



FOOD JUNCTION HOLDINGS LIMITED

Third Quarter Financial Statements and Dividend Announcement

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

Third quarter financial statements on consolidated results for the period ended 30 June 2009
(These figures have not been audited)

1(a) An Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	Group		% Increase/ (Decrease)
		3rd Quarter ended 30 Jun		
		2009 S\$'000	2008 S\$'000	
Revenue				
Turnover		12,057	11,683	3.2
Other operating income		443	306	44.8
Total Revenue		12,500	11,989	4.3
Cost of food and beverages		(2,103)	(2,198)	(4.3)
Distribution and selling expenses		(136)	(76)	78.9
General and administrative expenses		(337)	(344)	(2.0)
Personnel expenses		(3,093)	(3,009)	2.8
Depreciation of fixed assets		(582)	(527)	10.4
Operating lease expenses		(3,807)	(3,612)	5.4
Other operating expenses		(988)	(847)	16.6
Interest income		61	73	(16.4)
Profit before taxation		1,515	1,449	4.6
Taxation	N2	(285)	(373)	(23.6)
Profit attributable to equity holders of the Company	N1	1,230	1,076	14.3
Earnings per share (cent)				
Basic and fully diluted		0.95	0.89	

Notes	Group		% Increase/ (Decrease)
	3rd Quarter ended 30 Jun		
	2009 S\$'000	2008 S\$'000	
N1 :			
The profit attributable to shareholders is determined after charging/(crediting) the following:-			
Foreign exchange loss, net	66	5	1,220.0
Fixed assets written off and provision for impairment of fixed assets, (write back) of impairment, net	81	(67)	(220.9)
Amortisation of intangible asset	55	-	NM
Loss on disposal of fixed assets	6	24	(75.0)
Finance cost (on provision for reinstatement cost)	10	10	-
Write back of provision for reinstatement cost	-	(54)	NM
Interest income :- Fixed deposits	(13)	(31)	(58.1)
Discounting deposits	(48)	(42)	14.3
N2 :			
Taxation :-			
Current Tax - current year	326	302	7.9
- overprovision in respect of prior years	(4)	(1)	300.0
Deferred Tax - current year	(37)	72	(151.4)
	285	373	(23.6)



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1(b)(i) A Balance Sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 30/06/2009 S\$'000	As at 30/09/2008 S\$'000	As at 30/06/2009 S\$'000	As at 30/09/2008 S\$'000
Non-current assets				
Intangible assets	7,962	-	-	-
Fixed assets	8,629	8,198	-	-
Investment in subsidiary companies	-	-	9,158	1,000
Loan to subsidiary companies	-	-	3,400	3,400
Deposits and other receivables *	3,390	4,250	171	171
Prepayments and other recoverables **	2,527	1,652	-	-
Current assets				
Inventories, at cost	97	95	-	-
Deposits and other receivables *	2,212	774	3	1
Prepayments and other recoverables **	2,972	3,415	45	120
Amount due from subsidiary companies (non-trade)	-	-	1,376	2,292
Dividend receivable from a subsidiary company	-	-	9,350	9,750
Fixed deposits	9,873	10,218	-	1,927
Cash and bank balances	8,074	8,974	543	771
	23,228	23,476	11,317	14,861
Current liabilities				
Trade payables ***	3,515	2,672	-	-
Other payables, deposits received and accruals ****	8,221	9,011	784	868
Provision for income tax	1,026	928	13	33
	12,762	12,611	797	901
Net current assets	10,466	10,865	10,520	13,960
Non-current liabilities				
Deferred tax liabilities	(601)	(576)	-	-
Other payables, deposits received and accruals ****	(203)	(245)	-	-
Deferred cash settlement	(2,337)	-	(2,337)	-
Provision for reinstatement cost	(809)	(740)	-	-
	29,024	23,404	20,912	18,531
Attributable to equity holders of the Company				
Share capital	14,296	9,623	14,296	9,623
Accumulated profits	14,939	13,981	6,616	8,908
Translation reserve	(211)	(200)	-	-
	29,024	23,404	20,912	18,531

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.



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

Amount repayable in one year or less, or on demand

As at 30/06/2009		As at 30/09/2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 30/06/2009		As at 30/09/2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

Not applicable

1(c) A Cash Flow Statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3rd Quarter ended 30 Jun 2009	2008
Note	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	1,515	1,449
Adjustments:		
Loss on disposal of fixed assets	6	24
Fixed assets written off and provision for impairment of fixed assets, (write back) of impairment, net	81	(67)
Finance cost (on provision for reinstatement cost)	10	10
Amortisation of intangible asset	55	-
Depreciation of fixed assets	582	527
Write back of provision for reinstatement cost	-	(54)
Interest income	(61)	(73)
Lease expense relating to fair value of rental deposits	48	42
Exchange difference	(29)	(43)
Operating cash flows before changes in working capital	2,207	1,815
(Increase)/decrease in inventories	(8)	19
Decrease in other receivables, deposits and prepayments	874	71
Increase/(decrease) in trade payables, other payables, deposits received and accruals	43	(402)
Decrease/(increase) in fixed deposits pledged with banks	1	(106)
Cash generated from operations	3,117	1,397
Interest income received	13	31
Income taxes paid	(369)	(410)
Net cash flows from operating activities	2,761	1,018
Cash flows from investing activities		
Purchase of fixed assets	(189)	(1,290)
Proceeds from disposal of fixed assets	5	36
Net cash flows used in investing activities	(184)	(1,254)
Cash flows from financing activities		
Dividends paid	(648)	-
Net cash flows used in financing activities	(648)	-
Net increase/(decrease) in cash and cash equivalents	1,929	(236)
Cash and cash equivalents at beginning of period	15,395	17,601
Cash and cash equivalents at end of period	17,324	17,365

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1(c)(i) Cash and cash equivalents

	3rd Quarter ended 30 Jun	
	2009	2008
	S\$'000	S\$'000
Fixed deposits	9,873	8,025
Cash and bank balances	8,074	9,881
	<hr/>	<hr/>
	17,947	17,906
Fixed deposits pledged with the bank (for rental deposits to landlords)	(623)	(541)
	<hr/>	<hr/>
Cash and cash equivalents not restricted in use	17,324	17,365

1(d)(i) A Statement (for the issuer and group) showing either (i)all changes in equity or (ii)changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Company	
	3rd Quarter ended 30 Jun		3rd Quarter ended 30 Jun	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Issued capital				
Balance at beginning	14,296	9,623	14,296	9,623
Balance at end	<hr/>	<hr/>	<hr/>	<hr/>
	14,296	9,623	14,296	9,623
Accumulated profits				
Balance at beginning	13,709	12,157	6,640	7,205
Profit/(loss) for the period	1,230	1,076	(24)	31
Balance at end	<hr/>	<hr/>	<hr/>	<hr/>
	14,939	13,233	6,616	7,236
Translation reserve				
Balance at beginning	(142)	(234)	-	-
Translation difference during the period	(69)	(52)	-	-
Balance at end	<hr/>	<hr/>	<hr/>	<hr/>
	(211)	(286)	-	-
Total equity	<hr/>	<hr/>	<hr/>	<hr/>
	29,024	22,570	20,912	16,859

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.

	Number of Shares
Issued shares as at 30/09/2008	120,285,540
Issuance of new shares	<u>9,347,250</u>
Issued shares as at 30/06/2009	<u>129,632,790</u>

Background

In accordance with the announcement dated 30 September 2008, the Company entered into an agreement to acquire 100% equity interest in Malones Holdings Pte Ltd ("MH"). The acquisition of MH was completed on 1 October 2008.

Pursuant to the Sale and Purchase agreement, the consideration for the acquisition of this subsidiary company amounted to RMB 48 million (equivalent to S\$9,347,250 based on the agreed exchange rate of S\$1 : RMB 5.1352) and negotiated on a willing-buyer willing-seller basis, to be satisfied as follows:

- 50% of which to be satisfied by the issuance of 9,347,250 new ordinary shares in Food Junction Holdings Limited at \$0.50 per share amounting in aggregate to RMB 24 million (S\$4,673,625) and
- 50% of which to be satisfied by cash amount of RMB 24 million (S\$4,673,625) with RMB 12 million (S\$2,336,813) paid on the completion date and remaining amount to be adjusted according to Profit Targets set in the Sale and Purchase agreement.

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N3 On 1 October 2008, the Group recognised a provisionally determined positive goodwill of \$7.96m. Subsequent to the completion of the purchase price allocation ("PPA") exercise, intangible assets are identified and recognised at fair value. The provisionally determined goodwill was then adjusted accordingly. The PPA adjustments are summarised as follows:-

	Group As at 30 June 2009		
	Before finalisation of PPA	PPA Adjustments	After finalisation of PPA
	S\$'000	S\$'000	S\$'000
Goodwill	7,963	(4,140)	3,823
Trademark	-	3,978	3,978
Management service agreement	-	216	216
Deferred tax liabilities	-	(54)	(54)

Intangible assets as at 30 June 2009

	Goodwill S\$'000	Trademark S\$'000	Management service agreement	Total S\$'000
			S\$'000	
Before finalisation of PPA	7,963	-	-	7,963
PPA Adjustments	(4,140)	3,978	216	54
After finalisation of PPA	3,823	3,978	216	8,017
Charge for financial period #	-	-	(55)	(55)
	3,823	3,978	161	7,962

Amortisation expenses

Management service agreement relates to the trademark license agreement between a subsidiary of the group and its licensee for the provision of management services to the licensee. The fair value of the management service agreement was amortised on a straight line basis over its useful life.

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.

	Number of Shares	
	As at 30/06/2009	As at 30/09/2008
	Issued shares at the end of periods	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 30 September 2008.

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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 October 2008

The Group has adopted various revised or new FRS and INT FRS applicable from 1 October 2008. 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**

	3rd Quarter ended 30 Jun	
	2009	2008
Earnings per ordinary share for the period:		
(a) Based on the weighted average number of ordinary shares on issue	0.95 cent	0.89 cent
(b) Based on a fully diluted basis	0.95 cent	0.89 cent

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	
	30/06/2009	30/09/2008	30/06/2009	30/09/2008
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	22.39 cents	19.46 cents	16.13 cents	15.41 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

Group Turnover increased by approximately 3% from S\$11.7m for the quarter ended 30 Jun 2008 ("Q3-FY2008") to S\$12.1m for the quarter ended 30 Jun 2009 ("Q3-FY2009"). The increase in turnover was mainly due to revenue from Malone's American Café ("Malone's") and The Gardens food court. As at 30 Jun 2009, the group managed and operated 17 food courts (30 Jun 2008 :16), 56 self-operated F&B stalls (30 Jun 2008 : 62), 1 Japanese restaurant ("TETSU"), 2 Malone's outlets (1 self-operated & 1 licensed) and 1 gourmet gift boutique ("kokoro").

Other Operating Income increased mainly due to the government grants from Job Credit Scheme that were recognised in Q3-FY2009.

Decrease in Cost of Food and Beverage was mainly due to the reduction in number of self-operated stalls. Increase in Distribution and Selling Expenses was mainly due to Malone's operation.

Increase in Depreciation of Fixed Assets was due to the renovation works at the food courts and Malone's. Operating leases rose mainly due to higher rental expenses from food court leases and Malone's.

Other operating expenses increased mainly due to amortisation of intangible assets and impairment of fixed assets.

The Group's Profit Before Taxation increased by S\$0.07m to S\$1.52m year-on-year (Q3-FY2008: S\$1.45m) mainly due to the increase in turnover and contribution from Malone's.

Net profit attributable to equity holders of the Company for Q3-FY2009 increased by approximately 14.3% to S\$1.23m from S\$1.08m in Q3-FY2008.



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Balance Sheet

Fixed Assets increased due to the renovation of food courts at Raffles City and The Gardens. Intangible assets arose from the business acquisition of Malone's on 1 October 2008.

Deposits and Other Receivables increased mainly due to the rental deposit placement with a landlord and receivables from Malone's operations. Prepayments and Other Recoverables rose mainly due to the renovation of food court at The Gardens. Decrease in Fixed Deposits and Cash & Bank Balances was mainly due to incurrence of capital expenditure for food court renovations, acquisition of Malone's and payment of dividend.

Higher Trade Payables were due to increase in refundable sales proceeds to stall tenants after deduction of necessary charges.

Deferred Cash Settlement is the remaining cash consideration payable to Malone's vendors according to profit targets set in the Sales & Purchase agreement for the business acquisition of Malone's.

Provision for Income Tax increased due to the provision of current period corporate tax.

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 operating conditions to remain challenging. However, the management will continue to maintain our competitiveness and to explore for new business opportunities in Singapore and the region.

The Group will continue to source for suitable food court sites in Malaysia, Indonesia and China to expand its presence in these markets.

Renovation for Pluit Village food court is ongoing and is expected to be opened by last quarter of this financial year. Due to current market conditions, the new project at Malone's Suzhou will continue to be delayed until the market conditions improve.

11. **Dividend**

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Yes. The Directors of the Company declared an Exempt 1-tier Interim Dividend of 0.25 cent per ordinary share for Q3-FY2009.

Name of Dividend	Exempt 1-Tier Interim Dividend
Dividend Type	Cash
Dividend Amount per share (in cents)	0.25 cent per ordinary share
Par value of shares	Not applicable
Tax Rate	Exempt 1-Tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date Dividend is payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.



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

Not applicable.

BY ORDER OF THE BOARD

Ben Teo Teck Sing
Company Secretary
11 August 2009



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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 third quarter financial results for the period ended 30 June 2009 to be false or misleading.

On behalf of the board of directors,

Mr. Andrew Fu Che-Yen
Managing Director

Ms. Ariana Lim Leong Hong
Executive Director

Singapore
11 August 2009