

## FOOD JUNCTION HOLDINGS LIMITED

### THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPT 2010 (UNAUDITED)

#### 1(a) (i) Consolidated Income Statement

	Notes	Group					
		Jul 2010 - Sept 2010 S\$'000	Jul 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)	Jan 2010 - Sept 2010 S\$'000	Jan 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)
<b>Revenue</b>							
Turnover		10,864	11,423	(4.9) %	34,036	35,233	(3.4) %
Other operating income		205	275	(25.5) %	570	1,272	(55.2) %
<b>Total revenue</b>		<b>11,069</b>	<b>11,698</b>	<b>(5.4) %</b>	<b>34,606</b>	<b>36,505</b>	<b>(5.2) %</b>
Cost of food and beverages		(1,694)	(2,064)	(17.9) %	(5,695)	(6,289)	(9.4) %
Distribution and selling expenses		(107)	(172)	(37.8) %	(448)	(493)	(9.1) %
General and administrative expenses		(462)	(332)	39.2 %	(977)	(1,069)	(8.6) %
Personnel expenses		(2,822)	(3,560)	(20.7) %	(8,833)	(9,857)	(10.4) %
Depreciation of fixed assets		(614)	(575)	6.8 %	(1,803)	(1,745)	3.3 %
Operating lease expenses		(4,280)	(3,898)	9.8 %	(12,422)	(11,565)	7.4 %
Other operating expenses		(704)	(758)	(7.1) %	(2,355)	(2,696)	(12.6) %
Interest income		57	64	(10.9) %	187	182	2.7 %
<b>Profit before taxation</b>		<b>443</b>	<b>403</b>	<b>9.9 %</b>	<b>2,260</b>	<b>2,973</b>	<b>(24.0) %</b>
Taxation	N2	(123)	(100)	23.0 %	(486)	(562)	(13.5) %
<b>Profit attributable to equity holders of the Company</b>	N1	<b>320</b>	<b>303</b>	<b>5.6 %</b>	<b>1,774</b>	<b>2,411</b>	<b>(26.4) %</b>
<b>Earnings per share (cent)</b>							
Basic and fully diluted		0.25	0.23		1.37	1.86	

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

	Notes	Group					
		Jul 2010 - Sept 2010 S\$'000	Jul 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)	Jan 2010 - Sept 2010 S\$'000	Jan 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)
<b>Net Profit</b>		<b>320</b>	<b>303</b>	<b>5.6 %</b>	<b>1,774</b>	<b>2,411</b>	<b>(26.4) %</b>
<b>Other comprehensive income:</b>							
Translation differences		(20)	(49)	(59.2) %	99	(38)	(360.5) %
<b>comprehensive income attributable to equity holders of</b>		<b>300</b>	<b>254</b>	<b>18.1 %</b>	<b>1,873</b>	<b>2,373</b>	<b>(21.1) %</b>

**FOOD JUNCTION HOLDINGS LIMITED**
**THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER  
ENDED 30 SEPT 2010 (UNAUDITED)**

Notes	Group					
	Jul 2010 - Sept 2010 S\$'000	Jul 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)	Jan 2010 - Sept 2010 S\$'000	Jan 2009 - Sept 2009 S\$'000	Change Increase/ (Decrease)
N1 :						
The profit attributable to shareholders is determined after charging/(crediting) the following:-						
Foreign exchange (gain) / loss	3	31	(90.3) %	(115)	23	(600.0) %
Fixed assets written off and provision for impairment of FA	18	(21)	(185.7) %	91	65	40.0 %
Amortisation of intangible assets	18	18	-	39	73	(46.6) %
Loss on disposal of fixed assets	49	20	145.0 %	83	49	69.4 %
Finance cost (on provision for reinstatement cost)	20	10	100.0 %	40	30	33.3 %
Write back of provision for reinstatement cost	-	(29)	NM	-	(29)	NM
Interest inc: Fixed deposits	(17)	(16)	6.3 %	(99)	(38)	160.5 %
Discounting deposits	(40)	(48)	(16.7) %	-	(144)	NM
Lease expenses relating to fair value of rental deposits	24	46	(47.8) %	132	189	(30.2) %
Rental FRS 17 (Accounting for lease)	208	-	NM	208	-	NM
N2 :						
Taxation :-						
Current tax						
- Current year	110	128	(14.1) %	454	632	(28.2) %
- (Over)/under provision in respect of prior years	(19)	4	(575.0) %	(20)	(1)	1,900.0 %
Deferred tax						
- Current year	11	(32)	(134.4) %	31	(69)	(144.9) %
- Under provision in respect of prior years	21	-	NM	21	-	NM
	<u>123</u>	<u>100</u>	23.0 %	<u>486</u>	<u>562</u>	(13.5) %
NM : Not meaningful						

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**THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPT 2010 (UNAUDITED)**
**1(b) (i) Statement of Financial Position**

	<b>Group</b>		<b>Company</b>	
	As at	As at	As at	As at
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Intangible assets	5,568	5,607	-	-
Fixed assets	8,442	8,571	-	-
Investment in subsidiary companies	-	-	6,821	6,821
Loan to subsidiary companies	-	-	-	3,250
Deposits and other receivables *	3,984	2,990	87	169
Prepayments and other recoverables **	1,553	1,972	19	-
<b>Current assets</b>				
Inventories, at cost	82	93	-	-
Deposits and other receivables *	2,198	2,813	83	1
Prepayments and other recoverables **	4,216	1,831	47	42
Amount due from subsidiary companies (non-trade)	-	-	6,001	2,798
Dividend receivable from a subsidiary company	-	-	7,150	8,200
Fixed deposits pledged with the bank	720	624	-	-
Fixed deposits not restricted in use	2,590	9,490	-	-
Cash and bank balances	17,424	10,972	702	514
	27,230	25,823	13,983	11,555
<b>Current liabilities</b>				
Trade payables ***	(4,027)	(4,168)	-	-
Other payables, deposits received and accruals ****	(9,834)	(8,670)	(431)	(924)
Provision for income tax	(569)	(685)	(79)	(35)
	(14,430)	(13,523)	(510)	(959)
<b>Net current assets</b>	12,800	12,300	13,473	10,596
<b>Non-current liabilities</b>				
Deferred tax liabilities	(801)	(747)	-	-
Other payables, deposits received and accruals ****	(13)	(96)	-	-
Provision for reinstatement cost	(832)	(797)	-	-
	30,701	29,800	20,400	20,836
<b>Attributable to equity holders of the Company</b>				
Share capital	12,707	12,707	12,707	12,707
Accumulated profits	18,146	17,344	7,693	8,129
Translation reserve	(152)	(251)	-	-
	30,701	29,800	20,400	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.

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\*\*\*\* 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.

**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**

	<b>Group</b>	
	Jul 2010 Sept 2010	Jul 2009 Sept 2009
Note	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	443	403
Adjustments:		
Loss on disposal of fixed assets	49	20
Fixed assets written off/(write back of impairment), net	18	(21)
Finance cost (on provision for reinstatement cost)	20	10
Amortisation of intangible assets	18	18
Depreciation of fixed assets	614	575
Write back of provision for reinstatement cost	-	(29)
Interest income	(57)	(64)
Lease expense relating to fair value of rental deposits	24	46
Rental FRS 17 (Accounting for lease)	208	-
Exchange difference	3	(31)
Operating cash flows before changes in working capital	1,340	927
(Increase)/decrease in inventories	(29)	12
(Increase)/decrease in other receivables, deposits and prepayments	(2,069)	409
Increase in trade payables, other payables, deposits received and accruals	1,956	25
Increase in fixed deposits pledged with banks	-	(1)
Cash generated from operations	1,198	1,372
Interest income received	17	16
Income taxes paid	(280)	-
Net cash flows from operating activities	935	1,388
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(724)	(363)
Proceeds from disposal of fixed assets	34	6
Net cash flows used in investing activities	(690)	(357)

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<b>Cash flows from financing activities</b>		
Dividends paid	(324)	(324)
Net cash flows used in financing activities	(324)	(324)
<b>Net (decrease)/increase in cash and cash equivalents</b>		
	(79)	707
<b>Cash and cash equivalents at beginning of period</b>	20,093	17,324
<b>Cash and cash equivalents at end of period</b>	1(c)(i) 20,014	18,031

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

	<b>Group</b>	
	Jul 2010 - Sept 2010 S\$'000	Jul 2009 - Sept 2009 S\$'000
Fixed deposits	3,310	9,200
Cash and bank balances	17,424	9,455
	20,734	18,655
Fixed deposits pledged with the bank ( for rental deposits to landlords )	(720)	(624)
Cash and cash equivalents not restricted in use	20,014	18,031

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

	Share capital S\$'000	Accum profits S\$'000	Translation differences S\$'000	Total Equity S\$'000
<b>The Group</b>				
Balance at 1 July 2009	12,707	16,528	(211)	29,024
Dividends paid	-	(324)	-	(324)
Total comprehensive income for the financial period	-	303	(49)	254
Balance at 30 September 2009	12,707	16,507	(260)	28,954
Balance at 1 July 2010	12,707	18,150	(132)	30,725
Dividend paid	-	(324)	-	(324)
Total comprehensive income for the financial period	-	320	(20)	300
Balance at 30 September 2010	12,707	18,146	(152)	30,701

**FOOD JUNCTION HOLDINGS LIMITED****THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPT 2010 (UNAUDITED)**

	Share capital S\$'000	Accum profits S\$'000	Translation differences S\$'000	Total Equity S\$'000
<b>The Company</b>				
Balance at 1 July 2009	12,707	8,205	-	20,912
Dividends paid		(324)	-	(324)
Total comprehensive income for the financial period	-	(502)	-	(502)
Balance at 30 September 2009	12,707	7,379	-	20,086
Balance at 1 July 2010	12,707	7,886	-	20,593
Dividend paid		(324)		(324)
Total comprehensive income for the financial period	-	131	-	131
Balance at 30 September 2010	12,707	7,693	-	20,400

- 1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 September 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.

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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 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	
	Jul 2010 - Sept 2010	Jul 2009 - Sept 2009
Earnings per ordinary share for the period:		
Based on the weighted average number		
(a) of ordinary shares on issue	0.25 cent	0.23 cent
(b) Based on a fully diluted basis	0.25 cent	0.23 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	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	23.68 cents	22.99 cents	15.74 cents	16.07 cents

## FOOD JUNCTION HOLDINGS LIMITED

### THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPT 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 third quarter ended 30 September 2010 (3Q 2010), the Group recorded total turnover of \$10.9M, down \$0.5M year on year (4Q 2009: \$11.4M).

Lower sales proceeds from self-operated stalls mainly attributed to the decrease in turnover. However, the decrease in sales proceeds from self-operated stalls was partially offset by the increase in licence fees charged to tenanted stalls.

In 3Q 2010, the Group managed and operated 17 food courts (FY2009: 17), 47 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 reduction in other operating income was mainly due to the absence of contributions from the Job Credit Scheme as compared to FY2009.

We have managed to control cost of food and beverage for self-operated stalls at about 27.5% of its turnover.

Personnel expenses decreased mainly due to the decrease in directors' remuneration.

Operating lease expenses increased mainly due to:-

- \* Hike in rental rate for existing food courts.
- \* Higher equipment rental costs in 2010.
- \* Lower rental rebates received in 2010.
- \* Compliance with FRS 17 (Accounting for lease)

At the pre-tax level, the Group achieved a profit of \$0.32M for 3Q 2010, a slight increase compared to year on year 2009 (FY2009: \$0.3M)

#### 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 recoverables (current assets) was mainly due to recoverables projects costs for tenants for Century Square Level 3 & 4, Serangoon NEX, United Square food courts and NUS food courts.

Other payables, deposits received and accruals increased mainly due to the increase in accrued operating expenses and deposits received from tenants.

Trade payables comprised mainly food court stall tenants' sales proceeds collected which would be refunded back to them on the following month.

#### Cash Flow Statement

Net cash flows used in investing activities was \$0.69M. This was in connection with the capital expenditure on renovation works and down payments for project costs for Century Square Level 3 & 4, Serangoon NEX and NUS 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.

**FOOD JUNCTION HOLDINGS LIMITED**

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**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 remain challenging. However, the Group remains committed to grow its food court and F&B business segments.

The Group has, on 28 October 2010, obtained shareholder approval for the acquisition of the issued share capital of All Around Limited that indirectly owns and manages the Lippo Chiuchow Restaurant in Hong Kong. This restaurant will strengthen the Group's F&B profile and is expected to contribute positively to the Group's earnings.

**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?*

No.

**(c) Date Dividend is payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**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  
08 November 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 third quarter financial results for the period ended 30 September 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  
08 November 2010