits and cash at banks are approximately 0.045% to 0.676% (2014: 0.135% to 0.46%) per annum.

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

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Singapore dollar	8,211,028	8,941,403	5,646,684	6,510,722
Malaysian ringgit	107,866	183,340	-	-
	8,318,894	9,124,743	5,646,684	6,510,722

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10. Trade and other payables

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Trade payables				
- third parties	914,185	912,216	-	-
- GST payables	468,817	449,445	-	-
	1,383,002	1,361,661	-	-
Other payables				
- third parties	935,063	1,000,616	277,510	323,819
- subsidiaries	-	-	96,207	450,000
	935,063	1,000,616	373,717	773,819
Deferred government grants	31,953	58,642	31,953	58,642
Deferred income	179,134	12,180	-	-
Accrued operating expenses	1,668,514	1,910,986	335,017	290,199
Accrued unutilised annual leave	227,117	193,972	72,351	70,480
Trade and other payables	4,424,783	4,538,057	813,038	1,193,140
Less:				
- deferred government grants	(31,953)	(58,642)	(31,953)	(58,642)
- deferred income	(179,134)	(12,180)	-	-
- accrued unutilised annual leave	(227,117)	(193,972)	(72,351)	(70,480)
- GST payables	(468,817)	(449,445)	-	-
Trade and other payables, representing other financial liabilities at amortised cost	3,517,762	3,823,818	708,734	1,064,018

Trade payables are non-interest bearing and generally on 30 days' credit terms.

Other payables comprise mainly of payables for purchases of plant and equipment, professional and legal fees.

The non-trade amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. The balance relates to expenses paid on behalf by the subsidiaries.

Accrued operating expenses included legal costs of approximately $400,000 (2014: $420,000) incurred in relation to a court case involving a subsidiary that has been concluded during the financial year.

Deferred government grants relate to CDG for Technology Innovation and Productivity Improvement in respect of computer software developed amounting to $20,839 (2014: $58,642) and CDG for Intellectual Property & Franchising in respect of a development project amounting to $11,114 (2014: Nil). The grant received is recognised in profit or loss in accordance to the useful life of the relevant asset acquired and the timing of expenses incurred.

The currency profiles of the Group's and Company's trade and other payables are as follows:

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Singapore dollar	4,341,958	4,440,183	813,038	1,193,140
Malaysian ringgit	82,825	97,874	-	-
	4,424,783	4,538,057	813,038	1,193,140

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11. Provisions

Provision for dismantlement, removal or restoration are the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of plant and equipment.

Movements in the provisions were as follows:

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Balance as at the beginning of the financial year	733,838	678,548	38,095	36,281
Provision made during the financial year (Note 4)	-	39,701	-	-
Utilisation during the financial year	(40,000)	-	-	-
Amortisation of discount	9,707	15,589	1,905	1,814
Exchange difference	(5,113)	-	-	-
Balance as at the end of the financial year	698,432	733,838	40,000	38,095

12. Deferred tax liabilities

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Balance as at the beginning of the financial year	302,039	236,941	40,000	16,200
(Credited)/Charged to profit or loss	(21,869)	65,098	(20,000)	23,800
Balance as at the end of the financial year	280,170	302,039	20,000	40,000

Recognised deferred tax liabilities are attributable to the following:

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Accelerated tax depreciation	313,542	336,191	32,512	51,785
Other temporary differences	(33,372)	(34,152)	(12,512)	(11,785)
	280,170	302,039	20,000	40,000

Unrecognised deferred tax assets

	Group 2015 $	Group 2014 $
Balance as at the beginning of the financial year	50,695	144,637
Deferred tax assets not recognised	36,737	49,675
Adjustments	(30,327)	(143,617)
Balance as at the end of the financial year	57,105	50,695

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12. Deferred tax liabilities (Continued)

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

	Group	
	2015	2014
	$	$
Excess of net carrying amount over tax written down value of property, plant and equipment	25,830	15,853
Unutilised tax losses	10,357	37,877
Others	20,918	(3,035)
	57,105	50,695

As at the end of the financial year, unutilised tax losses of approximately $41,000 (2014: $223,000) are available for set-off against future taxable profits subject to the agreement by the tax authorities in Singapore and Malaysia. Deferred tax assets have not been recognised due to the unpredictability of future profit streams.

13. Share capital

	Group and Company	
	2015	2014
	$	$
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.

14. Treasury shares

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		$	$
Balance as at the beginning of the financial year	12,853,000	8,900,000	2,821,081	1,854,979
Acquired during the financial year	2,515,200	3,953,000	507,197	966,102
Balance as at the end of the financial year	15,368,200	12,853,000	3,328,278	2,821,081

The Company acquired 2,515,200 (2014: 3,953,000) of its own shares through purchases on the SGX - ST during the financial year. The total amount paid to acquire the shares was $507,197 (2014: $966,102).

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15. 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.

16. Revenue

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

17. Other income

	Group	
	2015	2014
	$	$
Consultancy fees	-	22,500
Gain on disposal of plant and equipment	-	9,275
Government grants		
- Capability Development Grant	37,803	69,025
- Inclusive Growth Scheme	57,770	3,717
- Productivity and Innovation Credit	32,402	15,000
- Special Employment Credit	112,899	86,347
- Wages Credit Scheme	224,483	137,034
- Temporary Employment Credit	35,383	-
- Innovation and Capability Vouchers	10,000	-
- Others	2,140	-
Royalty fees	79,078	98,410
Sundry income	35,565	68,649
Unit franchise fees	-	50,000
	627,523	559,957

18. Employee benefits expense

	Group	
	2015	2014
	$	$
Salaries, bonuses and other benefits	14,023,977	13,365,752
Contributions to defined contribution plans	1,048,591	948,998
	15,072,568	14,314,750

The above includes the amounts shown as key management personnel remuneration (excludes Directors' fees) as disclosed in Note 25 to the financial statements.

19. Finance costs

	Group	
	2015	2014
	$	$
Amortisation of discount on provision	9,707	15,589

20. Profit before income tax

The above is arrived at after charging:

	Group 2015 $	Group 2014 $
Other expenses		
Audit fees paid/payable to		
- the auditors of the Company	114,200	110,300
- other auditor	6,900	7,567
Non-audit fees paid/payable to		
- the auditors of the Company	35,900	35,900
- other auditor	1,500	1,513
Cleaning materials	907,731	1,046,289
Consultancy fees	103,562	179,542
Credit card commission charges	398,092	402,139
Directors' fees	130,000	130,000
Operating lease expenses for premises		
- minimum lease payments	7,118,451	6,765,810
- contingent rents	1,045,674	1,023,670
Operating lease expenses for machineries	63,236	52,628
Plant and equipment written off	36,714	22,097
Professional fees	96,754	330,040
Repair and maintenance	406,697	234,197
Utilities	1,939,921	2,137,744

21. Income tax expense

	Group 2015 $	Group 2014 $
Current tax		
- current financial year	225,831	225,375
- overprovision in prior years	(51,005)	(220,991)
	174,826	4,384
Deferred tax		
- current financial year	(14,139)	(8,537)
- (over)/underprovision in prior years	(7,730)	73,635
	(21,869)	65,098
Total income tax expense	152,957	69,482

Domestic income tax is calculated at 17% of the estimated assessable profit for the financial year. Taxation in Malaysia is calculated at 25% of the estimated assessable profit of the subsidiary in Malaysia for the financial year.

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21. Income tax expense (Continued)

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

	Group 2015 $	Group 2014 $
Profit before income tax	1,120,459	981,052
Income tax at Singapore statutory income tax rate	190,478	166,779
Effect of different tax rate in Malaysia	(32,182)	(13,729)
Tax effect of expenses non-deductible for income tax purposes	188,876	176,913
Tax effect of income not subject to income tax	(1,754)	(20,818)
Tax effect of Singapore's statutory stepped income exemption	(79,756)	(69,977)
Tax incentives	(102,837)	(92,358)
Deferred tax assets not recognised	36,737	49,675
Withholding tax	13,222	20,237
(Over)/underprovision in prior years		
- current tax	(51,005)	(220,991)
- deferred tax	(7,730)	73,635
Others	(1,092)	116
	152,957	69,482

22. 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 2015 $	Group 2014 $
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to the owners of the Company)	967,502	911,570
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	284,825,850	287,036,745
Earnings per share (cents)		
Basic and diluted	0.34	0.32

The Group does not have any dilutive options for the financial years ended 31 December 2015 and 31 December 2014.

23. Dividends

	Group and Company	
	2015	2014
	$	$
Final tax-exempt dividend paid of 0.75 (2014: 0.75) Singapore cents per share in respect of the previous financial year	2,142,053	2,151,308

The Directors of the Company recommend a final tax-exempt dividend of 0.325 (2014: 0.75) Singapore cents per share amounting to $920,178 (2014: $2,142,053) to be paid in respect of the current financial year. The final tax-exempt dividend has not been recognised as liabilities as at the end of financial year as it is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

24. Operating lease commitments

The Group and the Company as the lessees

As at the end of the financial year, there were operating lease commitments for rental of premises payable in subsequent accounting periods as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Not later than one year	6,214,840	7,001,454	127,872	61,470
Later than one year and not later than five years	5,630,116	5,477,303	191,809	-
	11,844,956	12,478,757	319,681	61,470

The above lease agreements expire in dates between 14 March 2016 to 30 April 2019 (2014: 31 May 2015 to 31 March 2018). The current rents payable under the leases of premises are subject to revision after expiry. The above commitments were based on prevailing rental rates for the current financial year. Some of the operating leases of premises provide for contingent rentals based on percentage of sales derived from the rented premises. The leases have varying terms, escalation clauses and renewal rights for 2 to 3 years (2014: 1 to 3 years).

25. 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 suceeding paragraphs.

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Consultancy fee paid to a Director of the Company	-	12,000	-	12,000
Employee benefits paid to a close family member of a Director of the Company	167,501	173,604	167,501	173,604
Royalty fees charged to subsidiaries	-	-	1,048,021	1,021,324
Dividend received from subsidiaries	-	-	2,150,000	2,900,000
Management fees charged to subsidiaries	-	-	1,852,000	1,488,000

25. Significant related party transactions (Continued)

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:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Directors' fees	130,000	130,000	130,000	130,000
Short-term employee benefits	1,569,709	1,491,987	1,374,963	1,396,040
Post-employment benefits	78,679	65,196	55,327	53,841
	1,778,388	1,687,183	1,560,290	1,579,881

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

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Directors of the Company				
Directors' fees	130,000	130,000	130,000	130,000
Short-term employee benefits	1,137,800	1,149,800	1,137,800	1,149,800
Post-employment benefits	32,790	31,985	32,790	31,985
	1,300,590	1,311,785	1,300,590	1,311,785
Directors of the subsidiaries				
Short-term employee benefits	194,746	95,947	-	-
Post-employment benefits	23,352	11,355	-	-
	218,098	107,302	-	-
	1,518,688	1,419,087	1,300,590	1,311,785

26. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker as disclosed in Note 2.20 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.

26. Segment information (Continued)

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

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

(ii) The food processing, distribution and procurement services segment processes, distributes and procures food and beverage products for sale to operation of restaurants segment and to third parties. This segment has been formed by aggregating the sourcing, processing, supplying and distributing of food and beverage which, in management's view, share similar economic characteristics. In making this judgement, management considers that the operations share common facilities and usage of similar processes.

"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. However, as the Malaysia subsidiary's results are considered insignificant in relation to the Group results, no geographical segment information is presented in the current and previous financial years.

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 are not allocated to segments as it is managed on a group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments.

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

26. Segment information (Continued)

Summarised segment information is as follows:

	Operation of restaurants		Food processing, distribution and procurement services		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Total segment revenue	39,846,513	38,892,237	10,900,205	7,185,613	-	-	50,746,718	46,077,850
Inter-segment revenue	(31,542)	(73,616)	(9,759,410)	(6,508,990)	-	-	(9,790,952)	(6,582,606)
Revenue from external customers	39,814,971	38,818,621	1,140,795	676,623	-	-	40,955,766	39,495,244
Segment profits/(loss)	1,139,485	763,588	208,784	315,792	(248,312)	(108,490)	1,099,957	970,890
Depreciation and amortisation	1,526,491	1,468,918	187,650	176,052	-	-	1,714,141	1,644,970
Impairment of plant and equipment	166,986	-	-	-	-	-	166,986	-
Segment assets/total assets	12,979,261	14,954,914	2,671,904	2,575,826	160,489	137,837	15,811,654	17,668,577
Segment liabilities/total liabilities	3,875,699	3,950,357	1,214,023	1,262,061	425,496	487,721	5,515,218	5,700,139
Capital expenditure								
- on plant and equipment	879,648	709,936	15,087	76,079	-	-	894,735	786,015
- on intangible assets	26,477	25,627	3,837	4,449	-	-	30,314	30,076

NOTES
TO THE FINANCIAL STATEMENTS

26. Segment information (Continued)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before 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 profits to the profit before income tax is as follows:

	Group	
	2015	2014
	$	$
Segment profits	1,099,957	970,890
Interest income	20,502	10,162
Profit before income tax	1,120,459	981,052

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.

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.

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.

27. Financial risks management

The Group's and the Company's activities expose them to credit risk, market risks, 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.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

27. Financial risks management (Continued)

27.1 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.

Due to the nature of the Group's business, the Group's trade receivables are mainly group of counterparties having similar characteristics. The Company has no significant concentration of credit risk except for the amount due from subsidiaries amounting to $2,683,903 (2014: $2,232,706).

The Group's and the Company's major classes of financial assets are cash and cash equivalents and trade and other receivables (excluding prepayments and GST receivables).

Fixed deposits and bank balances (within cash and cash equivalents) are mainly deposits with reputable banks.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. The Group's and the Company's historical experience in the collection of receivables falls within the recorded allowances.

The age analysis of trade receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Not past due	372,369	294,102	6,605	9,724
Past due but not impaired				
- 0 to 3 months	71,708	168,149	-	-
- More than 3 months	11,201	41,807	-	-
	455,278	504,058	6,605	9,724

The age analysis of other receivables from third parties is as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Not past due	2,472	1,204	-	-
Past due but not impaired				
- 0 to 3 months	-	-	-	-
- More than 3 months	400,103	415,672	121,269	136,837
	402,575	416,876	121,269	136,837

NOTES
TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

27. Financial risks management (Continued)

27.2 Market risks

The Group and the Company do not have any significant exposure to the financial risk arising from changes in foreign exchange rates and interest rates. Hence, no sensitivity analysis was prepared by the management.

27.3 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 Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of overall prudent liquidity risk management, the Group and the Company maintain sufficient level of cash to meet working capital requirements.

The financial liabilities of the Group and the Company will mature within one year and are non-interest bearing.

27.4 Offsetting financial assets and financial liabilities

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

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreements as follows:

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 2015			
Amounts due from subsidiaries	16,815,719	(14,131,816)	2,683,903
As at 31 December 2014			
Amounts due from subsidiaries	23,039,140	(20,806,434)	2,232,706

NOTES
TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

27. Financial risks management (Continued)

27.4 Offsetting financial assets and financial liabilities (Continued)

Financial liabilities

	Related amounts set off in the statement of financial position		
	Gross amounts - financial liabilities $	**Gross amounts - financial assets $**	**Net amounts of financial liabilities $**
Company			
As at 31 December 2015			
Amounts due to subsidiaries	7,186,000	(7,089,793)	96,207
As at 31 December 2014			
Amounts due to subsidiaries	450,000	-	450,000

28. 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 a going concern 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 13), treasury shares (Note 14), translation reserve (Note 15) and accumulated profits 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 2015 and 2014.

29. Fair value

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables, approximate their respective fair values due to the relative short-term maturities of these financial instruments.

STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2016

SHARE CAPITAL

Number of ordinary shares in issue (excluding treasury shares)	:	282,992,300
Number of treasury shares held	:	15,507,700
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	5	0.23	79	0.00
100 - 1,000	57	2.66	50,500	0.02
1,001 - 10,000	1,594	74.38	6,571,093	2.32
10,001 - 1,000,000	469	21.89	34,447,440	12.17
1,000,001 and above	18	0.84	241,923,188	85.49
Total	**2,143**	**100.00**	**282,992,300**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name	Number of Shares	%
1	MOK YIP PENG	66,008,400	23.33
2	WONG CHI KEONG	48,952,300	17.30
3	WONG WEI TECK	41,091,900	14.52
4	RAFFLES NOMINEES (PTE) LIMITED	28,633,800	10.12
5	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	27,945,000	9.87
6	DBS NOMINEES (PRIVATE) LIMITED	6,914,788	2.44
7	LEE IN CHUN	4,794,400	1.69
8	HO THIAM KIAT	2,141,000	0.76
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,126,000	0.75
10	CHUA GUAT HEE	2,007,300	0.71
11	HUANG XIANGMIAO	2,000,000	0.71
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,545,000	0.55
13	PHILLIP SECURITIES PTE LTD	1,394,200	0.49
14	HSBC (SINGAPORE) NOMINEES PTE LTD	1,387,500	0.49
15	TAN KIM SENG	1,358,600	0.48
16	LEK SECK TIN	1,300,000	0.46
17	SIM KWANG WEI EUGENE	1,263,000	0.45
18	UOB KAY HIAN PRIVATE LIMITED	1,060,000	0.37
19	THEN FENG (DENG FENG)	1,000,000	0.35
20	CHI QIYUAN DOUGLAS	908,000	0.32
Total		**243,831,188**	**86.16**

STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2016

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest Number of Shares	Direct Interest % [5]	Deemed Interest Number of Shares	Deemed Interest % [5]
Mok Yip Peng	66,008,400	23.33	-	-
Wong Chi Keong	48,952,300	17.30	-	-
Wong Wei Teck	41,091,900	14.52	-	-
Then Khek Koon [1]	-	-	28,945,000	10.23
28 Holdings Pte Ltd [2]	-	-	23,251,300	8.22
Goh Khoon Lim [3]	98,000	0.03	23,251,300	8.22
Gan Suat Lui [4]	-	-	23,251,300	8.22

Notes:

(1) Then Khek Koon is deemed to have an interest in 27,945,000 shares held under Maybank Nominees (S) Pte Ltd as his nominee and 1,000,000 shares held by Then Feng, the son of Then Khek Koon.

(2) 28 Holdings Pte Ltd ("**28 Holdings**") is deemed to have an interest in 23,251,300 shares held under Raffles Nominees (Pte) Ltd as its nominee.

(3) By virtue of Section 7 of the Companies Act, Cap. 50, Goh Khoon Lim is deemed to have an interest in 23,251,300 shares held by 28 Holdings.

(4) By virtue of Section 7 of the Companies Act, Cap. 50, Gan Suat Lui is deemed to have an interest in 23,251,300 shares held by 28 Holdings.

(5) Percentage is based on 282,992,300 shares (excluding treasury shares) as at 21 March 2016.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company, approximately 26.0% 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 21 March 2016. Therefore the Company has complied with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Soup Restaurant Group Limited (the "**Company**") will be held at 150 Kampong Ampat #04-01, KA Centre, Singapore 368324 on Friday, 29 April 2016 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a one-tier tax-exempt final dividend of 0.325 cent per ordinary share for the year ended 31 December 2015 (2014: 0.75 cent per ordinary share). **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 107 of the Company's Constitution:

   Mr Wong Chi Keong **(Resolution 3)**
   Mr Then Khek Koon **(Resolution 4)**

4. To approve the payment of Directors' fees of S$130,000 for the year ended 31 December 2015 (2014: S$130,000). **(Resolution 5)**

5. To re-appoint BDO LLP as the auditor of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors of the Company to fix its remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in 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 of the Company may in 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 of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such 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) shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

   (a) new Shares arising from the conversion or exercise of any convertible securities;

   (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(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) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such 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 (i)] **(Resolution 7)**

8. **Renewal of Share Purchase Mandate**

   That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (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, unless revoked or varied by the Company in general meeting, 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 (ii)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

Chong In Bee
Company Secretary
Singapore, 14 April 2016

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, 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), of which up to 20% may be issued other than on a pro-rata basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(ii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company effective 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 the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at 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 ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2013 are set out in greater detail in the Appendix 1 attached.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A shareholder of the Company entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

(2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member.

(3) The instrument appointing a proxy, duly executed, must be deposited at the Company's registered office at 150 Kampong Ampat #04-01, KA Centre, Singapore 368324 not less than 48 hours before the time appointed for holding the AGM.

(4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal Data Privacy:

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative'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 (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your personal data and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share register and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

APPENDIX 1

SUMMARY SHEET FOR RENEWAL OF SHARE PURCHASE MANDATE

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 Share Purchase Mandate obtained at the annual general meeting on 30 April 2015, the Company had bought back by way of market acquisition, 2,614,700 ordinary shares of the Company (the "**Shares**"). The total consideration paid for the purchases was $526,673 inclusive of brokerage and clearing fees of $1,473. The highest price paid for the purchases was $0.220 per Share and the lowest price paid was $0.179 per Share.

(B) Renewal Of The Share Purchase Mandate

The Ordinary Resolution No. 8 passed at the forthcoming annual general meeting to be held on 29 April 2016 ("**Annual General Meeting**"), will renew the Share Purchase Mandate approved by the shareholders of the Company from the date of the Annual General Meeting until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

(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 to protect existing shareholders' investments in the Company in a depressed share-price situation through judicious Shares purchases to enhance the earnings per Share and/or the net asset value per Share. The Shares purchases will enhance the net asset value per Share if the Shares 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 (Chapter 50) 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 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.

As at 1 April 2016 (the "**Latest Practicable Date**"), approximately 73,545,400 Shares (26.0%) of a total of 282,992,300 Shares issued by the Company (excluding 15,507,700 treasury shares) are held by the public. The Company will ensure that the Shares purchases will not cause market illiquidity or affect orderly trade and will ensure that Clause 723 of the Listing Manual is complied with.

APPENDIX 1

(D) Financial Impact Of The Proposed Shares 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:

   (i) sell the Shares (or any of them) for cash;

   (ii) transfer the 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 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 Shares (or any of them);or

   (v) sell, transfer or otherwise use the 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.

   Any Shares Purchase will:

   (i) 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.

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.

APPENDIX 1

3. Based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date, 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 a maximum of 28,299,230 Shares.

4. An illustration of the impact of Shares 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 2015;

(b) in full exercise of the Share Purchase Mandate, 28,299,230 Shares were purchased;

(c) the maximum price for the market purchases is $0.203 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

(d) the maximum amount of funds required for the Shares purchases in the aggregate is $5,744,744.

(i) Market Purchases and Off-Market Purchase Made Entirely out of Capital or Profit and Held as Treasury Shares

Market Purchase

	Group before Shares purchase ($'000)	Group after Shares purchase ($'000)	Company before Shares purchase ($'000)	Company after Shares purchase ($'000)
As at 31 December 2015				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,031	7,031	6,137	6,137
Equity excluding Treasury Shares	13,624	13,624	12,730	12,730
Treasury Shares	3,328	9,073	3,328	9,073
Total equity including Treasury Shares	10,296	4,551	9,402	3,657
Net tangible assets [(1)]	10,209	4,464	9,333	3,588
Current Assets	12,819	7,074	8,502	2,757
Current Liabilities	5,235	5,235	880	880
Cash and cash equivalents	8,319	2,574	5,647	(98)
Net Profit attributable to owners of parent	968	968	2,492	2,492
Total number of issued Shares ('000)[(2)]	282,992	254,693	282,992	254,693
Financial Ratios				
Net tangible assets per Share (cents)	3.61	1.75	3.30	1.41
Earnings per Share (cents)[(3)]	0.34	0.38	0.88	0.98
Current ratio (times)[(4)]	2.45	1.35	9.66	3.13

APPENDIX 1

Off - Market Purchase

	Group before Shares purchase ($'000)	Group after Shares purchase ($'000)	Company before Shares purchase ($'000)	Company after Shares purchase ($'000)
As at 31 December 2015				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,031	7,031	6,137	6,137
Equity excluding Treasury Shares	13,624	13,624	12,730	12,730
Treasury Shares	3,328	9,893	3,328	9,893
Total equity including Treasury Shares	10,296	3,731	9,402	2,837
Net tangible assets[(1)]	10,209	3,644	9,333	2,768
Current Assets	12,819	6,254	8,502	1,937
Current Liabilities	5,235	5,235	880	880
Cash and cash equivalents	8,319	1,754	5,647	(918)
Net Profit attributable to owners of parent	968	968	2,492	2,492
Total number of issued Shares ('000)[(2)]	282,992	254,693	282,992	254,693
Financial Ratios				
Net tangible assets per Share (cents)	3.61	1.43	3.30	1.09
Earnings per Share (cents)[(3)]	0.34	0.38	0.88	0.98
Current ratio (times)[(4)]	2.45	1.19	9.66	2.20

Notes:

(1) Net tangible assets equals total equity less minority interest less intangible assets, if any.

(2) Total number of issued Shares excludes 15,507,700 Shares that are held as treasury shares as at the Latest Practicable Date.

(3) For illustrative purposes, Earnings Per Share is computed based on profit after tax and number of Shares as shown in the table above.

(4) Current ratio equals current assets divided by current liabilities.

(ii) *Market Purchase or Off-Market Purchase Made Entirely out of Capital or Profit and Cancelled*

Market Purchase

	Group before Shares purchase ($'000)	Group after Shares purchase ($'000)	Company before Shares purchase ($'000)	Company after Shares purchase ($'000)
As at 31 December 2015				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,031	1,288	6,137	392
Equity excluding Treasury Shares	13,624	7,879	12,730	6,985
Treasury Shares	3,328	3,328	3,328	3,328
Total equity including Treasury Shares	10,296	4,551	9,402	3,657
Net tangible assets(1)	10,209	4,464	9,333	3,588
Current Assets	12,819	7,074	8,502	2,757
Current Liabilities	5,235	5,235	880	880
Cash and cash equivalents	8,319	2,574	5,647	(98)
Net Profit attributable to owners of parent	968	968	2,492	2,492
Total number of issued Shares ('000)	282,992	254,693	282,992	254,693
Financial Ratios				
Net tangible assets per Share (cents)	3.61	1.75	3.30	1.41
Earnings per Share (cents)(2)	0.34	0.38	0.88	0.98
Current ratio (times)(3)	2.45	1.35	9.66	3.13

Off - Market Purchase

	Group before Shares purchase ($'000)	Group after Shares purchase ($'000)	Company before Shares purchase ($'000)	Company after Shares purchase ($'000)
As at 31 December 2015				
Share Capital	6,593	6,593	6,593	6,593
Reserves	7,031	466	6,137	(428)
Equity excluding Treasury Shares	13,624	7,059	12,730	6,165
Treasury Shares	3,328	3,328	3,328	3,328
Total equity including Treasury Shares	10,296	3,731	9,402	2,837
Net tangible assets(1)	10,209	3,644	9,333	2,768
Current Assets	12,819	6,254	8,502	1,937
Current Liabilities	5,235	5,235	880	880
Cash and cash equivalents	8,319	1,754	5,647	(918)
Net Profit attributable to owners of parent	968	968	2,492	2,492
Total number of issued Shares ('000)	282,992	254,693	282,992	254,693
Financial Ratios				
Net tangible assets per Share (cents)	3.61	1.43	3.30	1.09
Earnings per Share (cents)(2)	0.34	0.38	0.88	0.98
Current ratio (times)(3)	2.45	1.19	9.66	2.20

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 2015 and are for illustration only. The results of the Group and the Company for the financial year ended 31 December 2015 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.

APPENDIX 1

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 Shares purchases would represent the most efficient and cost-effective approach to enhance the Share value. Shares 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 Shares Purchases Under The Singapore Code on Take-overs and Mergers

1. 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 acquires thirty per cent. (30%) or more of the voting rights of the company; or

    (b) he already holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company, and he increases his 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 substantial shareholders' and Directors' interests are as follows:

	Before Purchase						After Purchase	
	Direct Interest		Deemed Interest		Total Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Mok Yip Peng	66,008,400	23.33	-	-	66,008,400	23.33	66,008,400	25.92
Wong Chi Keong	48,952,300	17.29	-	-	48,952,300	17.29	48,952,300	19.22
Wong Wei Teck	41,091,900	14.51	-	-	41,091,900	14.51	41,091,900	16.13
Then Khek Koon(1)	-	-	28,945,000	10.22	28,945,000	10.22	28,945,000	11.36
Professor Cham Tao Soon(2)	300,000	0.11	200,000	0.07	500,000	0.18	500,000	0.20
Chua Koh Ming	300,000	0.11	-	-	300,000	0.11	300,000	0.12
Saw Meng Tee	300,000	0.11	-	-	300,000	0.11	300,000	0.12
Holders of 5% or more								
28 Holdings Pte Ltd(3)	-	-	23,251,300	8.22	23,251,300	8.22	23,251,300	9.13
Goh Khoon Lim(3)	98,000	0.03	23,251,300	8.22	23,349,300	8.25	23,349,300	9.17
Gan Suat Lui(3)	-	-	23,251,300	8.22	23,251,300	8.22	23,251,300	9.13

Notes:

(1) 27,945,000 Shares held in the name of Maybank Nominees (S) Pte Ltd as nominee and 1,000,000 Shares are held by Then Feng, the son of Then Khek Koon.

(2) Professor Cham Tao Soon, the Non-Executive Chairman of the Company, is deemed to have an interest in the 200,000 Shares held by his wife, Cham Ee Lin.

(3) 28 Holdings Pte. Ltd. ("**28 Holdings**") is a private limited company incorporated in Singapore on September 1999. 28 Holdings is an investment holding company. Goh Khoon Lim and his spouse Gan Suat Lui each holds 40% of the Shareholdings in 28 Holdings. The directors of 28 Holdings are Goh Khoon Lim, Gan Suat Lui, and Goh Fuqiang, Kenneth. By virtue of Section 7 of the Act, Goh Khoon Lim and Gan Suat Lui are deemed to have an interest in 23,251,300 Shares held by 28 Holdings.

APPENDIX 1

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 Shares Purchases undertaken by the Company shall be at a price of up to but not exceeding the 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) trading 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, in the case of an Off-Market Purchase, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5) day period.

2. In making Shares Purchases, the Company will comply with the requirements of the SGX-ST Listing Manual, in particular, Rule 886 with respect to notification to the SGX-ST of any Shares 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 am 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 am 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. Shares Purchases will be made in accordance with the "Guidelines on Shares Purchases" as set out in Annexure A of the Company's Circular to Shareholders dated 5 July 2013 and amended to take into account the change in trading lots of 1,000 to 100 and amendments made to the Act pursuant to the Companies (Amendment) Act 2014, a copy of which is annexed. All information required under the Act relating to the Share Purchase Mandate is contained in the said Guidelines.

4. The SGX-ST 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 full-year results and the period of two (2) weeks immediately preceding the announcement of its quarterly results.

APPENDIX 1

(G) Directors' Responsibility Statement

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given herein 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 the circular 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 8.

(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) Compliance With Governing Laws, Regulations And The Articles Of Association

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

(K) 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 Memorandum and Articles of Association of the Company; and

(b) the audited financial statements of the Company for the financial year ended 31 December 2015.

ANNEXURE A

GUIDELINES ON SHARES 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) will expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; 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 Memorandum and Articles 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 Articles, 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.

ANNEXURE A

4. **Trading Restrictions**

The number of Shares which can be purchased pursuant to the Shares 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) as at date of the last annual general meeting of the Company or at the date of the EGM, whichever is the higher.

5. **Price Restrictions**

Any Share Purchase 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 Shares Purchase Mandate, which shall not exceed the sum constituting:

1. 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

2. 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 adjusted for any corporate action that occurs after the relevant five (5) day period.

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 Shares purchase 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 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 share purchased by the Company will be cancelled or kept as Treasury Shares.

ANNEXURE A

(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 relate to Shares with different dividend entitlements;

(ii) where there are differences in consideration attributable to the fact that an offer relate 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:

(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:

(i) sell the Shares (or any of them) for cash;

(ii) transfer the 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 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 Shares (or any of them); or

(v) sell, transfer or otherwise use the 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.

Any Share Purchase will:

(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 of the Company's assets 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.

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 The Accounting and Corporate Regulatory Authority ("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 issued Shares in the capital of the Company as at the date of the Shareholders' resolution approving the purchase, the Company's issued Shares in the capital after the purchase and the amount of consideration paid by the Company for the purchase.

(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 The 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 weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.

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SOUP RESTAURANT GROUP LIMITED

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

IMPORTANT:

This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ____(Name)____________________(NRIC/Passport)
of ____(Address)

being a member/members of Soup Restaurant Group Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

*and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our proxy/ proxies to vote for me/us on my/our behalf at the AGM of the Company to be held at 150 Kampong Ampat #04-01, KA Centre, Singapore 368324 on Friday, 29 April 2016 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

☐ Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	**Resolutions relating to:**	**For**	**Against**
1	Directors' Statement and Audited Financial Statement for the year ended 31 December 2015		
2	Payment of proposed one-tier tax-exempt final dividend		
3	Re-election of Mr Wong Chi Keong as a Director		
4	Re-election of Mr Then Khek Koon as a Director		
5	Approval of Directors' fees of S$130,000		
6	Re-appointment of BDO LLP as auditor		
7	Authority to issue shares and convertible securities		
8	Renewal of Share Purchase Mandate		

Dated this ____________day of __________2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A shareholder of the Company entitled to attend and vote at the AGM of the Company may appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 150 Kampong Ampat #04-01, KA Centre, Singapore 368324 not less than 48 hours before the time appointed for the AGM.

5. Where a member appoints more than one proxy, he/she shall specify the number of shares to be represented by each proxy, failing which, the appointment shall be deemed to be in the alternative.

6. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or by an officer on behalf of the corporation.

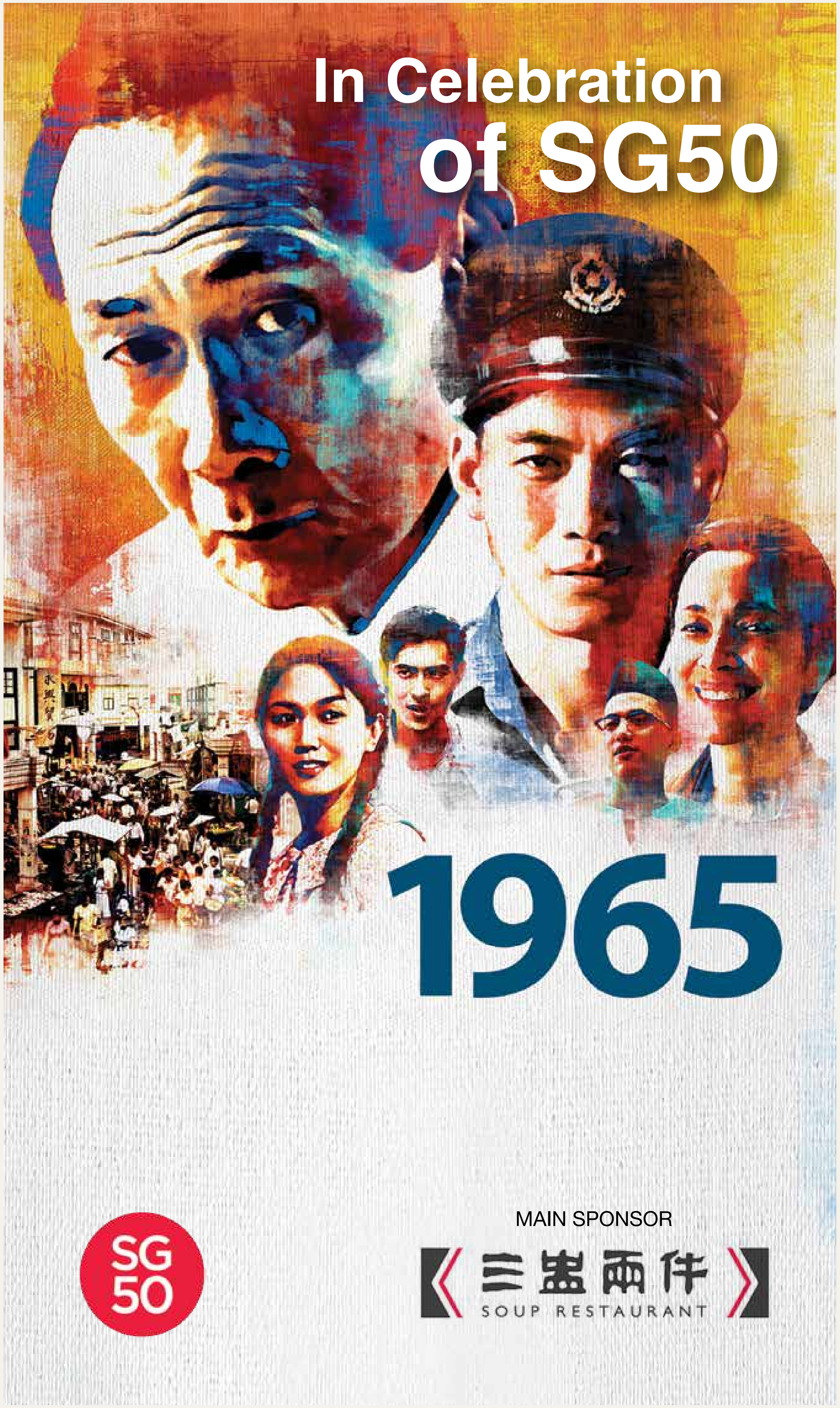
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

8. A corporation which is a member 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, Chapter 50.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, 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 an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 14 April 2016.



Soup Restaurant Group Limited
150 Kampong Ampat
#04-01 KA Centre
Singapore 368324

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