

**FOOD JUNCTION HOLDINGS LIMITED**

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

1(a) (i) Consolidated Income Statement

	Notes	Group		Change Increase/ (Decrease)
		Jan 2010 - Mar 2010 S\$'000	Jan 2009 - Mar 2009 S\$'000	
<b>Revenue</b>				
Turnover		11,324	11,753	(3.7) %
Other operating income		152	554	(72.6) %
Total revenue		<u>11,476</u>	<u>12,307</u>	(6.8) %
Cost of food and beverages		(1,973)	(2,122)	(7.0) %
Distribution and selling expenses		(199)	(185)	7.6 %
General and administrative expenses		(189)	(400)	(52.8) %
Personnel expenses		(3,071)	(3,204)	(4.2) %
Depreciation of fixed assets		(590)	(588)	0.3 %
Operating lease expenses		(4,021)	(3,860)	4.2 %
Other operating expenses		(833)	(950)	(12.3) %
Interest income		73	57	28.1 %
<b>Profit before taxation</b>		<u>673</u>	<u>1,055</u>	(36.2) %
Taxation	N2	(169)	(177)	(4.5) %
<b>Profit attributable to equity holders of the Company</b>	N1	<u>504</u>	<u>878</u>	(42.6) %
<b>Earnings per share (cent)</b>				
Basic and fully diluted		0.39	0.68	

(ii) Consolidated Statement of Comprehensive Income

	Notes	Group		Change Increase/ (Decrease)
		Jan 2010 - Mar 2010 S\$'000	Jan 2009 - Mar 2009 S\$'000	
<b>Net Profit</b>		504	878	(42.6) %
<b>Other comprehensive income:</b>				
Translation differences		84	80	5.0 %
<b>Total comprehensive income attributable to equity holders of the Company</b>		<u>588</u>	<u>958</u>	(38.6) %

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

Notes	Group		Change Increase/ (Decrease)
	Jan 2010 - Mar 2010 S\$'000	Jan 2009 - Mar 2009 S\$'000	
N1 :			
The profit attributable to shareholders is determined after charging/(crediting) the following:-			
Foreign exchange gain	(101)	(68)	48.5 %
Fixed assets written off	54	5	980.0 %
Amortisation of intangible assets	9	-	NM
Loss on disposal of fixed assets	5	23	(78.3) %
Finance cost (on provision for reinstatement cost)	10	10	-
Interest income :- Fixed deposits	(25)	(9)	177.8 %
Discounting deposits	(48)	(48)	-
N2 :			
Taxation :-			
Current tax			
- current year	152	178	(14.6) %
- over provision in respect of prior years	1	(1)	(200.0) %
Deferred tax			
- current year	16	-	NM
	<u>169</u>	<u>177</u>	(4.5) %
NM : Not meaningful			

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

**1(b)(i) Statement of Financial Position**

	Group		Company	
	As at	As at	As at	As at
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Intangible assets	5,598	5,607	-	-
Fixed assets	8,591	8,571	-	-
Investment in subsidiary companies	-	-	6,821	6,821
Loan to subsidiary companies	-	-	3,250	3,250
Deposits and other receivables *	3,851	2,990	172	169
Prepayments and other recoverables **	1,792	1,972	-	-
<b>Current assets</b>				
Inventories, at cost	69	93	-	-
Deposits and other receivables *	2,162	2,813	-	1
Prepayments and other recoverables **	1,991	1,831	103	42
Amount due from subsidiary companies (non-trade)	-	-	2,864	2,798
Dividend receivable from a subsidiary company	-	-	8,200	8,200
Fixed deposits pledged with the bank	623	624	-	-
Fixed deposits not restricted in use	6,806	9,490	-	-
Cash and bank balances	13,049	10,972	236	514
	24,700	25,823	11,403	11,555
<b>Current liabilities</b>				
Trade payables ***	(3,811)	(4,168)	-	-
Other payables, deposits received and accruals ****	(7,919)	(8,670)	(472)	(924)
Provision for income tax	(784)	(685)	(63)	(35)
	(12,514)	(13,523)	(535)	(959)
<b>Net current assets</b>	12,186	12,300	10,868	10,596
<b>Non-current liabilities</b>				
Deferred tax liabilities	(765)	(747)	-	-
Other payables, deposits received and accruals ****	(53)	(96)	-	-
Provision for reinstatement cost	(812)	(797)	-	-
	30,388	29,800	21,111	20,836
<b>Attributable to equity holders of the Company</b>				
Share capital	12,707	12,707	12,707	12,707
Accumulated profits	17,848	17,344	8,404	8,129
Translation reserve	(167)	(251)	-	-
	30,388	29,800	21,111	20,836

**Notes:-**

\* Deposits and other receivables include the following:-

- (a) Rental deposits : security deposits paid to landlords  
 (b) Other receivables : (1) receivables from tenants for purchases paid/expenses incurred on their behalf  
 (2) receivables from franchisee  
 (c) Other deposits : utilities and other deposits.

\*\* Prepayments and other recoverables include the following:-

- (a) Renovation fees receivable : renovation fees receivable from tenants for renovation cost  
 (b) Prepayments : prepaid expenses for services and maintenance, insurance etc  
 (c) Deferred lease expenses : deferred lease expenses from existing lease.

\*\*\* Trade payables consist of stall tenants' sales proceeds ( after deducting fees & necessary charges ) to be refunded to stall tenants on the 12th of the following month.

\*\*\*\* Other payables, deposits received and accruals include the following:-

- (a) Other payables : unpaid invoices from creditors of both food courts and F&B operations  
 (b) Deposits received : security deposits received from stall tenants  
 (c) Accruals : provisions for incurred expenses and unbilled costs.

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**  
Nil.

**Amount repayable after one year**  
Nil.

**Details of any collateral**  
Not applicable.

**1(c) Consolidated Cash Flow Statement**

	Group	
	Jan 2010 - Mar 2010 2009	Jan 2009 - Mar 2009 2008
Note	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	673	1,055
Adjustments:		
Loss on disposal of fixed assets	5	23
Fixed assets written off	54	5
Finance cost (on provision for reinstatement cost)	10	10
Amortisation of intangible assets	9	-
Depreciation of fixed assets	590	588
Interest income	(73)	(57)
Lease expense relating to fair value of rental deposits	56	48
Exchange difference	73	17
Operating cash flows before changes in working capital	1,397	1,689
Decrease/(increase) in inventories	24	26
Decrease/(increase) in other receivables, deposits and prepayments	(197)	(422)
Increase in trade payables, other payables, deposits received and accruals	(1,151)	(2,149)
Increase in deferred cash settlement	-	584
Decrease/(increase) in fixed deposits pledged with banks	-	107
Cash generated from operations	73	(165)
Interest income received	25	9
Income taxes paid	(59)	(372)
Net cash flows from operating activities	39	(528)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(658)	(301)
Proceeds from disposal of fixed assets	11	19
Net cash flows used in investing activities	(647)	(282)
<b>Net increase in cash and cash equivalents</b>	(608)	(810)
<b>Cash and cash equivalents at beginning of period</b>	20,463	16,205
<b>Cash and cash equivalents at end of period</b>	1(c)(i) 19,855	15,395

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

**1(c)(i) Cash and cash equivalents**

	Group	
	Jan 2010 - Mar 2010 S\$'000	Jan 2009 - Mar 2009 S\$'000
Fixed deposits	7,429	7,720
Cash and bank balances	13,049	8,299
	20,478	16,019
Fixed deposits pledged with the bank ( for rental deposits to landlords )	(623)	(624)
Cash and cash equivalents not restricted in use	19,855	15,395

**1(d)(i) Statement of Changes in Equity**

	Share capital S\$'000	Accumulated profits S\$'000	Translation differences S\$'000	Total Equity S\$'000
<b>The Group</b>				
Balance at 1 January 2009	12,707	15,068	(222)	27,553
Total comprehensive income for the financial period	-	878	80	958
Dividend paid/payable	-	(648)	-	(648)
Balance at 31 March 2009	12,707	15,298	(142)	27,863
Balance at 1 January 2010	12,707	17,344	(251)	29,800
Total comprehensive income for the financial period	-	504	84	588
Balance at 31 March 2010	12,707	17,848	(167)	30,388
<b>The Company</b>				
Balance at 1 January 2009	12,707	8,857	-	21,564
Total comprehensive income for the financial period	-	20	-	20
Dividend paid/payable	-	(648)	-	(648)
Balance at 31 March 2009	12,707	8,229	-	20,936
Balance at 1 January 2010	12,707	8,129	-	20,836
Total comprehensive income for the financial period	-	275	-	275
Balance at 31 March 2010	12,707	8,404	-	21,111

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's issued share capital since the end of the previous period reported on.

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

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**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 March 2010, the Company's issued and paid up capital comprises 129,632,790 ordinary shares (31 December 2009: 129,632,790).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no treasury shares.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard on Auditing 910 ( Engagements to Review Financial Statements), or an equivalent standard).**

These figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2009.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

**Improvements to FRS applicable from 1 January 2010**

The Group has adopted various revised or new FRS and INT FRS applicable from 1 January 2010. These do not have a significant financial impact on the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	Jan 2010 - Mar 2010	Jan 2009 - Mar 2009
Earnings per ordinary share for the period:		
(a) Based on the weighted average number of ordinary shares on issue	0.39 cent	0.68 cent
(b) Based on a fully diluted basis	0.39 cent	0.68 cent

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	23.44 cents	22.99 cents	16.29 cents	16.07 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement

For the first quarter ended 31 March 2010 (1Q FY2010), the Group recorded total turnover of \$11.32M, down \$0.43M year on year (FY2009: \$11.75M).

The decrease in turnover was largely attributed by:-

- The decrease in self-operated stalls' sales revenue by \$509K, mainly due to Group's effort to streamline some of its food court stall operations in Singapore.
- The closure of Kokoro premium gift shop.
- The decrease in Malone's restaurant sales revenue by \$125K, partially due to the impact of the strengthening of SGD against RMB.

In 1Q FY2010, the Group managed and operated 17 food courts (1Q FY2009: 16), 58 self-operated food court stalls (1Q FY2009: 56), 1 Japanese restaurant, Tetsu (FY2009: 1), 2 Malone's restaurants - 1 self-operated and 1 franchised (1Q FY2009: 1 self-operated and 1 franchised) and 1 So EZ cooking studio.

Decrease in other operating income was mainly due to the government grants from Job Credit Scheme in Q1 FY2010 being lower than the same period in FY2009 by \$236K.

Despite the decline in turnover, we have managed to control cost of food and beverage at about 28% of its turnover.

Personnel expenses reduced due to the decrease in directors' remuneration and the decrease in the headcount resulting from the closure of some self-operated stalls in Singapore.

Operating lease expenses increased mainly due to rental rate hikes in existing food courts and the reduction in rental rebates from landlord.

Other operating expenses decreased mainly due to a higher sales tax provision for Malone's restaurant in Q1 FY2009 and the decrease in the number of self-operated stalls in Singapore.

At the pre-tax level, the Group achieved a profit of \$0.67M for 1Q FY2010, a decrease of \$0.38M year on year (FY2009: \$1.06M).

Balance Sheet

Increase in deposits and other receivables (non-current assets) and decrease in deposits and other receivables (current assets) were mainly due to reclassification rental deposit placement with landlords from current assets to non-current assets as the leases were extended.

## FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)

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Other payables, deposits received and accruals decreased mainly due to the decrease in accrued operating expenses. Decrease in accrued operating expenses as staff bonus was paid in 1Q FY2010.

Trade payables comprised mainly food court stall tenants' sales proceeds collected which would be refunded to them on the following month. Dec 2009 trade payables were higher due to higher food court stall tenants' sales proceeds during the Christmas and year end season.

### Cash Flow Statement

Net cash flows used in investing activities increased from \$0.3M to \$0.6M. This was in connection with the capital expenditure on renovation works and purchase of equipment for the new Toast @ Work and Black Ramen outlets and So EZ cooking studio.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group did not make any forecast or prospect statement previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects the operating conditions to improve in FY2010, given the prospects of better economic growth.

The Group remains committed to grow its food court and F&B business segments, not only in Singapore but also in the Asia-Pacific region.

The Group will continue to streamline its food court operations, expand business operations through the introduction of new F&B concepts and control operating costs to improve the Group's profits and financial position.

**11. Dividend**

**(a) Current Financial Period Reported on**

*Any dividend declared for the current financial period reported on?*

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

*Any dividend declared for the corresponding period of the immediately preceding financial year?*

Yes.

Name of Dividend	Exempt 1-Tier Interim Dividend
Dividend Type	Cash
Dividend Amount per share (in cents)	0.5 cent per ordinary share
Par value of shares	Not applicable
Tax Rate	Not applicable
Date paid	10 June 2009

**(c) Date Dividend is payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2010 (UNAUDITED)**

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**12. If no dividend has been declared / recommended, a statement to that effect.**

Not applicable.

**BY ORDER OF THE BOARD**

**John Chang Tong Wah**  
**Company Secretary**  
**11 May 2010**

**CONFIRMATION BY THE BOARD**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the first quarter financial results for the period ended 31 March 2010 to be false or misleading.

On behalf of the board of directors,

**David Lim Chiew Poh**  
**Managing Director**

**Singapore**  
**11 May 2010**

**John Chang Tong Wah**  
**Executive Director**