

**OLD CHANG KEE LTD.**  
(Company Registration No.: 200416190W)  
(Incorporated in the Republic of Singapore on 16 December 2004)

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a)(i) **An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Increase / (Decrease) %
	Year Ended		
	31-12-2010 S\$'000	31-12-2009 S\$'000	
<b>Consolidated statement of comprehensive income</b>			
<b>Revenue</b>	55,716	51,593	8.0
Cost of sales	(22,323)	(19,968)	11.8
<b>Gross profit</b>	<u>33,393</u>	<u>31,625</u>	5.6
<b>Other items of income</b>			
Interest income on short term deposits	19	10	90.0
Other income	623	1,431	(56.5)
<b>Other items of expenses</b>			
Selling and distribution expenses	(22,349)	(20,006)	11.7
Administrative expenses	(6,862)	(6,872)	(0.1)
Finance costs	(65)	(99)	(34.3)
Other expenses	(1,128)	(1,016)	11.0
<b>Profit before taxation</b>	<u>3,631</u>	<u>5,073</u>	(28.4)
Income tax expense	(780)	(775)	0.6
<b>Profit, net of tax</b>	<u>2,851</u>	<u>4,298</u>	(33.7)
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations	(4)	5	NM
<b>Other comprehensive income for the year, net of tax</b>	<u>(4)</u>	<u>5</u>	NM
<b>Total comprehensive income for the year, attributable to owners of the Company</b>	<u><u>2,847</u></u>	<u><u>4,303</u></u>	(33.8)

NM: Not meaningful

## 1(a)(ii)

**Notes to consolidated statement of comprehensive income**

1. Profit before taxation is arrived at after charging/(crediting) the following:

	Group Year Ended		
	31-12-2010	31-12-2009	Increase / (Decrease)
	S\$'000	S\$'000	%
Allowance for doubtful debts			
-amount due from associated company	9	15	(40.0)
-other receivables	-	84	NM
Amortisation of intangible assets	285	84	239.3
Depreciation of property, plant and equipment	2,894	2,372	22.0
Interest income from short-term deposits	(19)	(10)	90
Loss in foreign exchange	31	39	(20.5)
Property, plant and equipment written off	181	128	41.4
Gain on disposal of property, plant and equipment	(4)	(1)	300.0

2. The major components of taxation comprise:

	Group Year Ended		
	31-12-2010	31-12-2009	Increase / (Decrease)
	S\$'000	S\$'000	%
Current income tax			
- Current income taxation	579	856	(32.4)
- Over provision in respect of prior years	-	(125)	NM
Deferred income tax			
- Movement in temporary differences	201	44	356.8
Taxation recognised in the consolidated statement of comprehensive income	780	775	0.6

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

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31-12-2010</b>	<b>31-12-2009</b>	<b>31-12-2010</b>	<b>31-12-2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	11,737	10,967	-	-
Intangible assets	85	331	-	160
Investment in subsidiary companies	-	-	5,600	5,600
Investment in unquoted shares	273	273	273	273
Amount due from subsidiary company	-	-	-	1,020
Long term deposits	1,611	1,456	-	-
	<u>13,706</u>	<u>13,027</u>	<u>5,873</u>	<u>7,053</u>
<b>Current Assets</b>				
Inventories	628	649	-	-
Trade and other receivables	470	390	-	61
Deposits	590	710	-	-
Prepayments	1,277	676	10	38
Amount due from subsidiary companies	-	-	1,256	362
Cash and bank balances	13,024	11,912	6,484	6,142
	<u>15,989</u>	<u>14,337</u>	<u>7,750</u>	<u>6,603</u>
<b>Current Liabilities</b>				
Trade and other payables	5,530	4,255	621	924
Other liabilities	104	129	-	-
Provisions	233	207	-	-
Bank loans	150	257	-	-
Finance lease liabilities	263	216	-	-
Provision for taxation	653	849	29	9
	<u>6,933</u>	<u>5,913</u>	<u>650</u>	<u>933</u>
<b>Net Current Assets</b>	<b>9,056</b>	<b>8,424</b>	<b>7,100</b>	<b>5,670</b>
<b>Non-Current Liabilities</b>				
Bank loans	-	150	-	-
Finance lease liabilities	503	679	-	-
Deferred tax liabilities	977	776	-	-
	<u>1,480</u>	<u>1,605</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>	<b>21,282</b>	<b>19,846</b>	<b>12,973</b>	<b>12,723</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	10,081	10,013	10,081	10,013
Retained earnings	9,921	9,685	1,756	2,710
Other reserves	1,280	148	1,136	-
<b>Total Equity</b>	<b>21,282</b>	<b>19,846</b>	<b>12,973</b>	<b>12,723</b>

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

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

<b>As at 31-12-2010</b>		<b>As at 31-12-2009</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
413	-	473	-

**Amount repayable after one year**

<b>As at 31-12-2010</b>		<b>As at 31-12-2009</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
503	-	829	-

**Details of any collateral**

The Group's borrowings are secured as follows:

1. Bank loans are secured by
  - (i) a first legal mortgage on the leasehold property owned by a wholly owned subsidiary company as at 31 December 2010 and 31 December 2009; and
  - (ii) corporate guarantee by the Company as at 31 December 2010 and 31 December 2009.
2. Finance lease obligations are secured by the lessors' title to the respective leased assets.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>31-12-2010</b>	<b>31-12-2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,631	5,073
Adjustments for:		
Allowance for doubtful debts		
- amount due from associated company	9	15
- other receivable	-	84
Amortisation of intangible assets	285	84
Depreciation of property, plant and equipment	2,894	2,372
Gain on disposal of property, plant and equipment	(4)	(1)
Property, plant and equipment written off	181	128
Interest expense	65	99
Interest income	(19)	(10)
Currency realignment	4	5
<b>Operating profit before changes in working capital</b>	<u>7,046</u>	<u>7,849</u>
Decrease in inventories	21	100
(Increase)/decrease in trade and other receivables	(80)	30
Increase in deposits	(35)	(131)
Increase in prepayments	(601)	(227)
Increase/(decrease) in trade and other payables	1,275	(326)
(Decrease)/increase in other liabilities	(25)	32
Increase in provisions	26	29
<b>Cash flows from operations</b>	<u>7,627</u>	<u>7,356</u>
Tax paid	(775)	(863)
<b>Net cash flows from operating activities</b>	<u>6,852</u>	<u>6,493</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,712)	(2,244)
Purchase of intangible assets	(39)	(190)
Proceeds from disposal of property, plant and equipment	45	1
Interest received	19	10
Investment in unquoted shares	-	(273)
Payment for club membership	-	(5)
Advances to associated companies	(9)	(15)
<b>Net cash flows used in investing activities</b>	<u>(3,696)</u>	<u>(2,716)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of warrants	1,156	-
Proceeds from issuance of ordinary shares pursuant to warrants exercised	48	-
Repayment of finance lease liabilities	(311)	(212)
Interest paid	(65)	(99)
Repayment of bank loans	(257)	(656)
Dividends paid	(2,615)	(467)
<b>Net cash flows used in financing activities</b>	<u>(2,044)</u>	<u>(1,434)</u>
<b>Net increase in cash and cash equivalents</b>	1,112	2,343
Cash and cash equivalents at the beginning of the financial year	11,912	9,569
<b>Cash and cash equivalents at the end of the financial year</b>	<u>13,024</u>	<u>11,912</u>

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.

	Equity attributable to owners of the Company						
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Foreign currency translation reserve S\$'000	Warrant reserve S\$'000	Asset revaluation reserve S\$'000	Total equity S\$'000
<b>The Group</b>							
<b>At 1-1-2009</b>	10,013	5,854	143	(1)	-	144	16,010
Dividends on ordinary shares	-	(467)	-	-	-	-	(467)
Total comprehensive income for the year	-	4,298	5	5	-	-	4,303
<b>At 31-12-2009</b>	<b>10,013</b>	<b>9,685</b>	<b>148</b>	<b>4</b>	<b>-</b>	<b>144</b>	<b>19,846</b>
<b>At 1-1-2010</b>	10,013	9,685	148	4	-	144	19,846
Dividends on ordinary shares	-	(2,615)	-	-	-	-	(2,615)
Issuance of warrants	-	-	1,401	-	1,401	-	1,401
Warrants issue expenses	-	-	(245)	-	(245)	-	(245)
Issuance of ordinary shares pursuant to warrants exercised	68	-	(20)	-	(20)	-	48
Total comprehensive income for the year	-	2,851	(4)	(4)	-	-	2,847
<b>At 31-12-2010</b>	<b>10,081</b>	<b>9,921</b>	<b>1,280</b>	<b>-</b>	<b>1,136</b>	<b>144</b>	<b>21,282</b>

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.

	Share capital S\$'000	Warrant reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>The Company</b>				
<b>At 1-1-2009</b>	10,013	-	1,571	11,584
Dividends on ordinary shares	-	-	(467)	(467)
Total comprehensive income for the year	-	-	1,606	1,606
<b>At 31-12-2009</b>	<b>10,013</b>	<b>-</b>	<b>2,710</b>	<b>12,723</b>
<b>At 1-1-2010</b>	10,013	-	2,710	12,723
Dividends on ordinary shares	-	-	(2,615)	(2,615)
Issuance of warrants	-	1,401	-	1,401
Warrants issue expenses	-	(245)	-	(245)
Issuance of ordinary shares pursuant to warrants exercised	68	(20)	-	48
Total comprehensive income for the year	-	-	1,661	1,661
<b>At 31-12-2010</b>	<b>10,081</b>	<b>1,136</b>	<b>1,756</b>	<b>12,973</b>

**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.**

On 9 September 2010, Old Chang Kee Ltd. (the “Company”) issued 28,020,000 warrants at an issue price of S\$0.05 for each warrant, each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share, on the basis of three (3) warrant(s) for every ten (10) existing ordinary shares in the capital of the Company, fractional entitlements to be disregarded.

As at 31 December 2010, 484,400 warrants have been exercised and converted into ordinary shares of the Company (31 December 2009: Nil).

As at 31 December 2010, the total number of shares that may be issued on conversion of all outstanding warrants is 27,535,600 (31 December 2009: Nil).

**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.**

	<b>31-12-2010</b>	<b>31-12-2009</b>
Total number of issued shares (excluding treasury shares)	93,884,400	93,400,000

**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.**

Not applicable.

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Group’s auditors.

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

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

**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.**

The Group adopted the new/revised Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group’s accounting policies have been made as required, in accordance to the transitional provisions in



the respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

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

Earnings per ordinary share of the Group after deducting any provision for preference dividends:-	Group Full Year Ended	
	31-12-2010	31-12-2009
(a) Based on weighted average number of ordinary shares in issue;	3.05 cts	4.60 cts
(b) On a fully diluted basis; and	2.88 cts	4.60 cts

Basic earnings per ordinary share is computed based on the following weighted average number of ordinary shares in issue during the respective financial period:

	Group Full Year Ended	
	31-12-2010	31-12-2009
(a) Based on weighted average number of ordinary shares in issue;	93,478,523	93,400,000
(b) On a fully diluted basis; and	99,058,488	93,400,000

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles.

**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	
	31-12-2010	31-12-2009	31-12-2010	31-12-2009
Net asset value per ordinary share based on issued share capital as at the end of the financial period reported on	S\$0.23	S\$0.21	S\$0.14	S\$0.14
Issued share capital as at the end of the period	93,884,400	93,400,000	93,884,400	93,400,000

- 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.**

### **Revenue**

The Group's revenue increased from approximately S\$51.6 million in FY2009 to S\$55.7 million in FY2010, an increase of approximately S\$4.1 million or 8.0%.

Revenue from the retail division increased from approximately S\$50.0 million to S\$53.2 million, an increase of approximately \$3.2 million or 6.3%.

Revenue from other services such as delivery and catering services increased from approximately S\$1.5 million to S\$2.5 million, an increase of approximately S\$1.0 million or 63.9%.

As at 31 December 2010, the Group operated a total of 78 outlets in Singapore as compared to 76 outlets as at 31 December 2009.

The Group's signature curry puffs remained the major contributor to our revenue and accounted for approximately 35.4% of our revenue in FY2010 as compared to approximately 37.2% in FY2009.

### **Cost of sales and gross profit**

Cost of sales increased from approximately S\$20.0 million in FY2009 to S\$22.3 million in FY2010, an increase of approximately S\$2.3 million or 11.8%. The increase was largely attributable to higher revenue achieved in FY2010.

Cost of sales increased from 38.7% of revenue in FY2009 to 40.1% in FY2010. The increase was mainly attributed to higher raw material costs.

The Group's gross profit increased from approximately S\$31.6 million in FY2009 to S\$33.4 million in FY2010, an increase of approximately S\$1.8 million or 5.6%. The Group's gross profit margin decreased from approximately 61.3% of revenue in FY2009 to 59.9% in FY2010. The decrease was mainly due to higher raw material costs and higher depreciation expenses on plant and equipment.

### **Other income**

Other income decreased from approximately S\$1.4 million in FY2009 to S\$623,000 in FY2010, a decrease of approximately S\$808,000 or 56.5%.

This was mainly due to the following:

- a) Decrease in grants received under the Jobs Credit Scheme (JCS) of approximately S\$654,000 or 79.1%. In FY2010, grants received under JCS were approximately S\$173,000 as compared to S\$827,000 in FY2009; and
- b) Decrease of approximately S\$266,000 in grants received from government assistance schemes.

The decrease in other income was partially offset by higher revenue from the sale of waste oil of approximately S\$109,000 in FY2010.

### **Operating Expenses**

Selling and distribution (S & D) expenses increased from approximately S\$20.0 million to S\$22.3 million, an increase of approximately S\$2.3 million or 11.7%. S & D expenses in FY2010 amounted to approximately 40.1% of revenue as compared to approximately 38.8% in FY2009.

The increase in S & D expenses was largely attributed to the following:-

- a) Staff benefit expenses increased from approximately 15.5% of revenue in FY2009 to 16.3% in FY2010.
- b) Operating lease expenses (rental) increased by approximately S\$418,000 or 6.2%, mainly due to an increase in the number of outlets.
- c) Advertising and promotion expenses increased by approximately S\$121,000 or 16.9% mainly due to an increase in sales promotion events.

Other expenses increased by approximately S\$112,000 or 11.0%, largely attributed to an increase in amortisation of intangible assets by approximately S\$201,000, offset by a decrease in depreciation expenses of office equipment by approximately S\$59,000.

Finance costs decreased from approximately S\$99,000 in FY2009 to S\$65,000 in FY2010, a decrease of approximately S\$34,000 or 34.3%. This was mainly due to lower outstanding bank loans and finance lease liabilities.

As a result of the above factors, total operating expenses increased from approximately S\$28.0 million in FY2009 to S\$30.4 million in FY2010, an increase of approximately S\$2.4 million or 8.6%. Total operating expenses amounted to approximately 54.6% of revenue in FY2010, as compared to approximately 54.3% in FY2009.

### **Depreciation**

Depreciation increased from approximately S\$2.4 million in FY2009 to S\$2.9 million in FY2010, an increase of approximately S\$522,000 or 22.0%. The increase was mainly due to renovation costs including leasehold improvements, and additions of plant and equipment for the Group's new outlets and factory facility for FY2010.

### **Profit before taxation**

The Group's profit before taxation for FY2010 decreased from approximately S\$5.1 million in FY2009 to S\$3.6 million in FY2010, a decrease of approximately S\$1.5 million or 28.4%.

### **Balance Sheet**

The Group's non-current assets increased by approximately S\$679,000 or 5.2% to S\$13.7 million as at 31 December 2010. The increase was mainly due to:

- (a) renovation cost and additions of plant and equipment amounting to approximately S\$3.9 million for the Group's new outlets and factory facility, offset by depreciation and write off of plant and equipment of approximately S\$3.1 million;
- (b) long term deposits increased by approximately S\$155,000 mainly due to additional lease deposits paid for new outlets and reclassification of short-term deposits to long-term deposits in accordance with the lease tenures.

The increase in non-current assets was partially offset by amortisation of intangible assets amounting to approximately S\$285,000 for FY2010.

The Group's current assets increased by approximately S\$1.7 million or 11.5%, from approximately S\$14.3 million as at 31 December 2009 to approximately S\$16.0 million as at 31 December 2010, mainly due to the following:

- (a) higher trade and other receivables of approximately S\$80,000, mainly attributed to catering sales to regular corporate customers and government ministries;

- (b) higher prepayment of approximately S\$601,000, mainly attributed to advance payment to suppliers to secure better pricing for raw materials;
- (c) increase in cash and bank balances by approximately S\$1.1 million.

The increase in cash and bank balances was mainly attributed to cash flow from operating activities of approximately S\$6.9 million and net proceeds from the issuance of warrants of approximately \$1.2 million. The increase was offset by the following:

- (i) purchase of property, plant and equipment amounting to approximately S\$3.7 million;
- (ii) dividends payment of approximately S\$2.6 million; and
- (iii) repayment of financial liabilities and bank loans including interest of approximately S\$633,000.

The increase in the Group's current assets was partially offset by a decrease in short-term deposits amounting to approximately S\$120,000, mainly due to reclassification of short-term deposits to long-term deposits in accordance with the lease tenures.

Non-current liabilities for bank loans and finance leases amounted to approximately S\$503,000 as at 31 December 2010 as compared to approximately S\$829,000 as at 31 December 2009, a reduction of approximately S\$326,000, due to repayments of bank loans and finance leases in FY2010. Deferred tax liabilities amounted to approximately S\$977,000 as at 31 December 2010 as compared to approximately S\$776,000 as at 31 December 2009, an increase of approximately S\$201,000. Together, they accounted for a reduction of approximately S\$125,000 in the Group's non-current liabilities.

The Group's current liabilities increased by approximately S\$1.0 million. This was mainly due to higher trade and other payables of approximately S\$1.3 million as a result of the increase in revenue, offset by a decrease in provision for taxation of approximately S\$196,000 mainly due to the lower profit before taxation for FY2010.

As at 31 December 2010, the Group had a net working capital of approximately S\$9.1 million as compared to approximately S\$8.4 million as at 31 December 2009.

### **Cash flow**

In FY2010, the Group generated an operating profit before working capital changes of approximately S\$3.6 million. Together with net cash inflow of approximately S\$581,000 from working capital changes and tax paid of approximately S\$775,000, net cash generated from operating activities amounted to approximately S\$6.9 million. The net cash inflow from working capital changes comprised mainly an increase in trade and other payables of approximately S\$1.3 million, offset by an increase in prepayments to secure better pricing for raw materials.

In FY2010, net cash used in investing activities amounted to approximately S\$3.7 million. This was mainly attributed to renovation costs and the purchase of plant and equipment for the Group's new retail outlets and factory facility.

Net cash used in financing activities amounted to approximately S\$2.0 million in FY2010. This was mainly attributed to (i) dividend paid to shareholders amounting to approximately S\$2.6 million and (ii) repayment of bank loans, finance lease liabilities and interest paid of approximately S\$633,000. This was offset by proceeds from the issuance of warrants amounting to approximately S\$1.2 million.

The Group's cash and cash equivalents increased by approximately S\$1.1 million to S\$13.0 million as at 31 December 2010, as compared to approximately S\$11.9 million as at 31 December 2009.

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

None.

**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 lease expenses (rental) and labour and raw material costs to remain high in the next reporting period.

The Group would continue to strengthen its leadership position in the snacks market segment and manage its operating costs to further improve productivity.

**11 Dividend.**

**(a) Current financial period reported on.**

Whether an interim (final) ordinary dividend has been declared (recommended) for the current financial period reported on?

The Directors proposed to declare dividends for the current financial year reported on as follows:

Name of Dividend	: Ordinary (final)
Dividend Type	: Cash
Dividend per share	: 1.0 cents per ordinary share
Tax Rate	: Tax exempt (one-tier)

Name of Dividend	: Special (final)
Dividend Type	: Cash
Dividend per share	: 0.5 cents per ordinary share
Tax Rate	: Tax exempt (one-tier)

**(b) Corresponding period of the immediately preceding financial year.**

Whether an interim (final) ordinary dividend has been declared (recommended) for the previous corresponding period?

Name of Dividend	: Ordinary (final)
Dividend Type	: Cash
Dividend per share	: 1.0 cents per ordinary share
Tax Rate	: Tax exempt (one-tier)

Name of Dividend	: Special (final)
Dividend Type	: Cash
Dividend per share	: 1.8 cents per ordinary share
Tax Rate	: Tax exempt (one-tier)

**(c) Date 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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 13 Segmented revenue and results for operating 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.**

Operating Segments

The Group is principally engaged in the manufacture and distribution of food products. As such, the Group has not presented a breakdown of segment information by operating segments.

	Singapore		People's Republic of China		Total	
	Year Ended		Year Ended		Year Ended	
	31-12-2010	31-12-2009	31-12-2010	31-12-2009	31-12-2010	31-12-2009
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>						
Sales to external customers	55,513	51,404	203	189	55,716	51,593
Results:						
Segment results	7,150	8,121	(275)	(493)	6,875	7,628
Depreciation	(2,836)	(2,314)	(58)	(58)	(2,894)	(2,372)
Amortisation	(284)	(83)	(1)	(1)	(285)	(84)
Finance costs	(65)	(99)	-	-	(65)	(99)
Profit before taxation	3,965	5,625	(334)	(552)	3,631	5,073
Taxation					(780)	(775)
Profit, net of tax					2,851	4,298
<b>Other segment information:</b>						
Segment assets	29,211	26,940	484	424	29,695	27,364
<b>Capital expenditure:</b>						
- Tangible assets	3,894	2,244	-	-	3,894	2,244
- Intangible assets	39	190	-	-	39	190

- 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.**

None

- 15 A breakdown of sales.**

	Group		
	Year Ended		Increase / (Decrease)
	31-12-2010	31-12-2009	
	S\$'000	S\$'000	%
Sales reported for first half year	26,330	24,790	6.2
Operating profit after tax before deducting minority interests reported for first half year	960	1,890	(49.2)
Sales reported for second half year	29,386	26,803	9.6
Operating profit after tax before deducting minority interests reported for second half year	1,891	2,408	(21.5)

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

	Company Year Ended	
	31-12-2010	31-12-2009
	S\$'000	S\$'000
Ordinary	939	934
Special	469	1681
Preference	-	-
<b>Total</b>	<b>1,408 *</b>	<b>2,615</b>

\*The final dividend shown for FY2010 is recommended by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting.

- 17 **Interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.**

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 during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Not applicable	Not applicable	Not applicable

**BY ORDER OF THE BOARD**

**Adrian Chan Pengee**  
**Company Secretary**

22 February 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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