

Duck chain Dian Xiao Er no longer in the Soup

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(SINGAPORE) The duck and chicken will soon part ways. The couple behind roast duck chain Dian Xiao Er have agreed to buy out Soup Restaurant Group's (Soup) stake in the chain for \$7.9019 million. This sum is based on the \$15.5 million price tag that Soup put on the entity which owns Dian Xiao Er - the Y.E.S F&B Group (YES) - and the 50.98 per cent share of YES that Soup and its subsidiary hold. This figure, subject to approval of Soup's shareholders in a general meeting, is based on an independent valuation commissioned by Soup in January.

The couple - Yik Kuen Koon and his wife, Eliza Gunawan - accepted the valuation yesterday after Soup put it on the table on Tuesday, and decided to buy Soup out. This puts an end to the lawsuit that they had launched against Soup. 'As founders of Dian Xiao Er, Eliza and I are overjoyed to win back our baby. This has always been our dream. Since we left, our staff and suppliers have been constantly asking us when we would return,' Mr Yik told BT yesterday. 'Now that this has finally happened, we are very excited. We have been spending all night planning how to improve the food and dining experience. We look forward to serving our loyal customers once again.' After the deal is formalised, the couple - currently holding 49.02 per cent of YES - will own 100 per cent of YES - and by extension - Dian Xiao Er.

'(Soup) is pleased that the plaintiffs have accepted the defendants' offer without qualification, and that they have agreed to settle the suit on the basis proposed by the defendants . . . this outcome best ensures that shareholders' value in (Soup) is preserved,' Soup said yesterday. Based on numbers that the plaintiffs showed the court, Dian Xiao Er was taking in revenue of \$21.2 million and a profit of \$1.98 million in the 2008-2009 period. 'In 2007, (YES) contributed 39 per cent to Soup Group's net profit before tax. In 2008, it was 43 per cent, and in 2009, it was 47 per cent,' the plaintiffs' court documents said. This settlement means that all claims and counterclaims in the lawsuit between the couple and Soup will be withdrawn. This includes the request made by the couple - as the plaintiffs - for the pay that they would have received since early-2010 if they had been retained at their respective positions at YES, and the defendants' counterclaim for certain sums of monies paid to the couple by YES. The couple had sued Soup, its subsidiary and YES, claiming minority oppression and an invalid removal of Mr Yik as YES's managing director in 2010. Soup insisted yesterday that, 'Yik's removal was a result of an attempt by the plaintiffs to make an unauthorised payment of a \$744,600 bonus to themselves among other aggravating factors . . . the suit is not a case of oppression but . . . a dispute over the plaintiffs' employment.' The hearing has been adjourned until April 10 for the couple's acceptance to be documented in a formal settlement agreement. Soup's share price was down 0.2 cent to 12.8 cents yesterday before trading of the counter was halted in the afternoon.

Source: Business Times © Singapore Press Holdings Ltd..

BUSINESS VALUATION



VALUATION OF THE BUSINESS AND ASSETS OF YES F&B GROUP PTE LTD



"Dian Xiao Er"

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SOUP RESTAURANT GROUP LIMITED

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