



**SINGAPORE FOOD INDUSTRIES LIMITED
AND ITS SUBSIDIARIES**

SGX “APPENDIX 7.2” ANNOUNCEMENT

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER
ENDED 31 MARCH 2007**

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This release contains certain statements that are not statement of historical fact, i.e. forward-looking statements. Readers can identify some of these statements by forward-looking terms such as ‘expect’, ‘believe’, ‘plan’, ‘intend’, ‘estimate’, ‘anticipate’, ‘may’, ‘will’, ‘would’, ‘could’ or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are made based on current expectations, projections and assumptions about future events. Although SFI believes that these expectations, projections and assumptions are reasonable at the time of making them, these forward-looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about SFI, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in forward-looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, outbreak of animal diseases, food scares, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sales/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Singapore Food Industries Limited

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1. Consolidated Income Statements

The Board of Directors announces the results of the Group for the First Quarter ended 31 March 2007. These figures have not been audited or reviewed.

<u>S\$000</u>	1Q 2007	1Q 2006	% Change
Revenue	172,521	150,009	15.0
Cost of sales	(124,000)	(109,273)	13.5
Gross profit	48,521	40,736	19.1
Gross Margin %	28.1%	27.2%	0.9
Other income	765	229	234.1
Marketing, selling & distribution expense	(11,806)	(11,397)	3.6
Administrative expenses	(15,948)	(12,915)	23.5
Other operating expenses	(5,933)	(5,144)	15.3
Total Operating & Administrative expenses (see para 7.3.1)	(33,687)	(29,456)	14.4
Profit before interest and tax	15,599	11,509	35.5
Interest income	100	154	(35.1)
Interest expense	(1,069)	(865)	23.6
Profit before joint venture and tax	14,630	10,798	35.5
Share of results of jointly controlled entity	(1)	(1)	0.0
Profit before taxation	14,629	10,797	35.5
Taxation	(4,408)	(3,352)	31.5
Profit after taxation	10,221	7,445	37.3
Attributable to:			
Shareholders of the Company	9,920	7,107	39.6
Minority interests	301	338	(10.9)
Profit after taxation before minority interests	10,221	7,445	37.3

N.M. : Not Meaningful

Profit after tax as a percentage of Turnover	5.9%	5.0%
Net profit attributable to shareholders as a percentage of Issued Capital and Reserves at end of period	6.7%	4.9%

Earnings per share for profit attributable to the equity holders of the Company during the period

Basic (cents)	1.9	1.4
Diluted (cents)*	1.9	1.4

N.M. : Not Meaningful

Profit after tax as a percentage of Turnover	5.9%	5.0%
Net profit attributable to shareholders as a percentage of Issued Capital and Reserves at end of period	6.7%	4.9%

Earnings per share for profit attributable to the equity holders of the Company during the period

Basic (cents)	1.9	1.4
Diluted (cents)*	1.9	1.4

*The weighted average number of ordinary shares have been adjusted for options that would be deemed to have been exercised.

Notes

(1) The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

(2) Amounts are expressed in Singapore dollars, unless stated otherwise.

2. Balance Sheets

S\$'000	Group			Company		
	31.3.2007	31.12.2006	31.3.2006	31.3.2007	31.12.2006	31.3.2006
Non-Current Assets						
Property, plant & equipment	123,427	126,868	125,705	5,513	5,467	5,578
Intangible assets	67,942	68,404	45,659	0	0	0
Subsidiaries	0	0	0	108,774	108,774	108,674
Jointly controlled entity	285	286	234	50	50	50
Other investments	201	198	199	0	0	0
Other assets	131	143	174	131	143	174
Deferred tax assets	929	927	738	359	359	359
	192,915	196,826	172,709	114,827	114,793	114,835
Current Assets						
Inventories	39,069	38,474	35,623	15,901	14,321	17,281
Trade and other receivables	102,077	100,457	93,990	34,536	34,693	40,230
Cash and bank balances	25,896	21,438	16,475	10,367	3,779	11,090
	167,042	160,369	146,088	60,804	52,793	68,601
Assets classified as held for sale	892	892	0	0	0	0
	360,849	358,087	318,797	175,631	167,586	183,436
Equity attributable to equity holders of the company						
Share capital	34,746	34,496	32,818	34,746	34,496	32,818
Reserves	123,461	113,927	111,954	67,974	64,945	70,865
	158,207	148,423	144,772	102,720	99,441	103,683
Minority interest	8,843	8,546	9,233	0	0	0
Total Equity	167,050	156,969	154,005	102,720	99,441	103,683
Non-Current Liabilities						
Interest-bearing liabilities	34,026	36,547	14,774	0	0	0
Deferred tax liabilities	2,160	2,179	2,020	0	0	0
	36,186	38,726	16,794	0	0	0
Current Liabilities						
Bank overdrafts (secured)	4,393	5,805	3,042	0	0	0
Trade and other payables	107,038	119,370	91,245	66,128	61,197	54,941
Interest-bearing liabilities	31,273	22,419	37,811	0	0	16,000
Current tax payable	14,909	14,798	15,900	6,783	6,948	8,812
	157,613	162,392	147,998	72,911	68,145	79,753
Total Liabilities	193,799	201,118	164,792	72,911	68,145	79,753
Total Equity and Liabilities	360,849	358,087	318,797	175,631	167,586	183,436

2.1 Notes to Balance Sheet

The financial position of the Group remains stable. During the quarter, bank borrowings classified under current liabilities increased \$8.8 million due to the payment of FY 2006 interim dividend totalling \$9.0 million. Trade and other payables decreased \$12.3 million primarily due to the payment of the above-mentioned interim dividends. Other than the above, there were no material changes in the composition of the assets and liabilities as at 31 March 2007 compared to 31 December 2006.

2.2 Net Asset Value Per Ordinary Share

	Group		Company	
	31.3.2007	31.12.2006	31.3.2007	31.12.2006
Net Asset Value Per Ordinary Share (Cents)	30.8	28.9	20.0	19.3

2.3 Bank Loans and Borrowings

<u>S\$'000</u>	Group		
	31.3.2007	31.12.2006	31.3.2006
<u>Amount repayable within one year:</u>			
-Secured bank overdrafts	4,393	5,805	3,042
-Secured bank loans	20,206	17,257	14,199
-Unsecured bank loans	10,306	4,389	22,967
-Finance lease liabilities	761	773	645
	<u>35,666</u>	<u>28,224</u>	<u>40,853</u>
<u>Amount repayable after one year but within five years:</u>			
-Secured bank loans	33,677	35,972	14,318
-Finance lease liabilities	349	575	456
	<u>34,026</u>	<u>36,547</u>	<u>14,774</u>
Total	<u>69,692</u>	<u>64,771</u>	<u>55,627</u>

3. Consolidated Cash Flow Statement

S\$'000	1Q 2007	1Q 2006
Profit before taxation	14,629	10,797
Adjustments for:		
Depreciation of property, plant and equipment	4,676	3,805
Amortisation of intangibles	500	0
Interest expense	1,069	865
Interest income	(100)	(154)
Share of results of jointly controlled entity	1	1
EBITDA	20,775	15,314
Gain on disposal of property, plant and equipment	(50)	(31)
Gain on disposal of intangible assets	0	(361)
Loss on liquidation of a subsidiary	0	648
Equity compensation costs	192	205
Impairment of other assets	12	9
Operating profits before working capital changes	20,929	15,784
Changes in working capital:		
Inventories	(745)	3,086
Trade and other receivables	(2,341)	(2,092)
Trade and other payables	(2,647)	(7,884)
Operating cash flow	15,196	8,894
Income taxes paid	(4,241)	(3,035)
Cash flows from operating activities	10,955	5,859
Investing Activities		
Acquisition of property, plant and equipment	(2,426)	(1,559)
Interest received	100	154
Proceeds from disposal of intangible assets	0	952
Proceeds from disposal of property, plant and equipment	348	31
Cash flows from investing activities	(1,978)	(422)
Financing Activities		
Issue of new shares	250	943
Proceeds from bank loans	8,457	3,682
Repayment of bank loans	(2,995)	(2,411)
Interest paid	(1,069)	(865)
Dividends paid	(9,051)	(8,995)
Cash flows from financing activities	(4,408)	(7,646)
Net increase/(decrease) in cash & cash balances	4,569	(2,209)
Cash & cash balances at beginning of period	21,438	18,810
Effect of exchange rate changes on balances held in foreign currencies	(111)	(126)
Cash & cash balances at end of period	25,896	16,475

3.1 Notes to Consolidated Cash Flow Statement

Cash flows from operating activities increased \$5.1 million as a result of higher profits. 1Q 2007 capital expenditures totalled \$2.4 million (1Q 2006: \$1.6 million), mainly for the UK/Europe operations. Proceeds of \$0.3 million were received from the disposal of a fishing vessel (1Q 2006: \$0.9 million proceeds from the disposal of fishing licences).

Bank loans of \$8.5 million were obtained for dividend payment in Singapore, while a total of \$3.0 million were repaid for overdrafts and long term loans, in the various subsidiaries.

FY 2006 interim dividend of net 1.76 cents per share amounting to \$9.1 million was paid during the quarter.

4. Statement of Changes in Equity

The Group (\$S'000)	Share capital	Share premium	Capital Reserve	Merger Reserve	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Accumulated profits	Foreign currency translation reserve	Total attributable to equity holders of the parent	Minority interest	Total equity
At 1 January 2006	25,528	15,559	0	2,245	644	553	(1,439)	0	91,651	3,505	138,246	9,040	147,286
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	0	0	0	(2,272)	(2,272)	(145)	(2,417)
Net losses recognised directly in equity	0	0	0	0	0	0	0	0	0	(2,272)	(2,272)	(145)	(2,417)
Net profit for the quarter	0	0	0	0	0	0	0	0	7,107	0	7,107	338	7,445
Total recognised income and expense for the quarter	0	0	0	0	0	0	0	0	7,107	(2,272)	4,835	193	5,028
Issue of shares under share options	447	496	0	0	0	0	0	0	0	0	943	0	943
Transfer from share premium upon implementation of the Companies (Amendment) Act 2005	6,843	(16,055)	9,212	0	0	0	0	0	0	0	0	0	0
Performance shares issued	0	0	0	0	0	(312)	721	(409)	0	0	0	0	0
Liquidation of subsidiary	0	0	0	0	0	0	0	0	0	553	553	0	553
Equity compensation costs	0	0	0	0	104	101	0	0	0	0	205	0	205
Dividends	0	0	0	0	0	0	0	0	(10)	0	(10)	0	(10)
At 31 Mar 2006	32,818	0	9,212	2,245	748	342	(718)	(409)	98,748	1,786	144,772	9,233	154,005
At 1 January 2007	34,496	0	9,212	2,245	1,004	546	(654)	(409)	96,382	5,601	148,423	8,546	156,969
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	0	0	0	(557)	(557)	(4)	(561)
Net losses recognised directly in equity	0	0	0	0	0	0	0	0	0	(557)	(557)	(4)	(561)
Net profit for the quarter	0	0	0	0	0	0	0	0	9,920	0	9,920	301	10,221
Total recognised income and expense for the quarter	0	0	0	0	0	0	0	0	9,920	(557)	9,363	297	9,660
Issue of shares under share options	250	0	0	0	0	0	0	0	0	0	250	0	250
Equity compensation costs	0	0	0	0	102	90	0	0	0	0	192	0	192
Dividends	0	0	0	0	0	0	0	0	(21)	0	(21)	0	(21)
At 31 Mar 2007	34,746	0	9,212	2,245	1,106	636	(654)	(409)	106,281	5,044	158,207	8,843	167,050

4. Statement of Changes in Equity (Continued)

The Company (S\$'000)	Share capital	Share premium	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Accumulated profits	Total equity
At 1 January 2006	25,528	6,347	644	553	(1,439)	0	65,544	97,177
Net profit for the quarter	0	0	0	0	0	0	5,368	5,368
Total recognised income and expense for the quarter	0	0	0	0	0	0	5,368	5,368
Issue of shares under share options	447	496	0	0	0	0	0	943
Transfer from share premium upon implementation of the Companies (Amendment) Act 2005	6,843	(6,843)	0	0	0	0	0	0
Performance shares issued	0	0	0	(312)	721	(409)	0	0
Equity compensation costs	0	0	104	101	0	0	0	205
Dividends	0	0	0	0	0	0	(10)	(10)
At 31 Mar 2006	32,818	0	748	342	(718)	(409)	70,902	103,683
At 1 January 2007	34,496	0	1,004	546	(654)	(409)	64,458	99,441
Net profit for the quarter	0	0	0	0	0	0	2,858	2,858
Total recognised income and expense for the quarter	0	0	0	0	0	0	2,858	2,858
Issue of shares under share options	250	0	0	0	0	0	0	250
Equity compensation costs	0	0	102	90	0	0	0	192
Dividends	0	0	0	0	0	0	(21)	(21)
At 31 Mar 2007	34,746	0	1,106	636	(654)	(409)	67,295	102,720

4.1 Changes in Company's Capital

During the period, the Company issued and allotted 325,250 ordinary shares for cash at prices ranging from \$0.69 to \$0.80 upon the exercise of options granted under the SFI Share Option Plan. The shares were issued ranking pari passu in all respects with the existing issued ordinary shares in the capital of the Company. As at 31 March 2007, there were unexercised options for 22,800,850 (31 December 2006: 23,234,650) ordinary shares under the SFI Share Option Plan.

5. Consolidated Economic Value Added (“EVA”) Statement

EVA Statement

S\$'000	1Q 2007	1Q 2006
Profit Before Taxation	14,629	10,797
Adjustments for:		
Increase/(Decrease) in general provision for doubtful debts	96	27
Increase/(Decrease) in general provision for stock obsolescence	0	(1)
Interest expense	1,069	865
Interest expense on non-capitalised leases	25	27
Unusual Item	0	648
Adjusted Earnings Before Income Tax	15,819	12,363
Less Cash Operating Taxes	4,648	3,277
Net Operating Profit After Tax (NOPAT)	11,171	9,086
Average EVA Capital Employed	242,995	224,473
Weighted Average Cost of Capital	6.9%	7.0%
Capital Charge	4,192	3,928
Economic Value Added (EVA)	6,979	5,158

5.1 Notes on EVA Statement

EVA for 1Q 2007 at \$7.0 million was 35.3 per cent higher than 1Q 2006 as a result of higher operating profits reported. Average EVA Capital for 1Q 2007 was 8.3 per cent higher due to higher revenue reserves and a 5-year term loan taken to finance the acquisition of Farmhouse Fare in 4Q 2006. The weighted Average Cost of Capital (“WACC”) for FY 2007 has been determined at 6.9 per cent (FY 2006: 7.0 per cent) as a result of slightly lower risk-free rate of return used (3.05 per cent versus FY 2006’s 3.31 per cent). The borrowing cost rate used was slightly higher, while the Market Risk Premium placed on equities remained unchanged at 6.0 per cent. The return on EVA Capital (annualised) is 18.4 per cent compared with 16.2 per cent for 1Q 2006. This gives an annualised EVA Spread (Return on EVA Capital less WACC) of 11.5 per cent (1Q 2006: 9.2 per cent).

6. Dividends

No dividend is declared/recommended for the quarter under review and for the corresponding quarter last year.

7. Review of Performance of the Group

7.1 Commentary on Turnover

1Q 2007 vs 1Q 2006

TURNOVER

S\$'000

	1Q 2007	1Q 2006	+ / (-)	+ / (-) %
Food Distribution	32,033	35,440	(3,407)	(9.6)
Food Preparation, Manufacturing & Processing	135,440	110,274	25,166	22.8
Abattoir & Hog Auction	5,048	4,295	753	17.5
	172,521	150,009	22,512	15.0

TURNOVER

S\$'000

	1Q 2007	1Q 2006	+ / (-)	+ / (-) %
Singapore	57,563	59,071	(1,508)	(2.6)
UK/Europe	105,797	82,998	22,799	27.5
Australia	6,934	5,371	1,563	29.1
China	2,227	2,569	(342)	(13.3)
Total Overseas	114,958	90,938	24,020	26.4
Total	172,521	150,009	22,512	15.0

Turnover for the quarter increased \$22.5 million or 15.0 per cent. Sales from overseas operations were up 26.4 per cent while sales in Singapore declined 2.6 per cent.

Singapore

- Food Distribution continued to be impacted by inadequate stock levels during the quarter as the supply of poultry meats has not returned to normal (following loss of a key supply agency in 2Q 2006). As a result, sales were \$3.4 million lower quarter-on quarter (“qoq”). However, stocks are expected to return to normal levels in 2Q 2007.
- Food Catering sales were higher by \$1.1 million (or 5.9 per cent) due to higher field ration supplies and higher consumption by a key customer.
- Abattoir and Hog Auction revenues were higher by \$0.8 million or 17.5 per cent due to higher number of pigs supplied.

Overseas

Overseas subsidiaries reported a combined sales increase of \$24.0 million or 26.4 per cent.

- Daniels grew \$12.2 million or 23.5 per cent, helped in part by an improved Sterling Pound/ Singapore dollar exchange rate. Sales in Sterling Pound grew 17.2 per cent. Daniels’ core categories of soup, prepared fruit and juice/drinks registered growth of 9.3 per cent, 17.7 per cent and 59.0 per cent respectively.
- International Cuisine Limited (“ICL”) sales grew \$5.9 million or 23.8 per cent. In Sterling Pound the increase was 17.4 per cent.

- Cresset Limited (“Cresset”) sales grew \$0.9 million or 15.1 per cent (Growth in Euro was 12.2 per cent). While CRM sales increased \$3.1million, sales of ambient meals were \$2.2 million lower.
- Newly-acquired Farmhouse Fare contributed \$6.4 million of sales in chilled desserts.
- Revenues from Australian subsidiaries were higher by \$1.6 million or 29.1 per cent.
- Shanghai STFI (“SSTFI”) turnover decreased \$0.3 million or 13.3 per cent due to reduced exports to Singapore. This follows a general suspension of imports of chicken products from China by the Agri-Food & Veterinary Authority of Singapore (“AVA”) in February 2007. Sales in the domestic market also declined during the quarter.

7.2 Commentary on Profit Before Taxation (“PBT”)

1Q 2007 vs 1Q 2006

PBT

S\$'000

	1Q 2007	1Q 2006	+/(-)	+/(-) %
Food Distribution	1,931	2,201	(270)	(12.3)
Food Preparation, Manufacturing & Processing	11,038	7,916	3,122	39.4
Abattoir & Hog Auction	1,661	681	980	143.9
	14,630	10,798	3,832	35.5
PBT %	8.5%	7.2%	1.3%	

PBT

S\$'000

	1Q 2007	1Q 2006	+/(-)	+/(-) %
Singapore	6,497	4,707	1,790	38.0
UK/Europe	8,356	5,822	2,534	43.5
Australia	244	900	(656)	(72.9)
China & Others	(467)	(631)*	164	N.M.
Total Overseas	8,133	6,091	2,042	33.5
Total	14,630	10,798	3,832	35.5

* 1Q2006 included \$648 thousand loss on voluntary winding up of a dormant subsidiary in Malaysia.

N.M.: Not Meaningful

PBT for the quarter increased \$3.8 million or 35.5 per cent.

Singapore

PBT from Singapore was higher by \$1.8 million or 38.0 per cent as a result of:

- A higher number of pigs supplied. Operating expenses were also lower during the quarter.
- Higher catering revenues and improving operating efficiencies.

However, Food Distribution profit was \$0.3 million lower due to lower sales.

Overseas

PBT from overseas grew \$2.0 million or 33.5 per cent.

Daniels's profit was \$1.9 million (or 35.1 per cent) higher due to higher sales. Margins were lower due to higher direct materials, packaging costs and sales mix.

ICL's profit increased \$0.8 million on higher sales.

Farmhouse Fare contributed \$0.8 million in profits, which included a provisional charge of \$0.5 million for amortisation of intangibles relating to the acquisition of Farmhouse Fare. The fair values of the assets acquired (including intangibles) has yet to be finalised.

Cresset registered a loss of \$1.7 million for 1Q 2007, compared with a loss \$0.7 million for 1Q 2006 due to the continued decline of ambient product sales and higher operating costs (€0.355 million or S\$0.7 million).

Profits from Australian subsidiaries were down \$0.7 million for the quarter. 1Q 2006 results included \$0.4 million gain on sale of fishing licences.

Loss from SSTFI was \$0.5 million for 1Q 2007, compared with a small profit for 1Q 2006. The quarter's result included a \$0.3 million impact of the AVA poultry export suspension.

7.3 Notes to the Consolidated Income Statement

7.3.1 Operating and Administrative expenses

<u>S\$'000</u>	<u>1Q 2007</u>	<u>1Q 2006</u>	<u>Change %</u>
Marketing, selling & distribution expenses	11,806	11,397	3.6
Administrative expenses	15,948	12,915	23.5
Other operating expenses	5,933	5,144	15.3
Total Operating & Administrative expenses	33,687	29,456	14.4

<u>S\$'000</u>	<u>1Q 2007 vs 1Q 2006</u>
Due to higher exchange rates	1,338
Inclusion of expenses of newly acquired Farmhouse Fare	695
Increase due to operational activities	2,198
Total Increase	4,231

7.3.2 Profit before taxation includes the following:-**(a) Other Income**

S\$'000	1Q 2007	1Q 2006
Exchange (loss)/gains, net	263	(175)
Gain on disposal of property, plant and equipment, net	50	31
Grants received	150	229
Bad debts recovered (trade)	7	12
Gain on disposal of intangible assets	0	361
Loss on liquidation of a subsidiary	0	(648)
Others	295	419
	765	229

(b) Expenses

S\$'000	1Q 2007	1Q 2006
Depreciation	4,676	3,805
Amortisation of intangibles	500	0
Provision for doubtful debts	158	85
Bad debts written off	91	0
Provision for stock obsolescence	561	211
Equity compensation costs	192	205

7.3.3 Exceptional items

1Q 2006 included \$0.6 million loss on liquidation of a dormant subsidiary in Malaysia. This loss is included under “China and Others” segment. No exceptional items were included in the results for the quarter.

7.3.4 Seasonal Operations

The Group’s results are subject to seasonal variations in sales and profits especially in its UK/Europe businesses. The current business mix (especially in the UK), results in sales and profit levels being significantly higher in the first and last quarters of each financial year.

8 Outlook for 2007

8.1 Singapore Operations

In Food Distribution, a new agency in frozen poultry has been secured and supplies will stabilise.

In Food Catering, improved operating efficiencies are expected to continue for the rest of the year.

Abattoir and Auction revenues will be assisted by an increase in slaughter fee of \$3 per pig from 1 April 2007. While pig supply numbers have increased in 1Q 2007, the short term supply prospects are still uncertain.

Overall, the Singapore businesses are expected to improve in FY2007.

8.2 Overseas Operations

With the exception of Cresset, all other UK/Europe businesses are expected to continue to perform well.

Cresset is being restructured. The objective is to have Cresset achieve break-even in cash terms by 4Q 2007.

SSTFI is expected to post poor results for FY 2007, following the general suspension of exports of chicken products from China, which is not expected to be lifted soon.

In Australia, we have begun the process to exit since 4Q 2006 from commercial fishing operations, while looking for exit from the seafood processing operations in the longer term.

Overall, the overseas operations are expected to deliver a good 2007 performance.

8.3 Overall Outlook for FY 2007

Overall, the outlook for FY 2007 is for growth in earnings over FY2006.

9. Material or unusual events after Balance Sheet date

At the date of this announcement, the Directors of the Company are not aware of any item or event of a material or unusual nature that has occurred between the date to which the report refers and the date of this announcement, which would affect materially the results of the Group and Company.

10. Group Segment Information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, by business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Other segment assets and liabilities mainly comprise income-earning assets, income streams, interest-bearing loans, borrowings and expenses not directly attributable to a particular business segment.

Unallocated assets and liabilities comprise current and deferred taxes.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Geographical Segments

The Group operates in four geographical areas, namely Singapore, Europe (United Kingdom and the Republic of Ireland), Australia and the People's Republic of China ("PRC"). The food distribution business and the abattoir and hog auction business are conducted in Singapore. The food preparation, manufacturing and processing business is conducted in Singapore, United Kingdom, the Republic of Ireland, Australia and the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the country of operation, not the country to which sales is made to. Segment assets are based on the geographical location of the assets and operations.

By Business Activity

1Q 2007						
	Food Distribution	Food Preparation, Manufacturing and Processing	Abattoir and Hog Auction	Others	Adjustments	Total
S\$'000						
<u>Revenue</u>						
-External customers	32,033	135,440	5,048	0	0	172,521
-Inter-segment	4,499	5,199	463	0	(10,161)	0
Total revenue	36,532	140,639	5,511	0	(10,161)	172,521
Segment results	1,931	12,007	1,661	0	0	15,599
Interest Income	0	100	0	0	0	100
Interest Expense	0	(1,069)	0	0	0	(1,069)
	1,931	11,038	1,661	0	0	14,630
Share of results of jointly controlled entity						(1)
Profit before taxation						14,629
Taxation						(4,408)
Profit after taxation						10,221
Minority Interests						(301)
Profit after tax and minority interests						9,920
<u>Assets and Liabilities</u>						
Segment Assets	40,723	289,189	26,889	3,119	0	359,920
Unallocated Assets	0	571	0	358	0	929
Total Assets	40,723	289,760	26,889	3,477	0	360,849
Segment Liabilities	14,404	144,548	3,068	14,709	0	176,729
Unallocated Liabilities	2,832	12,702	1,535	0	0	17,069
Total Liabilities	17,236	157,250	4,603	14,709	0	193,798
Capital Expenditure	138	2,271	13	4	0	2,426

By Business Activity

1Q 2006	Food					Total
	Distribution	Food Preparation, Manufacturing and Processing	Abattoir and Hog Auction	Others	Adjustments	
SS'000						
Revenue						
-External customers	35,440	110,274	4,295	0	0	150,009
-Inter-segment	4,390	3,026	387	0	(7,803)	0
Total revenue	39,830	113,300	4,682	0	(7,803)	150,009
Segment results	2,201	8,627	681	3,208	(3,208)	11,509
Interest Income	0	154	0	0	0	154
Interest Expense	0	(865)	0	0	0	(865)
	2,201	7,916	681	3,208	(3,208)	10,798
Share of results of jointly controlled entity						(1)
Profit before taxation						10,797
Taxation						(3,352)
Profit after taxation						7,445
Minority Interests						(338)
Profit after tax and minority interests						7,107
Assets and Liabilities						
Segment Assets	44,732	233,775	28,957	10,595	0	318,059
Unallocated Assets	0	380	0	358	0	738
Total Assets	44,732	234,155	28,957	10,953	0	318,797
Segment Liabilities	11,445	108,320	3,638	23,469	0	146,872
Unallocated Liabilities	3,172	12,159	2,589	0	0	17,920
Total Liabilities	14,617	120,479	6,227	23,469	0	164,792
Capital Expenditure	77	1,393	65	24	0	1,559

By Geographical Region

SS'000	Turnover		PBT		Assets		Capital Expenditure	
	1Q 2007	1Q 2006	1Q 2007	1Q 2006	1Q 2007	1Q 2006	1Q 2007	1Q 2006
Singapore	57,563	59,071	6,497	4,707	93,258	102,737	424	336
UK/Europe	105,797	82,998	8,356	5,822	245,143	188,618	1,856	1,140
Australia	6,934	5,371	244	900	12,738	15,214	146	66
China & Others	2,227	2,569	(467)	*(631)	8,781	11,490	0	17
Total Overseas	114,958	90,938	8,133	6,091	266,662	215,322	2,002	1,223
Total	172,521	150,009	14,630	10,798	359,920	318,059	2,426	1,559

%	Turnover		PBT	
	1Q 2007	1Q 2006	1Q 2007	1Q 2006
Singapore	33.4	39.4	44.4	43.6
Overseas	66.6	60.6	55.6	56.4
Total	100.0	100.0	100.0	100.0

* FY 2006 included \$648,000 loss on liquidation of a dormant subsidiary in Malaysia.

11. Interested Persons Transactions

	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000)	
	1Q 2007 S\$'000	1Q 2006 S\$'000
Transactions for the Purchase of Goods and Services		
Power Seraya Limited and its Associates	101	0
Total Interested Person Transactions	101	0

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

NIL.

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

The financial statements have not been audited or reviewed by the Company's auditors.

14. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

15. 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 used in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2006.

16. 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 Amendments and Interpretations to the Singapore Financial Reporting Standards ("FRSs") for periods effective from 1 January 2007 are currently being assessed and expected to have no material impact on the Group results.

17. Negative Assurance on Interim Financial Statements

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the financial results for the First Quarter ended 31 March 2007 of the Group and the Company to be false or misleading.

By order of the Board

Ms Susan Kong Yim Pui

Company Secretary

23 April 2007