

Winding-up order seals demise of Banquet

Halal foodcourt chain owes \$15m, with \$10m due to stallholders

By IRENE THAM

A WINDING-UP order has been served on Banquet Holdings, putting the final nail in the coffin of the beleaguered foodcourt chain.

Once Singapore's largest halal foodcourt operator, it now owes creditors about \$15 million. Of this, \$10 million is due to stallholders, a source close to the company told The Straits Times.

Banquet, which first opened in 1999, closed its final five outlets, including those at VivoCity, HarbourFront Centre and Jurong Point, three months ago. At its peak, it ran 46 outlets across the island.

But rising rentals and wages led to cash flow problems in 2010.

This resulted in its owing months of payment to foodstall operators, some of which remains unpaid. Banquet sold its Causeway Point outlet for \$2 million last January to pay off some of the debt. But that did not help much.

The winding-up order was taken out by SL Properties. It is a unit of Singapore Land, which owns Clifford Centre, where Banquet ran its biggest outlet and is owed unpaid rent.

One chicken rice and noodle stallholder, Mr Lee Hock Liong, told The Straits Times that he is still owed more than \$1 million by the company. "I don't think I can ever get back my money... I consider it wasted business," said the 57-year-old, who closed the last of his five Banquet stalls last June.

Another stallholder, who wants to be known only as Mr Teo, 58, said he was owed about \$400,000.

Banquet managing director Alan Lee could not be reached for comments.

The chain operated by engaging tenants to run its food stalls while running the drink stalls and some cafes itself. Banquet collected the daily takings of its stallholders, keeping 20 per cent as rent. The rest was typically returned to stallholders in the next 14 days af-



Banquet collected daily takings and kept 20 per cent as rent. The rest was returned to stallholders in the next 14 days after the end of each month. At its peak, it ran 46 outlets across the island. It closed its last five branches three months ago. ST FILE PHOTO

ter the end of each month.

Experts believe bad management could have led to Banquet's problems.

"It expanded too fast. And rising rental and labour cost was a double whammy," said property consultancy firm Chesterton Singapore's managing director, Mr Donald Han. He estimates that rentals went up by 3 per cent every year from 2009 to 2012.

Competition from Food Republic and Kopitiam was a contributing factor.

"At VivoCity, for instance, Food Republic and Banquet were both present, but the former was the clear winner for its greater variety and appeal to a wider base of

diners," said Mr Han.

Associate Professor Seshan Ramaswami, who teaches marketing at Singapore Management University, believes such competition can be hard to cope with "unless you are the lone foodcourt in a big industrial estate or have a stable of good tenants".

Some of Banquet's foodcourts have been taken over by rivals, such as the one in Jurong Point, which is now run by Kopitiam.

That is why safety officer Mohamed Shafeeq does not miss Banquet - most of its hawkers he frequented at Jurong Point are still operating. Said the 39-year-old: "It's just a name change."

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Rise and fall of halal foodcourt chain

■ **1999:** Opens first outlet in Jurong Point mall.

■ **2005:** Foodcourt No. 16 opens in Clifford Centre. At 2,400 sq m, it is Banquet's largest outlet and is double the size of typical foodcourts.

■ **2006:** The \$2.3 million Kopitiam/Banquet foodcourt, covering 2,230 sq m, opens at VivoCity.

■ **2012:** From a high of 46

outlets, Banquet cuts back to just 14.

■ **2012:** Kopitiam, which owns half of Banquet, divests its shares to Banquet Holdings.

■ **2013:** In June, only five Banquet outlets are left.

By the end of November, they have been closed, with Kopitiam taking over the outlets at VivoCity, HarbourFront Centre and Jurong Point.