



FOOD JUNCTION HOLDINGS LIMITED

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009 (UNAUDITED)

Note: Due to a change in financial year end from 30 September to 31 December, the current financial period comprises 15 months from 1 October 2008 to 31 December 2009.

1(a) Consolidated Income Statement

| | Notes | Group | | Change Increase/ (Decrease) |
|---|-------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 | |
| Revenue | | | | |
| Turnover | | 59,992 | 45,313 | 32.4 % |
| Other operating income | | 1,743 | 728 | 139.4 % |
| Total revenue | | 61,735 | 46,041 | 34.1 % |
| Cost of food and beverages | | (10,967) | (8,433) | 30.0 % |
| Distribution and selling expenses | | (970) | (457) | 112.3 % |
| General and administrative expenses | | (1,766) | (1,719) | 2.7 % |
| Personnel expenses | | (16,396) | (11,734) | 39.7 % |
| Depreciation of fixed assets | | (2,862) | (1,921) | 49.0 % |
| Operating lease expenses | | (19,100) | (14,230) | 34.2 % |
| Other operating expenses | | (4,759) | (3,815) | 24.7 % |
| Interest income | | 310 | 349 | (11.2) % |
| Profit before taxation | | 5,225 | 4,081 | 28.0 % |
| Taxation | N2 | (890) | (790) | 12.7 % |
| Profit attributable to equity holders of the Company | N1 | 4,335 | 3,291 | 31.7 % |
| Earnings per share (cent) | | | | |
| Basic and fully diluted | | 3.34 | 2.74 | |

| Notes | Group | | Change Increase/ (Decrease) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 | |
| N1 : | | | |
| The profit attributable to shareholders is determined after charging/(crediting) the following:- | | | |
| Foreign exchange loss | 25 | 3 | 733.3 % |
| Fixed assets written off | 272 | 114 | 138.6 % |
| (Write back of)/provision for impairment of fixed assets | (100) | 100 | (200.0) % |
| Amortisation of intangible assets | 73 | - | NM |
| Loss on disposal of fixed assets | 82 | 21 | 290.5 % |
| Finance cost (on provision for reinstatement cost) | 48 | 36 | 33.3 % |
| Write back of provision for reinstatement cost | (29) | (61) | (52.5) % |
| Loss on disposal of investment property | - | 66 | (100.0) % |
| Interest income :- Fixed deposits | (77) | (183) | (57.9) % |
| Discounting deposits | (233) | (166) | 40.4 % |
| N2 : | | | |
| Taxation :- | | | |
| Current tax | | | |
| - current year | 935 | 916 | 2.1 % |
| - over provision in respect of prior years | (163) | (222) | (26.6) % |
| Deferred tax | | | |
| - current year | 118 | 96 | 22.9 % |
| | 890 | 790 | 12.7 % |

NM : Not meaningful

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1(b)(i) Balance Sheets

| | Group | | Company | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31/12/2009 S\$'000 | As at 30/09/2008 S\$'000 | As at 31/12/2009 S\$'000 | As at 30/09/2008 S\$'000 |
| | Non-current assets | | | |
| Intangible assets | 1 (d)(ii) 5,607 | - | - | - |
| Fixed assets | 8,571 | 8,198 | - | - |
| Investment in subsidiary companies | - | - | 6,821 | 1,000 |
| Loan to subsidiary companies | - | - | 3,250 | 3,400 |
| Deposits and other receivables * | 2,990 | 4,250 | 169 | 171 |
| Prepayments and other recoverables ** | 1,972 | 1,652 | - | - |
| Current assets | | | | |
| Inventories, at cost | 93 | 95 | - | - |
| Deposits and other receivables * | 2,813 | 774 | 1 | 1 |
| Prepayments and other recoverables ** | 1,831 | 3,415 | 42 | 120 |
| Amount due from subsidiary companies (non-trade) | - | - | 2,798 | 2,292 |
| Dividend receivable from a subsidiary company | - | - | 8,200 | 9,750 |
| Fixed deposits | 10,114 | 10,218 | - | 1,927 |
| Cash and bank balances | 10,972 | 8,974 | 514 | 771 |
| | 25,823 | 23,476 | 11,555 | 14,861 |
| Current liabilities | | | | |
| Trade payables *** | (4,168) | (2,672) | - | - |
| Other payables, deposits received and accruals **** | (8,670) | (9,011) | (924) | (868) |
| Provision for income tax | (685) | (928) | (35) | (33) |
| | (13,523) | (12,611) | (959) | (901) |
| Net current assets | 12,300 | 10,865 | 10,596 | 13,960 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | (747) | (576) | - | - |
| Other payables, deposits received and accruals **** | (96) | (245) | - | - |
| Provision for reinstatement cost | (797) | (740) | - | - |
| | 29,800 | 23,404 | 20,836 | 18,531 |
| Attributable to equity holders of the Company | | | | |
| Share capital | 12,707 | 9,623 | 12,707 | 9,623 |
| Accumulated profits | 17,344 | 13,981 | 8,129 | 8,908 |
| Translation reserve | (251) | (200) | - | - |
| | 29,800 | 23,404 | 20,836 | 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

Nil.

Amount repayable after one year

Nil.

Details of any collateral

Not applicable.

1(c) Consolidated Cash Flow Statement

| | Group | |
|--|---|---|
| | Oct 2008 - Dec 2009 2009 S\$'000 | Oct 2007 - Sep 2008 2008 S\$'000 |
| Note | | |
| Cash flows from operating activities | | |
| Profit before taxation | 5,225 | 4,081 |
| Adjustments: | | |
| Loss on disposal of fixed assets | 82 | 21 |
| Loss on disposal of investment property | - | 66 |
| Fixed assets written off | 272 | 114 |
| Finance cost (on provision for reinstatement cost) | 48 | 36 |
| (Write back of)/provision for impairment of fixed assets | (100) | 100 |
| Amortisation of intangible assets | 73 | - |
| Depreciation of fixed assets | 2,862 | 1,921 |
| Write back of provision for reinstatement cost | (29) | (61) |
| Interest income | (310) | (349) |
| Lease expense relating to fair value of rental deposits | 236 | 169 |
| Exchange difference | (44) | (52) |
| Operating cash flows before changes in working capital | 8,315 | 6,046 |
| Decrease/(increase) in inventories | 52 | (48) |
| Decrease/(increase) in other receivables, deposits and prepayments | 436 | (1,344) |
| Increase in trade payables, other payables, deposits received and accruals | 705 | 1,640 |
| Decrease/(increase) in fixed deposits pledged with banks | 108 | (265) |
| Cash generated from operations | 9,616 | 6,029 |
| Interest income received | 77 | 183 |
| Income taxes paid | (1,014) | (1,473) |
| Net cash flows from operating activities | 8,679 | 4,739 |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (3,423) | (4,897) |
| Proceeds from disposal of fixed assets | 54 | 60 |
| Proceeds from disposal of investment property | - | 1,234 |
| Acquisition of a subsidiary company | (2,336) | - |
| Net cash flows used in investing activities | (5,705) | (3,603) |
| Cash flows from financing activities | | |
| Dividends paid | (972) | (2,406) |
| Net cash flows used in financing activities | (972) | (2,406) |
| Net increase in cash and cash equivalents | 2,002 | (1,270) |
| Cash and cash equivalents at beginning of period | 18,461 | 19,731 |
| Cash and cash equivalents at end of period | 18,463 | 18,461 |

1(c)(i)

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1(c)(i) Cash and cash equivalents

| | Group | |
|---|-----------------------------------|-----------------------------------|
| | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 |
| Fixed deposits | 10,114 | 10,218 |
| Cash and bank balances | 10,972 | 8,974 |
| | 21,086 | 19,192 |
| Fixed deposits pledged with the bank (for rental deposits to landlords) | (623) | (731) |
| Cash and cash equivalents not restricted in use | 20,463 | 18,461 |

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

| | Group | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 |
| Issued capital | | | | |
| Balance at beginning | 9,623 | 9,623 | 9,623 | 9,623 |
| Issuance of ordinary shares | 3,084 | - | 3,084 | - |
| Balance at end | 12,707 | 9,623 | 12,707 | 9,623 |
| Accumulated profits | | | | |
| Balance at beginning | 13,981 | 13,096 | 8,908 | 9,447 |
| Dividends paid | (972) | (2,406) | (972) | (2,406) |
| Profit for the period | 4,335 | 3,291 | 193 | 1,867 |
| Balance at end | 17,344 | 13,981 | 8,129 | 8,908 |
| Translation reserve | | | | |
| Balance at beginning | (200) | (173) | - | - |
| Translation difference during the period | (51) | (27) | - | - |
| Balance at end | (251) | (200) | - | - |
| Total equity | 29,800 | 23,404 | 20,836 | 18,531 |

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 30/9/2008 | 120,285,540 |
| Issuance of new shares | 9,347,250 |
| Issued shares as at 31/12/2009 | 129,632,790 |

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:

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- 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.

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 31 December 2009

| | Goodwill | Trademark | Management service agreement | Total |
|-------------------------------|----------|-----------|------------------------------------|---------|
| | S\$'000 | S\$'000 | 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 # | - | - | (73) | (73) |
| Adjustment to Goodwill @ | (2,337) | - | - | (2,337) |
| | 1,486 | 3,978 | 143 | 5,607 |

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.

@ Adjustment to Goodwill

Management is of the view that it is highly unlikely that Malones Holdings Pte Ltd and its subsidiaries will be able to achieve the Profit Targets set in the Sales and Purchase agreement. Therefore, it is not probable that the deferred cash consideration will be paid. Hence, the Group made the necessary adjustment to Goodwill in intangible assets.

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 December 2009, the Company's issued and paid up capital comprises 129,632,790 ordinary shares (30 September 2008: 120,285,540).

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.

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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.

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**

| | Group | |
|--|------------------------|------------------------|
| | Oct 2008 - Dec 2009 | Oct 2007 - Sep 2008 |
| Earnings per ordinary share for the period: | | |
| (a) Based on the weighted average number of ordinary shares on issue | 3.34 cents | 2.74 cents |
| (b) Based on a fully diluted basis | 3.34 cents | 2.74 cents |

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 | |
|--|-------------|-------------|-------------|-------------|
| | 31/12/2009 | 30/09/2008 | 31/12/2009 | 30/09/2008 |
| Net asset value per ordinary share based on issued share capital as at the end of the reporting period | 22.99 cents | 19.46 cents | 16.07 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

In Dec 2008, the Group changed its financial year-end from 30 Sep to 31 Dec to align that of Auric Pacific Group Limited so as to facilitate the consolidation of the Auric Pacific Group's accounts.

As such, the financial year 2009 (FY2009) of the Group covers a period of fifteen (15) months from 1 Oct 2008 to 31 Dec 2009. The financial year 2008 (FY2008) of the Group covers a period of twelve (12) months from 1 Oct 2007 to 30 Sep 2008.

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In FY2009, the Group managed and operated 17 food courts (FY2008: 16), 62 self-operated food court stalls (FY2008: 59), 1 Japanese restaurant, Tetsu (FY2008: 1), 2 Malone's restaurants - 1 self-operated and 1 franchised (FY2008: Nil) and 1 So EZ cooking studio.

During FY2009, the Group commenced operations of The Garden food court in Dec 2008 and Pluit Village food court in Sep 2009, but closed down Holland Village food court in Aug 2009. On 1 Oct 2008, the Group added Malone's restaurants to its food & beverage segment. On 1 Dec 2009, the Group introduced So EZ cooking studio at the Great World City food court.

In FY2009, the Group recorded total turnover of \$60.0M (FY2008: \$45.3M), an increase of \$14.7M or 32.4% from FY2008. The increase in turnover in FY2009 was contributed by:

- The addition of Malone's restaurants operations in China - \$5.7M.
- The increase in food court stall licence fee income - \$5.3M.
- The increase in self-operated stalls' sales revenue - \$3.0M.
- The increase in Tetsu restaurant's sales revenue - \$0.7M.

Other operating income was also higher in FY2009 primarily due to contributions from the Jobs Credit Scheme amounting to approximately \$0.6M, and higher miscellaneous billings in food court management.

The cost of sales and gross margin in FY2009 were generally in line with that of the previous financial year. In FY2009, cost of sales increased in tandem with the increase in sales revenue, and gross margin was flat at 72%.

Net operating expenses increased in FY2009 mainly due to the addition of Malone's restaurant operations in China, the increase in rental expense arising from rental adjustment for the lease of existing food court space and from the lease of new food court space. The closure of Holland Village food court and some underperforming self-operated stalls mainly attributed to the assets written off and loss on assets disposal which amounted approximately \$0.4M.

Distribution and selling expenses increased because of the addition of Malone's operations.

Increase in personnel expenses was attributed by the addition of Malone's operations of \$2.0M and higher directors' remuneration of \$801K arising mainly from the contractual gratuity payment.

Increase in depreciation of fixed assets was due to the additional capital expenditure incurred for renovation works at the food courts.

Operating lease expenses rose mainly due to the addition of food courts at The Garden in Kuala Lumpur and Pluit Village in Jakarta, the addition of Malone's restaurants, and the hike in rental rates for existing food court leases.

At the pre-tax level, the Group achieved a profit of \$5.22M for FY2009, an increase of \$1.14M over FY2008's profit of \$4.08M.

Balance Sheet

Intangible assets arose from the business acquisition of Malone's restaurant chain on 1 Oct 2008. Fixed assets increased due to the additional capital expenditure incurred for renovation and fitting-out works of the food court outlets at Raffles City, The Gardens and Pluit Village.

Deposits and other receivables increased mainly due to the new rental deposit placement with a landlord and receivables from Malone's operations.

Prepayments and other recoverables decreased as the cost of renovation works were indirectly recovered from the food court stall tenants.

Trade payables comprised mainly food court stall tenants' sales proceeds collected in Dec 2009 which would be refunded to them in Jan 2010.

Cash Flow Statement

The Group's net cash flows from operating activities amounted \$8.7M. The significant increase in operating cash flows by \$3.9M resulted mainly from the higher operating cash flows before changes in working capital due to the additional three months' operations in FY 2009 and the improvement in net working capital.

Net cash flows used in investing activities increased from \$3.6M to \$5.7M. This was in connection with the purchase consideration paid for the acquisition of Malone's operations off set by lower capital expenditure on renovation works at the food courts compared to the previous financial year.

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.

With economic growth expected to return gradually in FY 2010, the Group expects the operating conditions to ease and improve.

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

The Group will continue to streamline its food court stall operations, expand its 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?

Yes. The Directors of the Company have also proposed an Exempt-1-tier Final Dividend of 0.5 cent per ordinary share for FY2009.

| Name of Dividend | Exempt 1-Tier Interim Dividend | Exempt 1-Tier Interim Dividend | Exempt 1-Tier Final Dividend |
|--------------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Dividend Type | Cash | Cash | Cash |
| Dividend Amount per share (in cents) | 0.5 cent per ordinary share | 0.25 cent per ordinary share | 0.5 cent per ordinary share |
| Par value of shares | Not applicable | Not applicable | Not applicable |
| Tax Rate | Not applicable | Not applicable | Not applicable |
| Date paid/payable | 10 June 2009 | 16 September 2009 | To be announced at a later date. |

(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) | 1.0 cent per ordinary share |
| Par value of shares | Not applicable |
| Tax Rate | Not applicable |
| Date paid | 12 March 2008 |

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(c) **Date Dividend is payable**

To be announced at a later date.

(d) **Books closure date**

To be announced at a later date.

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

Not applicable.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

| Business segments 2009 | Food courts S\$'000 | F&B S\$'000 | Elimination S\$'000 | Group S\$'000 |
|--|--------------------------------|----------------------------|--------------------------------|--------------------------|
| Turnover | | | | |
| - external sales | 21,296 | 38,696 | | 59,992 |
| - inter-segment sales | 9,396 | | (9,396) | - |
| | | | | <u>59,992</u> |
| Segment results | 4,031 | 884 | | 4,915 |
| Unallocated items: | | | | |
| Interest income | | | | 310 |
| | | | | <u>5,225</u> |
| Profit before taxation | | | | (890) |
| Taxation | | | | |
| | | | | <u>4,335</u> |
| Profit for the year | | | | <u>4,335</u> |
| Assets | 14,895 | 2,654 | | 17,549 |
| Unallocated assets | | | | 27,414 |
| | | | | <u>44,963</u> |
| Total assets (Note i) | | | | <u>44,963</u> |
| Liabilities | (10,480) | (1,806) | | (12,286) |
| Unallocated liabilities | | | | (2,877) |
| | | | | <u>(15,163)</u> |
| Total liabilities (Note ii) | | | | <u>(15,163)</u> |
| Capital expenditure (Note iii) * | 2,317 | 1,239 | - | 3,556 |
| Depreciation | 2,248 | 614 | - | 2,862 |
| Fixed assets written off | 193 | 79 | - | 272 |
| Loss on disposal of fixed assets | 20 | 62 | - | 82 |
| Write back of provision for reinstatement cost | (29) | - | - | (29) |
| Write back of provision for impairment of fixed assets | (100) | - | - | (100) |

* FY2009: Capital expenditure of \$3.56M comprises reinstatement cost of \$41K, payment made for fixed assets amounted \$92K acquired during the acquisition of Malone's operations and cash payment made for purchase of fixed assets during the year of \$3.42M.

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| Business segments 2008 | Food courts S\$'000 | F&B S\$'000 | Elimination S\$'000 | Group S\$'000 |
|--|--------------------------------|----------------------------|--------------------------------|--------------------------|
| Turnover | | | | |
| - external sales | 15,679 | 29,634 | | 45,313 |
| - inter-segment sales | 8,183 | | (8,183) | - |
| | | | | <u>45,313</u> |
| Segment results | 3,499 | 299 | | 3,798 |
| Unallocated items: | | | | |
| Loss on disposal of investment property | | | | (66) |
| Interest income | | | | 349 |
| | | | | <u>4,081</u> |
| Profit before taxation | | | | (790) |
| Taxation | | | | |
| | | | | <u>3,291</u> |
| Profit for the year | | | | <u>3,291</u> |
| Assets | 16,205 | 1,875 | | 18,080 |
| Unallocated assets | | | | 19,496 |
| | | | | <u>37,576</u> |
| Total assets (Note i) | | | | <u>37,576</u> |
| Liabilities | (11,504) | (982) | | (12,486) |
| Unallocated liabilities | | | | (1,686) |
| | | | | <u>(14,172)</u> |
| Total liabilities (Note ii) | | | | <u>(14,172)</u> |
| Capital expenditure (Note iii) | 3,592 | 1,405 | - | 4,997 * |
| Depreciation | 1,496 | 425 | - | 1,921 |
| Fixed assets written off and impairment | 87 | 27 | - | 114 |
| (Gain)/Loss on disposal of fixed assets | (3) | 24 | - | 21 |
| Write back of provision for reinstatement cost | (61) | - | - | (61) |
| Provision for impairment of fixed assets | 100 | - | - | 100 |

* FY2008: Capital expenditure of \$4.99M comprises reinstatement cost of \$100K and cash payment made for purchase of fixed assets during the year of \$4.89M.

**Geographical segments
2009**

| | Turnover S\$'000 | Assets S\$'000 | Capital expenditure S\$'000 |
|-----------|-----------------------------|---------------------------|--|
| Singapore | 46,318 | 33,455 | 2,309 |
| Malaysia | 6,303 | 7,097 | 442 |
| China | 6,484 | 3,043 | 417 |
| Indonesia | 887 | 874 | 388 |
| Hong Kong | - | 494 | - |
| | <u>59,992</u> | <u>44,963</u> | <u>3,556</u> |

**Geographical segments
2008**

| | Turnover S\$'000 | Assets S\$'000 | Capital expenditure S\$'000 |
|-----------|-----------------------------|---------------------------|--|
| Singapore | 40,209 | 29,412 | 4,684 |
| Malaysia | 3,956 | 4,783 | 12 |
| China | 682 | 2,688 | 266 |
| Indonesia | 466 | 693 | 35 |
| | 45,313 | 37,576 | 4,997 |

Note i : Total segment assets comprise fixed assets and current assets.

Note ii : Total segment liabilities comprise current and non-current liabilities and tax liabilities.

Note iii : Capital expenditure refers to the acquisition of fixed assets.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Business Segments:-

Turnover - Food courts

Food courts segment contribution increased by approximately S\$5.6m to S\$21.3m in FY2009 mainly due to commencement of The Garden food court (Dec 2008) and Pluit Village food court (Sep 2009) and the additional three months' operations.

Turnover - F&B

F&B segment recorded a turnover of approximately S\$38.7m, an increase of S\$9.1m from S\$29.6m in FY2008. The increase was mainly due to the additional 3 months' turnover and additional sales from Malone's operations and Tetsu restaurant.

Earnings - Food courts

Segment results for FY2009 increased by S\$0.5M mainly due to the additional three months' operations partially off set by higher directors' remuneration arising mainly from the contractual gratuity payment.

Earnings - F&B

Segment results increased by approximately \$0.3M to \$0.9M in FY2009. The increase was mainly due to increase in Tetsu restaurant's sales revenue and increase in operating profit from self-operated F&B stalls.

Geographical Segments:-

Singapore

The increase turnover for FY2009 was mainly due to the increase in food court stall licence fee income, self-operated stalls' sales revenue and Tetsu restaurant's sales revenue.

Malaysia

The segment turnover for FY2009 increased significantly due to the commencement of The Garden food court and its self-operated stalls in Dec 2008.

China

The significant increase in FY2009 turnover was mainly due to the addition of Malone's restaurant operations in China.

Indonesia

The increase in FY2009 turnover was mainly due to the commencement of Pluit Village food court in Sep 2009.

Hong Kong

The subsidiary in Hong Kong owns and manages trademarks.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR
ENDED 31 DECEMBER 2009 (UNAUDITED)**

15. A breakdown of sales

| | Group | | |
|--|-----------------------------------|-----------------------------------|-------------|
| | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 | % Change |
| (a) Sales reported for first half year | 24,470 | 22,208 | 10.2 |
| (b) Operating profit after tax before deducting minority interests reported for first half year | 1,964 | 1,467 | 33.9 |
| (c) Sales reported for second half year | 35,522 | 23,105 | 53.7 |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 2,371 | 1,824 | 30.0 |

Due to the change in financial year end, the second half of FY 2009 consisted of 9 months' results (Apr - Dec 2009). The second half of FY 2008 consisted of 6 months' results (Apr - Sep 2008).

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

| | Oct 2008 - Dec 2009 S\$'000 | Oct 2007 - Sep 2008 S\$'000 |
|----------|-----------------------------------|-----------------------------------|
| Ordinary | 972 | 2,406 |

17. Disclosure of Interested Person Transactions Conducted Under a General Mandate

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---|--|--|
| IPT related to Lippo Group & its associates (S\$'000) | 245 | - |

BY ORDER OF THE BOARD

John Chang Tong Wah
Company Secretary
17 February 2010