

**FOOD JUNCTION HOLDINGS LIMITED**
**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**
**1(a) (i) Consolidated Income Statement**

	Notes	Group		Change Increase/ (Decrease)
		Apr 2010 - Jun 2010 S\$'000	Apr 2009 - Jun 2009 S\$'000	
<b>Revenue</b>				
Turnover		11,849	12,057	(1.7) %
Other operating income		213	443	(51.9) %
<b>Total revenue</b>		<b>12,062</b>	<b>12,500</b>	<b>(3.5) %</b>
Cost of food and beverages		(2,029)	(2,103)	(3.5) %
Distribution and selling expenses		(142)	(136)	4.4 %
General and administrative expenses		(326)	(337)	(3.3) %
Personnel expenses		(2,941)	(3,093)	(4.9) %
Depreciation of fixed assets		(598)	(582)	2.7 %
Operating lease expenses		(4,122)	(3,807)	8.3 %
Other operating expenses		(818)	(988)	(17.2) %
Interest income		57	61	(6.6) %
<b>Profit before taxation</b>		<b>1,143</b>	<b>1,515</b>	<b>(24.6) %</b>
Taxation	N2	(193)	(285)	(32.3) %
<b>Profit attributable to equity holders of the Company</b>	<b>N1</b>	<b>950</b>	<b>1,230</b>	<b>(22.8) %</b>
<b>Earnings per share (cent)</b>				
Basic and fully diluted		0.73	0.95	

**(ii) Consolidated Statement of Comprehensive Income**

	Notes	Group		Change Increase/ (Decrease)
		Apr 2010 - Jun 2010 S\$'000	Apr 2009 - Jun 2009 S\$'000	
<b>Net Profit</b>		950	1,230	(22.8) %
<b>Other comprehensive income:</b>				
Translation differences		35	(69)	(150.7) %
<b>Total comprehensive income attributable to equity holders of the Company</b>		<b>985</b>	<b>1,161</b>	<b>(15.2) %</b>

Notes	Group		Change Increase/ (Decrease)
	Apr 2010 - Jun 2010 S\$'000	Apr 2009 - Jun 2009 S\$'000	
<b>N1 :</b>			
The profit attributable to shareholders is determined after charging/(crediting) the following:-			
Foreign exchange (gain) / loss	(17)	66	(125.8) %
Fixed assets written off and provision for impairment of FA	19	81	(76.5) %
Amortisation of intangible assets	12	55	(78.2) %
Loss on disposal of fixed assets	29	6	383.3 %
Finance cost (on provision for reinstatement cost)	10	10	-
Interest income :- Fixed deposits	(17)	(13)	30.8 %
Discounting deposits	(40)	(48)	(16.7) %
<b>N2 :</b>			
Taxation :-			
Current tax			
- current year	192	326	(41.1) %
- over provision in respect of prior years	(2)	(4)	(50.0) %
Deferred tax			
- current year	4	(37)	(110.8) %
	<b>194</b>	<b>285</b>	<b>(31.9) %</b>

**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**

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

	Group		Company	
	As at	As at	As at	As at
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Intangible assets	5,586	5,607	-	-
Fixed assets	8,466	8,571	-	-
Investment in subsidiary companies	-	-	6,821	6,821
Loan to subsidiary companies	-	-	3,250	3,250
Deposits and other receivables *	4,198	2,990	172	169
Prepayments and other recoverables **	1,665	1,972	-	-
<b>Current assets</b>				
Inventories, at cost	52	93	-	-
Deposits and other receivables *	1,977	2,813	-	1
Prepayments and other recoverables **	2,235	1,831	70	42
Amount due from subsidiary companies (non-trade)	-	-	2,614	2,798
Dividend receivable from a subsidiary company	-	-	7,500	8,200
Fixed deposits pledged with the bank	721	624	-	-
Fixed deposits not restricted in use	6,625	9,490	-	-
Cash and bank balances	13,467	10,972	573	514
	25,077	25,823	10,757	11,555
<b>Current liabilities</b>				
Trade payables ***	(4,135)	(4,168)	-	-
Other payables, deposits received and accruals ****	(7,750)	(8,670)	(320)	(924)
Provision for income tax	(817)	(685)	(88)	(35)
	(12,702)	(13,523)	(408)	(959)
<b>Net current assets</b>	12,375	12,300	10,349	10,596
<b>Non-current liabilities</b>				
Deferred tax liabilities	(708)	(747)	-	-
Other payables, deposits received and accruals ****	(33)	(96)	-	-
Provision for reinstatement cost	(824)	(797)	-	-
	30,725	29,800	20,592	20,836
<b>Attributable to equity holders of the Company</b>				
Share capital	12,707	12,707	12,707	12,707
Accumulated profits	18,150	17,344	7,885	8,129
Translation reserve	(132)	(251)	-	-
	30,725	29,800	20,592	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.

**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 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	
	Apr 2010 - Jun 2010	Apr 2009 - Jun 2009
Note	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,143	1,515
Adjustments:		
Loss on disposal of fixed assets	29	6
Fixed assets written off	19	81
Finance cost (on provision for reinstatement cost)	-	10
Amortisation of intangible assets	12	55
Depreciation of fixed assets	598	582
Interest income	(57)	(61)
Lease expense relating to fair value of rental deposits	53	48
Exchange difference	52	(29)
Operating cash flows before changes in working capital	1,849	2,207
Decrease/(increase) in inventories	17	(8)
Decrease/(increase) in other receivables, deposits and prepayments	(292)	874
Increase in trade payables, other payables, deposits received and accruals	135	43
Decrease/(increase) in fixed deposits pledged with banks	(98)	1
Cash generated from operations	1,611	3,117
Interest income received	17	13
Income taxes paid	(222)	(369)
Net cash flows from operating activities	1,406	2,761
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(536)	(189)
Proceeds from disposal of fixed assets	14	5
Net cash flows used in investing activities	(522)	(184)
<b>Cash flows from financing activities</b>		
Dividends paid	(648)	(648)
Net cash flows used in financing activities	(648)	(648)
<b>Net increase in cash and cash equivalents</b>	236	1,929
<b>Cash and cash equivalents at beginning of period</b>	19,856	15,395
<b>Cash and cash equivalents at end of period</b>	1(c)(i) 20,092	17,324

**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**

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

	Group	
	Apr 2010 - Jun 2010 S\$'000	Apr 2009 - Jun 2009 S\$'000
Fixed deposits	7,346	9,873
Cash and bank balances	13,467	8,074
	20,813	17,947
Fixed deposits pledged with the bank ( for rental deposits to landlords )	(721)	(623)
Cash and cash equivalents not restricted in use	20,092	17,324

**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 April 2009	12,707	15,298	(142)	27,863
Total comprehensive income for the financial period	-	1,230	(69)	1,161
Balance at 30 June 2009	12,707	16,528	(211)	29,024
Balance at 1 April 2010	12,707	17,848	(167)	30,388
Total comprehensive income for the financial period	-	950	35	985
Dividend paid		(648)		(648)
Balance at 30 June 2010	12,707	18,150	(132)	30,725
<b>The Company</b>				
Balance at 1 April 2009	12,707	8,229	-	20,936
Total comprehensive income for the financial period	-	(24)	-	(24)
Balance at 30 June 2009	12,707	8,205	-	20,912
Balance at 1 April 2010	12,707	8,404	-	21,111
Total comprehensive income for the financial period	-	130	-	130
Dividend paid		(648)		(648)
Balance at 30 June 2010	12,707	7,886	-	20,593

**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.

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

**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**

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	
	Apr 2010 - Jun 2010	Apr 2009 - Jun 2009
Earnings per ordinary share for the period:		
(a) Based on the weighted average number of ordinary shares on issue	0.73 cent	0.95 cent
(b) Based on a fully diluted basis	0.73 cent	0.95 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	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	23.70 cents	22.99 cents	15.89 cents	16.07 cents

## SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)

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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 second quarter ended 30 June 2010 (2Q FY2010), the Group recorded total turnover of \$11.85M, down \$0.21M year on year (FY2009: \$12.06M).

The decrease in turnover was largely attributed to the drop of \$649k in revenue from self-operating stalls and the closure of Kokoro premium gift shop. However, this was partially being offset by an increase of \$441k in revenue from license fees charged, restaurant operation and cooking studio.

In 2Q FY2010, the Group managed and operated 17 food courts (FY2009: 17), 52 self-operated food court stalls (FY2009: 56), 1 Japanese restaurant, Tetsu (FY2009: 1), 2 Malone's restaurants - 1 self-operated and 1 franchised (FY2009: 1 self-operated and 1 franchised) and 1 So EZ cooking studio (FY2009: Nil).

The decrease in other operating income of 51.9% year-on-year was mainly due to a reduction of \$143k in Job Credit Scheme grants being received in Q2 FY2010.

The Group achieved better cost saving in 2Q FY2010 in cost of sales, personnel expenses and other operating expenses as compared to the same period in FY2009.

At the pre-tax level, the Group achieved a profit of \$1.14M for 2Q FY2010, a decrease of \$0.37M year on year (FY2009: \$1.51M).

### 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.

Increase in prepayments and other recoverable (current assets) was mainly due to advance rental for Serangoon NEX new food court and renovation costs for Century Square Level 3 & 4, Serangoon NEX, United Square food courts.

Other payables, deposits received and accruals decreased mainly due to the decrease in accrued operating expenses.

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 \$0.18M to \$0.5M. This was in connection with the capital expenditure on renovation works and purchase of equipment for the new Toast @ Work outlets and Century Square and Serangoon NEX food courts.

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 is cautiously optimistic that the operating conditions will continue to improve in the second half of FY2010.

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.

**SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**

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**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 Q2-FY2010.

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?*

Yes.

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	Not applicable
Date paid	16 September 2009

**(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.

**BY ORDER OF THE BOARD**

**John Chang Tong Wah**  
Company Secretary  
13 August 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 second quarter financial results for the period ended 30 June 2010 to be false or misleading.

On behalf of the board of directors,

**David Lim Chiew Poh**  
Managing Director

**John Chang Tong Wah**  
Executive Director

Singapore  
13 August 2010