

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 FINANCIAL PERIOD ENDED 31 MARCH 2012**

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

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

Consolidated statement of comprehensive income	Group		
	From 1 January 2011 to 31 March 2012 S\$'000	From 1 January 2010 to 31 December 2010 S\$'000	Increase / (Decrease) %
Revenue	76,486	55,716	37.3
Cost of sales	(30,531)	(22,323)	36.8
Gross profit	45,955	33,393	37.6
Other items of income			
Interest income on short term deposits	44	19	131.6
Other income	886	623	42.2
Other items of expenses			
Selling and distribution expenses	(30,239)	(22,349)	35.3
Administrative expenses	(10,359)	(6,862)	51.0
Finance costs	(59)	(65)	(9.2)
Other expenses	(898)	(1,128)	(20.4)
Profit before tax for the period / year	5,330	3,631	46.8
Income tax expense	(825)	(780)	5.8
Profit, net of tax for the period / year	4,505	2,851	58.0
Other comprehensive income:			
Exchange differences on translating foreign operations	(23)	(4)	475.0
Other comprehensive income for the period / year, net of tax	(23)	(4)	475.0
Total comprehensive income for the period / year, attributable to owners of the Company	4,482	2,847	57.4

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		
	From 01-01-2011 to 31-03-2012	From 01-01-2010 to 31-12-2010	Increase / (Decrease)
	S\$'000	S\$'000	%
Allowance for doubtful debts -amount due from associated company	-	9	NM
Amortisation of intangible assets	37	285	(87.0)
Depreciation of property, plant and equipment	4,672	2,894	61.4
Interest income from short-term deposits	(44)	(19)	131.6
(Gain)/loss in foreign exchange	(273)	31	NM
Property, plant and equipment written off	322	181	77.9
Intangible assets written off	8	-	NM
Gain on disposal of property, plant and equipment	(147)	(4)	NM

2. The major components of taxation comprise:

	Group		
	From 01-01-2011 to 31-03-2012	From 01-01-2010 to 31-12-2010	Increase / (Decrease)
	S\$'000	S\$'000	%
Current income tax			
- Current income taxation	1,117	579	92.9
- Over provision in respect of prior years	(307)	-	NM
Deferred income tax			
- Movement in temporary differences	15	201	(92.5)
Taxation recognised in the consolidated statement of comprehensive income	825	780	5.8

NM: Not meaningful

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.

	Group		Company	
	As at		As at	
	31-03-2012 S\$'000	31-12-2010 S\$'000	31-03-2012 S\$'000	31-12-2010 S\$'000
Non-Current Assets				
Property, plant and equipment	13,019	11,737	-	-
Intangible assets	64	85	-	-
Investment in subsidiary companies	-	-	5,600	5,600
Investment in unquoted shares	273	273	273	273
Long term deposits	1,798	1,611	-	-
	15,154	13,706	5,873	5,873
Current Assets				
Inventories	1,057	628	-	-
Trade and other receivables	289	470	-	-
Deposits	711	590	-	-
Prepayments	1,303	1,277	24	11
Amount due from subsidiary companies	-	-	4,651	1,265
Amount due from associated companies	97	-	96	-
Cash and bank balances	15,923	13,024	4,137	6,484
	19,380	15,989	8,908	7,760
Current Liabilities				
Trade and other payables	5,208	5,156	1,091	631
Other liabilities	98	104	-	-
Provisions	1,936	607	-	-
Bank loans	-	150	-	-
Finance lease liabilities	332	263	-	-
Provision for taxation	1,105	653	20	29
	8,679	6,933	1,111	660
Net Current Assets	10,701	9,056	7,797	7,100
Non-Current Liabilities				
Finance lease liabilities	381	503	-	-
Deferred tax liabilities	992	977	-	-
	1,373	1,480	-	-
Net Assets	24,482	21,282	13,670	12,973
Equity attributable to owners of the Company				
Share capital	10,286	10,081	10,286	10,081
Retained earnings	12,999	9,921	2,308	1,756
Other reserves	1,197	1,280	1,076	1,136
Total Equity	24,482	21,282	13,670	12,973

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

Amount repayable in one year or less, or on demand

As at 31-03-2012		As at 31-12-2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
332	-	413	-

Amount repayable after one year

As at 31-03-2012		As at 31-12-2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
381	-	503	-

Details of any collateral

The Group's borrowings are secured as follows:

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

Bank loans were fully paid during the 15 months financial period ended 31 March 2012, and there were no outstanding bank loans as at 31 March 2012.

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

	From 01-01-2011 to 31-03-2012 S\$'000	From 01-01-2010 to 31-12-2010 S\$'000
Cash flows from operating activities		
Profit before tax	5,330	3,631
Adjustments for:		
Allowance for doubtful debts		
- amount due from associated company	-	9
Amortisation of intangible assets	37	285
Depreciation of property, plant and equipment	4,672	2,894
Gain on disposal of property, plant and equipment	(147)	(4)
Property, plant and equipment written off	322	181
Intangible assets written off	8	-
Interest expense	59	65
Interest income	(44)	(19)
Currency realignment	(18)	4
Operating profit before changes in working capital	<u>10,219</u>	<u>7,046</u>
(Increase)/decrease in inventories	(429)	21
Decrease/(increase) in trade and other receivables	181	(80)
Increase in amount due from associated companies	(97)	-
Increase in deposits	(308)	(35)
Increase in prepayments	(26)	(601)
Increase in trade and other payables	52	901
Decrease in other liabilities	(6)	(25)
Increase in provisions	8	400
Cash flows from operations	<u>9,594</u>	<u>7,627</u>
Tax paid	(358)	(775)
Net cash flows from operating activities	<u>9,236</u>	<u>6,852</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,544)	(3,712)
Purchase of intangible assets	(24)	(39)
Proceeds from disposal of property, plant and equipment	303	45
Interest received	44	19
Advances to associated companies	-	(9)
Net cash flows used in investing activities	<u>(4,221)</u>	<u>(3,696)</u>
Cash flows from financing activities		
Net proceeds from issuance of warrants	-	1,156
Proceeds from issuance of ordinary shares pursuant to warrants exercised	145	48
Repayment of finance lease liabilities	(625)	(311)
Interest paid	(59)	(65)
Repayment of bank loans	(150)	(257)
Dividends paid	(1,427)	(2,615)
Net cash flows used in financing activities	<u>(2,116)</u>	<u>(2,044)</u>
Net increase in cash and cash equivalents	2,899	1,112
Cash and cash equivalents at the beginning of the financial period / year	<u>13,024</u>	<u>11,912</u>
Cash and cash equivalents at the end of the financial period / year	<u>15,923</u>	<u>13,024</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	Retained earnings	Other reserves	Foreign currency translation reserve	Warrant reserve	Asset revaluation reserve	Total equity
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01-01-2010	10,013	9,685	148	4	-	144	19,846
Profit for the year	-	2,851	-	-	-	-	2,851
Foreign differences on translating foreign operations	-	-	(4)	(4)	-	-	(4)
Total comprehensive income for the year	-	2,851	(4)	(4)	-	-	2,847
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
At 31-12-2010	10,081	9,921	1,280	-	1,136	144	21,282
At 01-01-2011	10,081	9,921	1,280	-	1,136	144	21,282
Profit for the period	-	4,505	-	-	-	-	4,505
Foreign differences on translating foreign operations	-	-	(23)	(23)	-	-	(23)
Total comprehensive income for the period	-	4,505	(23)	(23)	-	-	4,482
Dividends on ordinary shares	-	(1,427)	-	-	-	-	(1,427)
Issuance of ordinary shares pursuant to warrants exercised	205	-	(60)	-	(60)	-	145
At 31-03-2012	10,286	12,999	1,197	(23)	1,076	144	24,482

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.

The Company	Share capital S\$'000	Warrant reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 01-01-2010	10,013	-	2,710	12,723
Profit for the year	-	-	1,661	1,661
Other comprehensive income for the year	-	-	-	-
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
At 31-12-2010	10,081	1,136	1,756	12,973
At 01-01-2011	10,081	1,136	1,756	12,973
Profit for the year	-	-	1,979	1,979
Other comprehensive income for the year	-	-	-	-
Dividends on ordinary shares	-	-	(1,427)	(1,427)
Issuance of ordinary shares pursuant to warrants exercised	205	(60)	-	145
At 31-03-2012	10,286	1,076	2,308	13,670

- 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.**

Ordinary shares

	Number of shares	S\$'000
Issued and fully paid ordinary shares as at 1 January 2012	95,217,400	10,269
Allotment and issue of new ordinary shares upon the exercise of Warrants	120,000	17
Issued and fully paid ordinary shares as at 31 March 2012	95,337,400	10,286

Warrants

On 9 September 2010, Old Chang Kee Ltd. (the "Company" and together with its subsidiaries, the "Group") 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) warrants for every ten (10) existing ordinary shares in the capital of the Company, fractional entitlements to be disregarded.

As at 31 March 2012, 1,937,400 warrants have been exercised and converted into ordinary shares of the Company (31 December 2010: 484,400).

As at 31 March 2012, the total number of shares that may be issued on conversion of all outstanding warrants is 26,082,600 (31 December 2010: 27,535,600).

There were no treasury shares as at 31 March 2012 and 31 December 2010.

- 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 31-03-2012	As at 31-12-2010
Total number of issued shares	95,337,400	93,884,400

- 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. There were no treasury shares during and as at the end of the current financial period reported on.

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

The figures in this announcement have not been audited or reviewed by the Group's auditor.

- 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.

Save as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited financial statements for the financial year ended 31 December 2010.

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 to FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 January 2011. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new/revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material impact on the financial statements for the current financial period reported on.

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 ("EPS") after deducting any provision for preference dividends:-	Group Period ended	
	31-03-2012	31-12-2010
(a) Based on weighted average number of ordinary shares in issue; and	4.75 cts	3.05 cts
(b) On a fully diluted basis	4.00 cts	2.88 cts

Basic EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares in issue during the respective financial periods.

Fully diluted EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect upon the exercise of all outstanding warrants.

	Group Period ended	
	31-03-2012	31-12-2010
(a) Based on weighted average number of ordinary shares in issue; and	94,860,021	93,478,523
(b) On a fully diluted basis	112,740,268	99,058,488

- 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	
	31-03-2012	31-12-2010	31-03-2012	31-12-2010
Net asset value per ordinary share based on issued share capital as at the end of the financial period reported on	S\$0.26	S\$0.23	S\$0.14	S\$0.14
Issued share capital as at the end of the period	95,337,400	93,884,400	95,337,400	93,884,400

- 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.

The Group had on 16 August 2011, announced the change of its financial year end to 31 March. For the purpose of this announcement, the full-year results for the current financial period reported on will comprise 15 months, from 1 January 2011 to 31 March 2012, against a 12 months comparative period from 1 January 2010 to 31 December 2010.

Revenue

The Group's revenue increased from approximately S\$55.7 million for the 12-month period from 1 January 2010 to 31 December 2010 ("**12M2010**") to approximately S\$76.5 million for the 15-month period from 1 January 2011 to 31 March 2012 ("**15M2012**"), an increase of approximately S\$20.8 million or 37.3%.

The increase in the 15 month revenue was mainly due to (i) the inclusion of 3 months' revenue from 1 January 2012 to 31 March 2012 ("**Q12012**") amounting to approximately S\$15.6 million; and (ii) better year-on-year revenue of approximately S\$5.2 million for the 12-month period from 1 January 2011 to 31 December 2011 ("**12M2011**") as compared to 12M2010.

Revenue from the Retail Division increased from approximately S\$53.2 million for 12M2010 to S\$73.6 million for 15M2012, an increase of approximately S\$20.3 million or 38.2%. The increase in the Retail Division's 15 months revenue was mainly due to (i) the inclusion of 3 months' revenue for Q12012 amounting to approximately S\$15.1 million; and (ii) better year-on-year revenue of approximately S\$5.2 million for 12M2011 as compared to 12M2010. The revenue growth was attributable to the revenue contribution from the new outlets as well as higher sales from the existing outlets.

Revenue from other services such as delivery and catering services increased from approximately S\$2.5 million for 12M2010 to S\$2.9 million for 15M2012, an increase of approximately S\$381,000 or 15.1%. The 15 months increase in revenue was due to the inclusion of 3 months' revenue amounting to S\$500,000, partially offset by a decrease in revenue of S\$119,000 for 12M2011.

As at 31 March 2012, the Group operated a total of 82 outlets in Singapore, as compared to 78 outlets as at 31 December 2010. As at 31 December 2011, the Group had 81 outlets in Singapore.

The Group's signature puff products remained the major contributor to its revenue and accounted for approximately 33.7% of the Group's revenue in 15M2012, as compared to approximately 34.3% in 12M2010.

Cost of sales and gross profit

Cost of sales increased from approximately S\$22.3 million in 12M2010 to S\$30.5 million in 15M2012, an increase of approximately S\$8.2 million or 36.8%. The increase was mainly due to the higher revenue

generated by the Group. While revenue increased by 37.3%, the cost of sales increased at a lower rate of 36.8%.

The Group's gross profit increased from approximately S\$33.4 million in 12M2010 to S\$46.0 million in 15M2012, an increase of approximately S\$12.6 million or 37.6%. The Group's gross profit margin increased slightly from approximately 59.9% in 12M2010 to 60.1% in 15M2012.

The increase in the gross profit margin was mainly due to improved production staff efficiency.

Other income

Other income increased from approximately S\$623,000 in 12M2010 to S\$886,000 in 15M2012, an increase of approximately S\$263,000 or 42.2%.

The increase was mainly due to the following:-

- a) higher revenue from the sales of waste oil of approximately S\$137,000. The increase was due to the inclusion of 3 months' revenue amounting to \$83,000 for Q12012 and an increase in revenue for sales of waste oil of \$54,000 for 12M2011.
- b) higher gain from disposal of property, plant and equipment of approximately S\$143,000 and higher grants received from government agencies of approximately S\$104,000 for 15M2012.
- c) higher interest income and other income of approximately S\$25,000 and S\$53,000 respectively for 15M2012.

The increase in other income was offset by the absence of the Jobs Credit Scheme provided by the Singapore Government in 15M2012 as compared to approximately S\$173,000 received in 12M2010.

Operating Expenses

Selling and distribution expenses

Selling and distribution ("S & D") expenses increased from approximately S\$22.3 million to S\$30.2 million, an increase of approximately S\$7.9 million or 35.3%. S & D expenses in 15M2012 amounted to approximately 39.5% of revenue as compared to approximately 40.1% in 12M2010.

The improvement in S & D expenses as a percentage of revenue was largely attributed to the following:-

- a) advertising and promotional expenses decreased from approximately 2.4% of revenue in 12M2010 to approximately 0.6% of revenue in 15M2012. This was mainly due to lower marketing consultancy expenses and a decrease in the number of sales promotion events in 15M2012;
- b) cleaning expenses and packing materials costs decreased from approximately 2.9% of revenue in 12M2010 to approximately 2.6% of revenue in 15M2012.

The decrease in S & D expenses as a percentage of revenue was partially offset by an increase in the following expenses:-

- a) depreciation expenses increased from approximately 2.7% of revenue in 12M2010 to approximately 3.8% in 15M2012. This was mainly due to higher renovation expenses incurred, including leasehold improvement works, for new and existing outlets.
- b) operating lease expenses (rental) increased from approximately 12.7% of revenue in 12M2010 to approximately 12.9% in 15M2012. This was mainly due to higher rental expenses paid to landlords.

Administrative expenses

Administrative expenses increased from approximately S\$6.9 million in 12M2010 to approximately S\$10.4 million in 15M2011, an increase of approximately S\$3.5 million or 51.0%. The increase in administrative expenses from 12M2010 to 12M2011 amounted to S\$1.4 million, while the remaining increase of S\$2.1 million was due to the inclusion of 3 months' administrative expenses for Q12012.

The increase in administrative expenses was mainly due to the following:

- a) an increase in staff and executive directors' remuneration by approximately S\$2.1 million;

- b) an increase in entertainment and travelling expenses by approximately S\$261,000;
- c) an increase in computer support related expenses by approximately S\$324,000;
- d) an increase in legal, professional and compliance expenses by approximately S\$264,000; and
- e) an increase in upkeep of motor vehicle expenses of approximately S\$150,000.

Other expenses

Other expenses decreased by approximately S\$230,000 or 20.4%, largely attributed to the following:

- a) amortisation of intangible assets decreased by approximately S\$248,000; and
- b) foreign exchange gain of S\$273,000 for 15M2012 as compared to foreign exchange loss of S\$31,000 for 12M2010. The foreign exchange gain was mainly derived from overseas purchases of inventories.

The decrease was partially offset by an increase of approximately S\$270,000 for depreciation of office equipment and fixed assets written off in 15M2012.

As a result of the above, total operating expenses increased from approximately S\$30.4 million in 12M2010 to approximately S\$41.6 million in 15M2012, an increase of approximately S\$11.0 million or 36.3%. Total operating expenses amounted to approximately 54.2% of revenue in 15M2012 and 54.6% in 12M2010 respectively.

Depreciation

Depreciation increased from approximately S\$2.9 million in 12M2010 to approximately S\$4.7 million in 15M2012, an increase of approximately S\$1.8 million or 61.4%. The increase was mainly due to renovation costs, including leasehold improvement works, and additions of plant and equipment to the Group's new and existing outlets.

Profit before taxation

The Group's profit before taxation increased from approximately S\$3.6 million in 12M2010 to approximately S\$5.3 million in 15M2012, an increase of approximately S\$1.7 million or 46.8%.

The increase was mainly due to the inclusion of 3 months' profit before tax amounting to S\$927,000 and an increase of approximately S\$772,000 for 12M2011, as compared to 12M2010.

Taxation

The Group's taxation expenses increased from approximately S\$780,000 for 12M2010 to S\$825,000 for 15M2012, an increase of approximately S\$45,000 or 5.8%. This was mainly attributed to the inclusion of 3 months' profit and a higher profit before taxation for 12M2011.

Balance Sheet

Non-current assets

The Group's non-current assets increased by approximately S\$1.4 million or 10.6% to S\$15.2 million as at 31 March 2012, mainly due to the following:

- (a) the purchase of a new factory facility, renovation costs which included reinstatement cost, and the additions of plant and equipment amounting to approximately S\$5.9 million for the Group's new and existing retail outlets. This was partially offset by depreciation of approximately S\$4.7 million for 15M2012; and
- (b) long term deposits increased by approximately S\$187,000 mainly due to additional lease deposits paid to secure new outlets.

Current assets

The Group's current assets increased by approximately S\$3.4 million to S\$19.4 million as at 31 March 2012, mainly due to the following:

- (a) Higher inventory balance by approximately S\$429,000 mainly due to bulk purchases of inventories from the Group's overseas suppliers to secure more favourable pricing;
- (b) an increase in short-term deposits amounting to approximately S\$121,000, mainly due to the reclassification of long-term deposits to short-term deposits in accordance with the respective lease tenures;
- (c) advances to an associated company of approximately S\$97,000 for renovation and refurbishment works; and
- (d) an increase in cash and bank balances by approximately S\$2.9 million.

The increase in the Group's current assets was partially offset by a decrease in trade and other receivables amounting to approximately S\$181,000 mainly due to repayments from catering customers during 15M2012.

Current liabilities

The Group's current liabilities increased by approximately S\$1.7 million to approximately S\$8.7 million as at 31 March 2012 due mainly to the following:

- i) an increase in the provision for reinstatement expenses by approximately S\$1.2 million, in relation to the costs required to reinstate the Group's new and existing outlets to their original condition upon the expiry of their respective leases;
- ii) an increase in provision for tax by approximately S\$452,000 due to provision for tax for 15M2012, partially offset by tax payments made during the financial period; and

The increase in the Group's current liabilities was partially offset by the full repayment of bank loans during 15M2012.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$107,000, from approximately S\$1.5 million as at 31 December 2010 to approximately S\$1.4 million as at 31 March 2012, mainly due to repayments of finance lease liabilities during the current financial period reported on.

Net working capital

As at 31 March 2012, the Group had a positive net working capital of approximately S\$10.7 million as compared to approximately S\$9.1 million as at 31 December 2010.

Cash flow

In 15M2012, the Group generated an operating profit before working capital changes of approximately S\$10.2 million. Net cash generated from operating activities amounted to approximately S\$9.2 million. The net cash outflow from working capital changes comprised mainly of an increase in inventories and deposits of S\$429,000 and S\$308,000 respectively partially offset by a decrease in trade and other receivables and an increase in trade and other payables of S\$181,000 and S\$52,000 respectively.

In 15M2012, net cash used in investing activities amounted to approximately S\$4.2 million. This was mainly attributed to the purchase of a new factory facility, renovation costs and purchase of plant and equipment for the Group's new and existing retail outlets amounting to approximately S\$4.5 million. This was partially offset by proceeds from the disposal of plant and equipment of approximately S\$303,000.

Net cash used in financing activities amounted to approximately S\$2.1 million in 15M2012. This was mainly attributed to dividends paid for the financial year ended 12M2010, which amounted to S\$1.4 million, and repayments of bank loans and finance lease liabilities including interest of S\$150,000 and S\$625,000 respectively, partially offset by proceeds from the issuance of ordinary shares of S\$145,000 pursuant to warrants exercised in 15M2012.

The Group's cash and cash equivalents amounted to approximately S\$15.9 million as at 31 March 2012, as compared to approximately S\$13.0 million as at 31 December 2010.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects operating lease expenses (rental) and labour and raw material costs to remain high for the next 12 months.

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 period reported on as follows:

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

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

Name of Dividend	: Special (final)
Dividend Type	: Cash
Dividend per share	: 0.5 cent 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.

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

There were no interested person transactions of S\$100,000 or more for 15M2012. The Company does not have a general mandate from its shareholders for recurrent interested person transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 **Segmented revenue and results for operating 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.**

	Singapore	People's Republic of China	Australia	Malaysia	Eliminations	Total
Period ended 31 March 2012	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
Sales	76,247	213	103	-	(77)	76,486
Results:						
Segment results	10,655	(483)	(73)	(1)	-	10,098
Depreciation	(4,589)	(70)	(13)	-	-	(4,672)
Amortisation	(36)	(1)	-	-	-	(37)
Finance costs	(59)	-	-	-	-	(59)
Profit/(loss) before taxation	5,971	(554)	(86)	(1)	-	5,330
Taxation						(825)
Profit, net of tax						4,505
Other segment information:						
Segment assets	32,961	40	341	1,192	-	34,534
Capital expenditure:						
- Tangible assets	5,053	38	202	1,144	-	6,437
- Intangible assets	22	2	-	-	-	24

	Singapore	People's Republic of China	Australia	Malaysia	Eliminations	Total
Year ended 31 December 2010	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
Sales	55,513	203	-	-	-	55,716
Results:						
Segment results	7,150	(275)	-	-	-	6,875
Depreciation	(2,836)	(58)	-	-	-	(2,894)
Amortisation	(284)	(1)	-	-	-	(285)
Finance costs	(65)	-	-	-	-	(65)
Profit/(loss) before taxation	3,965	(334)	-	-	-	3,631
Taxation						(780)
Profit, net of tax						2,851
Other segment information:						
Segment assets	29,211	484	-	-	-	29,695
Capital expenditure:						
- Tangible assets	3,894	-	-	-	-	3,894
- Intangible assets	39	-	-	-	-	39

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.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group operates predominantly in Singapore and material changes in contributions to turnover and earnings have been explained in Paragraph 8 above.

The Group's overseas operations accounted for less than 1% of the Group's revenue for the 15 months financial period ended 31 March 2012 and as such, these operations do not contribute significantly to the Group's turnover and earnings.

16 A breakdown of sales.

	Group Period Ended		
	31-03-2012 S\$'000	31-12-2010 S\$'000	Increase / (Decrease) %
Sales reported for first half year	29,105	26,330	10.5
Operating profit after tax before deducting minority interests reported for first half year	1,209	960	25.9
Sales reported for second 9 months / second half year	47,381	29,386	61.2
Operating profit after tax before deducting minority interests reported for second 9 months / second half year	3,296	1,891	74.3

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

	Company Period Ended	
	31-03-2012 S\$'000	31-12-2010 S\$'000
Ordinary	953	951
Special	477	476
Preference	-	-
Total	1,430*	1,427

*The final dividends shown for the current financial period ended 31 March 2012 is recommended by the Board of Directors and is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director or chief executive officer or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chow Hui Shien	38	<ol style="list-style-type: none"> 1. Niece of Executive Chairman, Han Keen Juan. 2. Niece of substantial shareholder, Mdm Ng Choi Hong. Mdm Ng is the spouse of Executive Chairman, Han Keen Juan. 3. Cousin of Chief Executive Officer, Lim Tao-E William. 4. Sister of Chow Phee Liat (Franchise and Transport Manager). 	General Manager, overseeing the retail operations and business development of the Group, since October 2004	No change
Chow Phee Liat	43	<ol style="list-style-type: none"> 1. Nephew of Executive Chairman, Han Keen Juan. 2. Nephew of substantial shareholder, Mdm Ng Choi Hong. Mdm Ng is the spouse of Executive Chairman, Han Keen Juan. 3. Cousin of Chief Executive Officer, Lim Tao-E William. 4. Brother of Chow Hui Shien (General Manager). 	Franchise and Transport Manager, overseeing franchise operations of the Group, since April 2005, and transport operations of the Group since January 2010	No change
Han Keen Juan	60	<ol style="list-style-type: none"> 1. Uncle of Chow Hui Shien (General Manager), Chow Phee Liat (Franchise and Transport Manager) and Lim Tao-E William (Chief Executive Officer) 2. Husband to substantial shareholder, Mdm Ng Choi Hong. 	Executive Chairman, since Year 2004	No change
Lim Tao-E William	51	<ol style="list-style-type: none"> 1. Cousin of Chow Hui Shien (General Manager) and Chow Phee Liat (Franchise and Transport Manager). 2. Nephew of Executive Chairman, Han Keen Juan. Mr Han is the spouse of substantial shareholder, Mdm Ng Choi Hong. 	Chief Executive Officer, since Year 2004	No change

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

30 May 2012

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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