
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

Group Income Statements	<u>HY 2008</u>	<u>HY 2007</u>	<u>Increase /</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>	<u>(Decrease)</u>
			<u>%</u>
Revenue	26,935	21,702	24.1%
Cost of sales	(10,122)	(7,508)	34.8%
Gross profit	16,813	14,194	18.5%
Financial income	20	14	42.9%
Financial expense	(38)	(71)	(46.5%)
Distribution costs	(300)	(195)	53.8%
Administrative expenses	(10,109)	(8,993)	12.4%
Other operating expenses	(6,097)	(4,677)	30.4%
Other credit/(charges)	81	(1)	NM
Profit before income tax	370	271	36.5%
Income tax expense	(140)	(183)	(23.5%)
Profit for the period	230	88	161.4%

Notes to Income Statement

	<u>HY 2008</u>	<u>HY 2007</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>
<u>Revenue</u>		
Sale of food and beverage	24,689	19,625
Rental income from properties	2,076	1,930
Others	170	147
	<u>26,935</u>	<u>21,702</u>
<u>Financial Income</u>		
Interest income	<u>20</u>	<u>14</u>
<u>Financial Expenses</u>		
Interest expenses	<u>(38)</u>	<u>(71)</u>
<u>Other Charges</u>		
Bad debts written back	43	-
Gain/(Loss) on disposal of plant and equipment	38	(1)
	<u>81</u>	<u>(1)</u>

NM: Not Meaningful.

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

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>30/06/2008</u>	<u>31/12/2007</u>	<u>30/06/2008</u>	<u>31/12/2007</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>	<u>S\$ '000</u>	<u>S\$ '000</u>
ASSETS				
Current assets:				
Cash and cash equivalents	6,362	8,180	2,048	5,219
Trade and other receivables	9,388	6,907	9,031	3,048
Inventories	391	340	-	45
Total current assets	16,141	15,427	11,079	8,312
Non-current assets:				
Investment in subsidiaries	-	-	2,246	1,545
Investment Properties	758	758	-	758
Property, plant and equipment	6,793	7,952	-	2,922
Other assets	-	-	-	1,628
Total non-current assets	7,551	8,710	2,246	6,853
Total assets	23,692	24,137	13,325	15,165
LIABILITIES AND EQUITY				
Current liabilities:				
Short term borrowings	268	488	-	110
Trade and other payables	9,187	9,121	2,357	3,632
Current tax payable	592	898	-	-
Current portion of long-term borrowings	522	349	522	294
Current portion of finance leases	49	85	49	5
Total current liabilities	10,618	10,941	2,928	4,041
Non-current liabilities:				
Deferred tax liabilities	233	233	94	94
Long-term borrowings	496	882	496	882
Finance leases	-	-	-	77
Total non-current liabilities	729	1,115	590	1,053
Capital and reserves:				
Issued capital	13,315	13,315	13,315	13,315
Other reserves	138	104	-	-
(Accumulated losses)/retained earnings	(1,108)	(1,338)	(3,508)	(3,244)
Total equity	12,345	12,081	9,807	10,071
Total liabilities and equity	23,692	24,137	13,325	15,165

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

Amount repayable in one year or less, or on demand

As at 30.06.08		As at 31.12.07	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
\$ 839	NIL	\$ 922	NIL

Amount repayable after one year

As at 30.06.08		As at 31.12.07	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
\$ 496	NIL	\$ 882	NIL

1(b)(ii) Cont'd

Details of any collaterals:

1. Our properties at Senoko Crescent and Bedok North are mortgaged to the banks as security;
2. The banks have a charge over S\$804,000 cash fixed deposits placed with the banks;
3. Obligations under finance lease are secured by the lessor's charge over the leased assets;
4. Legal charge over trade receivables of S\$402,000;
5. Facilities are covered by corporate guarantees from the company and subsidiaries.

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

	<u>HY 2008</u> <u>S\$ '000</u>	<u>HY 2007</u> <u>S\$ '000</u>
Cash flows from operating activities		
Profit after income tax	230	88
Adjustments for:		
Income tax expense	140	183
Depreciation expense	952	976
Interest expense	38	71
Interest income	(20)	(14)
(Gain)/loss on disposal of plant and equipment	(38)	1
Operating profit before working capital changes	1,302	1,305
Restricted cash	(4)	(9)
Trade and other receivables	(2,481)	506
Inventories	(51)	90
Trade and other payables	66	(1,358)
Deferred renovation income	-	106
Cash generated from operations	(1,168)	640
Income tax paid	(446)	(295)
Net cash (used in) from operating activities	(1,614)	345
Cash flows from investing activities		
Disposal of plant and equipment	1,004	-
Purchase of plant and equipment	(676)	(839)
Interest received	20	14
Net cash from (used in) investing activities	348	(825)
Cash flows from financing activities		
Decrease in borrowings	(554)	(370)
Decrease in finance lease	(36)	(35)
Dividend paid	-	(394)
Proceeds from issuing shares, net of expenses	-	6,892
Interest paid	(38)	(71)
Net cash (used in) from financing activities	(628)	6,022
Net effect of exchange rate changes in consolidating subsidiaries		
	(49)	80
Net (decrease)/increase in cash and cash equivalents	(1,943)	5,622
Cash and cash equivalents at beginning of period	7,682	(112)
Cash and cash equivalents at end of period	5,739	5,510

Notes to Cash Flow Statement

	<u>HY 2008</u> <u>S\$ '000</u>	<u>HY 2007</u> <u>S\$ '000</u>
Cash and cash equivalents as per Balance Sheet 1(b)(i)	6,362	7,524
Less restricted cash	(355)	(810)
Bank overdrafts	(268)	(1,204)
Cash and cash equivalents as per Cash Flow Statement 1(c)	5,739	5,510

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

Group	Share Capital S\$ '000	Foreign Currency Translation Reserves S\$ '000	Retained Earnings/ (Accumulated Losses) S\$ '000	Total S\$ '000
Balance as at 1 January 2007	6,423	30	487	6,940
Exchange differences on translating foreign subsidiaries	-	74	-	74
Net income recognised directly in equity	-	74	-	74
Loss for the year	-	-	(1,430)	(1,430)
Total recognised loss for the year	-	74	(1,430)	(1,356)
Dividends paid	-	-	(395)	(395)
Issuance of new shares	6,892	-	-	6,892
Balance as at 31 December 2007	13,315	104	(1,338)	12,081
Exchange differences on translating foreign subsidiaries	-	34	-	34
Net income recognised directly in equity	-	34	-	34
Profit for the period	-	-	230	230
Total recognised income for the period	-	34	230	264
Dividends paid	-	-	-	-
Balance as at 30 June 2008	13,315	138	(1,108)	12,345

Company	Share Capital S\$ '000	Retained Earnings/ (Accumulated Losses) S\$ '000	Total S\$ '000
Balance as at 1 January 2007	6,423	486	6,909
Loss for the year	-	(3,335)	(3,335)
Total recognised loss for the year	-	(3,335)	(3,335)
Issuance of new shares	6,892	-	6,892
Dividends paid	-	(395)	(395)
Balance as at 31 December 2007	13,315	(3,244)	10,071
Loss for the period	-	(264)	(264)
Total recognised loss for the period	-	(264)	(264)
Dividends paid	-	-	-
Balance as at 30 June 2008	13,315	(3,508)	9,807

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 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.

As at 30 June 2008, the Company's issued capital is 131,713,400 shares. There has been no change in the Company's share capital between 30 June 2008 and 31 December 2007.

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

The figures have neither been audited nor reviewed by our 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 accounting policies and methods of computation for the preparation of the financial statements for the 6-month financial period ended 30 June 2008 are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2007.

5. If there were 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 has adopted all the new or revised Singapore Financial Reporting Standards that are mandatory for the financial year beginning on or after 1 January 2008. The new standards did not require any material modification of the measurement method or the presentation of the financial statements.

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

	HY 2008	HY 2007
(i) Based on number of ordinary share in issue	0.17 cents	0.07 cents
(ii) On a fully diluted basis	0.17 cents	0.07 cents

Earnings per share for HY2008 and HY 2007 have been calculated by dividing the Group's net profit after tax for the period by the 131,713,400 ordinary shares in issue for both periods.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current period reported on; and
(b) immediately preceding financial year

Company

	30.06.08	31.12.07
Net asset value backing per ordinary share based on number of shares in issue at end of year	7.45 cents	7.81 cents

Group

	30.06.08	31.12.07
Net asset value backing per ordinary share based on number of shares in issue at end of year	9.37 cents	9.25 cents

The ordinary shares in issue at the end of HY2008 and FY2007 are 131,713,400.

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 period reported on.**

Income Statement

For the financial period ended 30 June 2008 ("HY2008"), the Group recorded a 24.1% increase in revenue compared to the previous corresponding financial period ("HY2007"), mainly due to increase in sales for the retail operations, food catering and offshore catering operations. Offshore catering had substantially commenced operations at the beginning of the 2008.

The Group posted a net profit after tax of \$230K for the first half of 2008 as compared to a net profit after tax of \$88K for the corresponding period of 2007.

Food Catering

Sales of the Group's food catering division registered an increase in revenue of 6% for the period, while segmental profit of \$295K as compared to segmental loss of \$32K mainly as a result of targeted sales of premium buffet packages.

Offshore Catering

Offshore catering had kicked off in November 2007 and substantially commenced operations in the first half of 2008. This division had registered revenue of \$1.5 million and a loss of \$41K for the first half of 2008. The loss incurred was mainly due to the lower contract value charged for an initial project.

Institutional Catering

The Group's institutional catering division had recorded a decline of \$201K or 2.7% and \$65K or 0.8% in revenue and segmental profit respectively as a result of continuing relocation of electronic industry from Singapore to the regional countries and higher food costs.

Food Retail

In the food retail segment, sales increased by \$3.3 million or 47.4% and had a recorded loss of \$272K for the first half of 2008 as compared to a profit of \$386K in the corresponding period of 2007. The loss was mainly due to the set-up costs incurred for the new retail concept "Quickserve", which had commenced operations at the beginning of 2008. The higher rental and food costs had also negatively affected this division.

Balance Sheet

Current assets increased from S\$15.4 million to S\$16.1 million mainly due to the increase in trade receivables of Offshore Catering division. Non-current liabilities declined from S\$1.1 million to S\$0.7 million were mainly due to repayment of long-term borrowings.

Cash Flow

Net cash used in operating activities was S\$1.6 million for HY2008 as compared to net cash from operating activities of \$345K for HY2007, mainly due to a substantial increase in trade receivables from Offshore Catering division.

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

The Group did not make any forecast or prospect statement relating to the first half of 2008 in its previous announcement.

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 inflationary pressures and slowing global economy would affect the Group's business operations. The Group expects competition to be more intense, especially for the food retail segment, and operating costs to continue to rise in tandem with the global trend.

In the retail front, the Group will continue to build up the brand equity of LerkThai chain of restaurants and bistro to capture the increasing demands for casual dining locally. The Group is also actively looking for franchise partners in the ASEAN region. More efforts will be put on improving product margins and operation efficiency and effectiveness to negate rising food, rental and manpower costs.

The Group will continue to grow its offshore catering sales to achieve higher economies of scale.

In line with the Group's direction and as announced on 13 August 2008, the Group has signed the Sales & Purchase Agreement to acquire the entire share capital of PG Holdings Pte Ltd, which operates a chain of fine dining Cantonese cuisine restaurants under the brand name of Peach Garden.

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 payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is declared for the financial period ended 30 June 2008.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

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

Not applicable.

17. Confirmation pursuant to Rule 705(4) of the Listing Manual.

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the unaudited financial statements for the period ended 30 June 2008 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Tan Chor Khoon
Managing Director

Jorg Behrend
Executive Director