



**SINGAPORE FOOD INDUSTRIES LIMITED
AND ITS SUBSIDIARIES**

SGX “APPENDIX 7.2” ANNOUNCEMENT

**UNAUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2007**

<u>Contents</u>	<u>Page</u>
Consolidated Income Statements.....	2
Balance Sheets (Group and Company).....	3
Consolidated Cash Flow Statement.....	5
Statement of Changes in Equity.....	6-7
Consolidated Economic Value Added Statement.....	8
Dividends.....	9
Review of Performance of the Group.....	9-14
Additional Notes to the Financial Statements.....	14-16
Outlook for 2007.....	16
Group Segment Information.....	17-18
Interested Persons Transactions.....	19
Negative Assurance on Interim Financial Statements	20

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 9 Months ended 30 September 2007. These figures have not been audited.

S\$000						
	3Q 2007	3Q 2006	% Change	9M 2007	9M 2006	% Change
Revenue	161,984	142,906	13.4	493,399	440,120	12.1
Cost of sales	(122,208)	(108,307)	12.8	(365,433)	(326,742)	11.8
Gross profit	39,776	34,599	15.0	127,966	113,378	12.9
Gross Margin %	24.6%	24.2%	0.4	25.9%	25.8%	0.1
Other income	1,107	942	17.5	6,141	1,885	225.8
Marketing, selling & distribution expense	(11,200)	(9,365)	19.6	(34,821)	(31,060)	12.1
Administrative expenses	(15,143)	(13,998)	8.2	(47,625)	(39,805)	19.6
Other operating expenses	(6,044)	(5,271)	14.7	(17,918)	(15,609)	14.8
Total Operating & Administrative expenses (see para 7.3.1)	(32,387)	(28,634)	13.1	(100,364)	(86,474)	16.1
Profit before interest and tax	8,496	6,907	23.0	33,743	28,789	17.2
Interest income	113	158	(28.5)	326	445	(26.7)
Interest expense	(1,189)	(838)	41.9	(3,358)	(2,556)	31.4
Profit before joint venture and tax	7,420	6,227	19.2	30,711	26,678	15.1
Share of results of jointly controlled entity	(2)	(1)	100.0	(5)	(4)	25.0
Profit before taxation	7,418	6,226	19.1	30,706	26,674	15.1
Taxation	(1,537)	(1,714)	(10.3)	(8,918)	(7,674)	16.2
Profit after taxation	5,881	4,512	30.3	21,788	19,000	14.7
Attributable to:						
Shareholders of the Company	5,508	4,347	26.7	19,594	18,414	6.4
Minority interests	373	165	126.1	2,194	586	274.4
Profit after taxation before minority interests	5,881	4,512	30.3	21,788	19,000	14.7
Profit after tax as a percentage of Turnover	3.6%	3.2%		4.4%	4.3%	
Net profit attributable to shareholders as a percentage of Issued Capital and Reserves at end of period	3.6%	3.0%		12.8%	12.7%	
Earnings per share for profit attributable to the equity holders of the Company during the period						
Basic (cents)	1.1	0.9		3.8	3.6	
Diluted (cents)*	1.1	0.9		3.8	3.6	

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

Note

Amounts are expressed in Singapore dollars, unless stated otherwise.

2. Balance Sheets

S\$'000	Group			Company		
	30.9.2007	30.6.2007	31.12.2006	30.9.2007	30.6.2007	31.12.2006
Non-Current Assets						
Property, plant & equipment	119,858	122,851	126,868	5,260	5,480	5,467
Intangible assets	70,107	66,429	68,404	0	0	0
Subsidiaries	0	0	0	108,774	108,774	108,774
Jointly controlled entity	281	283	286	50	50	50
Other investments	212	217	198	0	0	0
Other assets	107	119	143	107	119	143
Deferred tax assets	950	958	927	359	359	359
	191,515	190,857	196,826	114,550	114,782	114,793
Current Assets						
Inventories	51,260	48,013	38,474	25,915	22,967	14,321
Trade and other receivables	101,039	100,463	100,457	50,445	42,664	34,693
Cash and bank balances	21,040	24,298	21,438	4,973	2,533	3,779
	173,339	172,774	160,369	81,333	68,164	52,793
Assets held for sale	0	960	892	0	0	0
	173,339	173,734	161,261	81,333	68,164	52,793
Total Assets						
	364,854	364,591	358,087	195,883	182,946	167,586
Equity attributable to equity holders of the company						
Share capital	36,014	35,934	34,496	36,014	35,934	34,496
Reserves	117,571	112,975	113,927	59,714	56,732	64,945
	153,585	148,909	148,423	95,728	92,666	99,441
Minority interest	10,955	10,646	8,546	0	0	0
Total Equity	164,540	159,555	156,969	95,728	92,666	99,441
Non-Current Liabilities						
Interest-bearing liabilities	29,163	29,868	36,547	0	0	0
Deferred tax liabilities	3,994	2,201	2,179	0	0	0
	33,157	32,069	38,726	0	0	0
Current Liabilities						
Bank overdrafts (secured)	3,953	4,497	5,805	0	0	0
Trade and other payables	114,446	113,282	119,370	79,000	63,689	61,197
Interest-bearing bank liabilities	36,674	41,162	22,419	15,500	20,500	0
Current tax payable	12,084	14,026	14,798	5,655	6,091	6,948
	167,157	172,967	162,392	100,155	90,280	68,145
Total Liabilities	200,314	205,036	201,118	100,155	90,280	68,145
Total Equity and Liabilities	364,854	364,591	358,087	195,883	182,946	167,586

2.1 Net Asset Value Per Ordinary Share

	Group		Company	
	30.9.2007	31.12.2006	30.9.2007	31.12.2006
Net Asset Value Per Ordinary Share (Cents)	29.8	28.9	18.6	19.3

2.2 Bank Loans and Borrowings

S\$'000	Group		
	30.9.2007	30.6.2007	31.12.2006
Amount repayable within one year:			
-Secured bank overdrafts	3,953	4,497	5,805
-Secured bank loans	16,155	15,573	17,257
-Unsecured bank loans	19,912	24,969	4,389
-Finance lease liabilities	607	620	773
	<u>40,627</u>	<u>45,659</u>	<u>28,224</u>
Amount repayable after one year but within five years:			
-Secured bank loans	28,073	29,552	35,972
-Finance lease liabilities	1,090	316	575
	<u>29,163</u>	<u>29,868</u>	<u>36,547</u>
Total	<u>69,790</u>	<u>75,527</u>	<u>64,771</u>

3. Consolidated Cash Flow Statement

S\$'000	3Q 2007	3Q 2006	9M 2007	9M 2006
Profit before taxation	7,415	6,226	30,706	26,674
Adjustments for:				
Depreciation of property, plant and equipment	4,499	4,525	13,858	12,874
Amortisation of intangibles	532	0	1,532	0
Interest expenses	1,189	838	3,358	2,556
Interest income	(113)	(158)	(326)	(445)
Share of results of jointly controlled entity	2	1	5	4
EBITDA	13,524	11,432	49,133	41,663
Gain on disposal of property, plant and equipment	(88)	(9)	(272)	(32)
Gain on disposal of intangible assets	0	(321)	0	(705)
Allowance for stock obsolescence (net)	(258)	(60)	556	404
Allowance for doubtful receivables/trade discounts (net)	(334)	47	1,147	(406)
Impairment of intangible assets	0	0	1,112	0
Loss on liquidation of a subsidiary	0	0	0	648
Equity compensation costs	(248)	192	136	561
Impairment of other assets	12	10	36	28
Operating profits before working capital changes	12,608	11,291	51,848	42,161
Changes in working capital:				
Inventories	(3,072)	4,019	(12,916)	8,054
Trade and other receivables	(691)	6,915	(657)	3,672
Trade and other payables	1,061	(3,631)	2,627	(9,569)
Operating cash flow	9,906	18,594	40,902	44,318
Income taxes paid	(3,781)	(4,425)	(12,037)	(12,756)
Cash flows from operating activities	6,125	14,169	28,865	31,562
Investing Activities				
Acquisition of property, plant and equipment	(1,777)	(3,370)	(6,160)	(7,391)
Additional payments for investment in an existing subsidiary	(1,131)	0	(1,131)	0
Interest received	113	158	326	445
Dividends received	0	0	0	64
Proceeds from disposal of intangible assets	0	729	0	1,773
Proceeds from disposal of property, plant and equipment	166	20	885	87
Cash flows from investing activities	(2,629)	(2,463)	(6,080)	(5,022)
Financing Activities				
Issue of new shares	81	120	1,519	2,204
Proceeds from bank loans	2,047	2,488	16,231	7,819
Repayment of bank loans	(7,601)	(8,768)	(12,235)	(2,927)
Interest paid	(1,189)	(838)	(3,358)	(2,556)
Dividends paid	0	0	(25,559)	(25,422)
Cash flows from financing activities	(6,662)	(6,998)	(23,402)	(20,882)
Net (decrease)/increase in cash & cash balances	(3,166)	4,708	(617)	5,658
Cash & cash balances at beginning of period	24,298	19,637	21,438	18,810
Effect of exchange rate changes on balances held in foreign currencies	(92)	40	219	(83)
Cash & cash balances at end of period	21,040	24,385	21,040	24,385

3.1 Notes to Consolidated Cash Flow Statement

Operating cash flows for 3Q 2007 and 9M 2007 were lower than 3Q 2006 and 9M 2006 respectively despite higher profit due primarily to higher inventory levels. 9M 2007 capital expenditure totalling \$6.2 million were mainly incurred for the UK/Europe operations. Proceeds of \$0.9 million from disposal of Property, Plant and Equipment relate mainly to the disposal of fishing vessels.

4. Statement of Changes in Equity

The Group (\$S'000)	Share capital	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 July 2006	33,959	9,212	2,245	806	447	(654)	(409)	89,281	4,394	139,281	9,232	148,513
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	0	0	815	815	59	874
Net income/(losses) recognised directly in equity	0	0	0	0	0	0	0	0	815	815	59	874
Net profit for the quarter	0	0	0	0	0	0	0	4,347	0	4,347	165	4,512
Total recognised income and expense for the quarter	0	0	0	0	0	0	0	4,347	815	5,162	224	5,386
Issue of shares under share options	120	0	0	0	0	0	0	0	0	120	0	120
Equity compensation costs	0	0	0	100	92	0	0	0	0	192	0	192
At 30 September 2006	34,079	9,212	2,245	906	539	(654)	(409)	93,628	5,209	144,755	9,456	154,211
At 1 July 2007	35,934	9,212	2,245	1,208	726	(654)	(409)	93,939	6,708	148,909	10,646	159,555
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	0	0	(666)	(666)	(64)	(730)
Net income/(losses) recognised directly in equity	0	0	0	0	0	0	0	0	(666)	(666)	(64)	(730)
Net profit for the quarter	0	0	0	0	0	0	0	5,468	0	5,468	373	5,841
Total recognised income and expense for the quarter	0	0	0	0	0	0	0	5,468	(666)	4,802	309	5,111
Issue of shares under share options	80	0	0	0	0	0	0	0	0	80	0	80
Equity compensation costs	0	0	0	(9)	(197)	0	0	0	0	(206)	0	(206)
Fair value adjustment (Note 1)	0	0	0	0	68	0	(109)	41	0	0	0	0
At 30 September 2007	36,014	9,212	2,245	1,199	597	(654)	(518)	99,448	6,042	153,585	10,955	164,540

Note 1

The \$68K and \$41K (total \$109K) relates to the fair value adjustment to the market and non-market conditions respectively for the 2003 Performance Share Plan awards.

4. Statement of Changes in Equity (Continued)

The Company (S\$'000)	Share capital	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Accumulated profits	Total equity
At 1 July 2006	33,959	806	447	(654)	(409)	61,550	95,699
Net profit for the quarter	0	0	0	0	0	3,212	3,212
Total recognised income and expense for the quarter	0	0	0	0	0	3,212	3,212
Issue of shares under share options	120	0	0	0	0	0	120
Equity compensation costs	0	100	92	0	0	0	192
At 30 September 2006	34,079	906	539	(654)	(409)	64,762	99,223
At 1 July 2007	35,934	1,208	726	(654)	(409)	55,861	92,666
Net profit for the quarter	0	0	0	0	0	3,188	3,188
Total recognised income and expense for the quarter	0	0	0	0	0	3,188	3,188
Issue of shares under share options	80	0	0	0	0	0	80
Equity compensation costs	0	(9)	(197)	0	0	0	(206)
Fair value adjustment (Note 1)	0	0	68	0	(109)	41	0
At 30 September 2007	36,014	1,199	597	(654)	(518)	59,090	95,728

Note 1

The \$68K and \$41K (total \$109K) relates to the fair value adjustment to the market and non-market conditions respectively for the 2003 Performance Share Plan awards.

4.1 Changes in Company's Capital

During the quarter, the Company issued and allotted 102,250 ordinary shares for cash at prices ranging from \$0.76 to \$0.99 under the Company's Share Option Plan. The issued shares were ranked pari passu in all respects with the existing issued ordinary shares of the Company.

As at 30 September 2007, there were unexercised options for 25,919,505 (31 December 2006: 23,234,650) ordinary shares under the SFI Share Option Plan.

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

EVA Statement

S\$'000	9M 2007	9M 2006
Profit Before Taxation	30,705	26,674
Adjustments for:		
Increase/(Decrease) in allowance for doubtful debts	(218)	(206)
Increase/(Decrease) in allowance for stock obsolescence	(324)	(1)
Amortisation of intangibles	1,532	0
Interest expense	3,358	2,556
Interest expense on non-capitalised leases	75	82
Adjusted Earnings Before Income Tax	35,128	29,105
Less Cash Operating Taxes	9,620	7,879
Net Operating Profit After Tax (NOPAT)	25,508	21,226
Average EVA Capital Employed	242,317	223,062
Weighted Average Cost of Capital	6.9%	7.0%
Capital Charge	12,540	11,710
Economic Value Added (EVA)	12,968	9,516

5.1 Notes on EVA Statement

EVA for 9M 2007 at \$13.0 million was 36.3 per cent higher than 9M 2006 as a result of higher operating profits reported. Average EVA Capital for 9M 2007 was 8.6 per cent higher due to higher revenue reserves and term loan taken to finance the acquisition of Farmhouse Fare in 4Q 2006. The return on EVA Capital (annualised) is 14.0 per cent compared with 12.7 per cent for 9M 2006. This gives an annualised EVA Spread (Return on EVA Capital less WACC) of 7.1 per cent (9M 2006: 5.7 per cent).

6. Dividends

	FY 2007	FY 2006
Name of Dividend	Interim	Interim
Dividend Type	Cash	Cash
Dividend Per Share	1.80 cents per ordinary share (Tax Exempt- 1-Tier)	1.76 cents per ordinary share (Net of 20% tax)

(a) Commentary on interim dividend for FY 2007

The Directors are pleased to announce the declaration of an interim dividend of 1.80 cents (2006: 1.76 cents) for each share, for the year ending 31 December 2007.

(b) Date payable

The interim dividend will be paid on 22 January 2008, unless otherwise announced.

(c) Books closure date

Subject to any further announcement to the contrary, it is anticipated that Registrable Transfers received by the Company's Share Registrar, M&C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 10 January 2008 will be registered for entitlements to the interim dividend. The Register of Transfer and Register of Members of the Company will be closed on 11 January 2008 for this purpose.

7. Review of Performance of the Group

7.1 Commentary on Turnover

3Q 2007 vs 3Q 2006

TURNOVER

S\$'000

	3Q 2007	3Q 2006	+ / (-)	+ / (-) %
Food Distribution	36,936	29,537	7,399	25.0
Food Preparation, Manufacturing & Processing	119,579	109,324	10,255	9.4
Abattoir & Hog Auction	5,469	4,045	1,424	35.2
	161,984	142,906	19,078	13.4

TURNOVER

S\$'000

	3Q 2007	3Q 2006	+ / (-)	+ / (-) %
Singapore	66,795	53,977	12,818	23.7
UK/Europe	86,964	79,069	7,895	10.0
Australia	6,355	6,919	(564)	(8.2)
China	1,870	2,941	(1,071)	(36.4)
Total Overseas	95,189	88,929	6,260	7.0
Total	161,984	142,906	19,078	13.4

Turnover for the quarter increased \$19.1 million or 13.4 per cent. Sales from Singapore operations were up 23.7 per cent while sales from overseas increased 7.0 per cent.

Singapore

- Food Distribution sales turned around, with a \$7.4 million increase in sales as stock levels normalised, mainly driven by recovery in our chilled pork business. The Tenderfresh brand of Indonesian tray-packed pork sold in supermarkets made a contribution during the quarter. On September 1st 2007, we recovered a key agency line lost in July 2006 which boosted our sales recovery.
- Food Catering sales were higher by \$4.0 million (or 18.9 per cent) due to exports of S\$1.1 million of “meals-ready-to-eat” (“MRE”) to the middle-east. Food catering sales to the key customer in Singapore were also higher during the quarter, following higher consumption levels and a positive price adjustment which took retrospective effect from 1 April 2007.
- Abattoir and Hog Auction revenues were higher by \$1.4 million (or 35.2 per cent) due to higher number of pigs supplied and an increase in slaughter fee.

Overseas

Overseas subsidiaries reported combined sales increase of \$6.3 million or 7.0 per cent.

- Daniels grew \$4.1 million (or 8.5 per cent), helped in part by a higher Sterling Pound/ Singapore dollar exchange rate. Daniels’ sales in Sterling Pound grew 5.3 per cent for the quarter, with soups and juice/drinks registering growth rates of 13.3 per cent and 20.6 per cent respectively. An unusually wet summer helped soup sales but caused prepared fruit sales through our key retail customer to decline by 2.2 per cent.
- Chilled ready meals (“CRM”) in International Cuisine Limited (“ICL”) grew \$0.6 million or 2.1 per cent, also helped by a higher Sterling Pound/ Singapore dollar exchange rate. In Sterling Pound terms, sales were flat.
- Sales in Ireland was \$0.2 million or 3.7 per cent higher, due to higher Euro/Singapore dollar exchange rates. In Euro Dollar terms, sales was maintained despite the company’s exit from the unprofitable ambient/OEM business in July 2007.
- Farmhouse Fare acquired at end October last year, contributed \$5.0 million of sales in chilled desserts.
- Revenues from Australian subsidiaries were lower by \$0.6 million or 8.2 per cent.
- Shanghai STFI (“SSTFI”) turnover declined \$1.1 million or 36.4 per cent due to the continued suspension of exports of chicken products and lower domestic sales.

9M 2007 vs 9M 2006

TURNOVER

<u>S\$'000</u>	9M 2007	9M 2006	+ / (-)	+ / (-) %
Food Distribution	98,768	98,396	372	0.4
Food Preparation, Manufacturing & Processing	378,771	329,379	49,392	15.0
Abattoir & Hog Auction	15,860	12,345	3,515	28.5
	493,399	440,120	53,279	12.1

TURNOVER

<u>S\$'000</u>	9M 2007	9M 2006	+ / (-)	+ / (-) %
Singapore	180,518	172,709	7,809	4.5
UK/Europe	286,769	241,304	45,465	18.8
Australia	20,612	18,618	1,994	10.7
China	5,500	7,489	(1,989)	(26.6)
Total Overseas	312,881	267,411	45,470	17.0
Total	493,399	440,120	53,279	12.1

Turnover for 9M 2007 increased \$53.3 million or 12.1 per cent. Sales from overseas operations were up 17.0 per cent while sales in Singapore were up 4.5 per cent.

Singapore

- Food Distribution sales was \$0.4 million higher for the 9 months, due to a strong third quarter. Sales in earlier quarters had been impacted by the poultry supply shortage and the suspension of chicken imports from China.
- Food Catering sales for 9M 2007 were \$3.9 million (or 6.2 per cent) higher than 9M 2006. Sales to the key customer in Singapore were higher due to higher field ration supplies, higher consumption, and a price adjustment.
- Abattoir and Hog Auction revenues were higher by \$3.5 million or 38.5 per cent due to higher pig supplies and an increase in slaughter fee.

Overseas

Overseas subsidiaries reported combined sales increase of \$45.5 million or 17.0 per cent.

- Daniels sales was \$23.2 million or 15.5 per cent higher, helped in part (4.0 per cent) by higher Sterling Pound/ Singapore dollar exchange rate. Sales in Sterling Pound grew 11.1 per cent. All its core categories of soup, prepared fruit and juice/drinks registered growth of 5.5 per cent, 8.6 per cent and 34.4 per cent respectively.
- CRM sales at ICL was \$11.0 million or (14.4 per cent) higher. In Sterling Pound, the increase was 10.0 per cent.
- Irish subsidiary, Cresset sales was \$1.3 million or 8.0 per cent higher (Growth in Euro Dollars terms was 5.0 per cent). CRM sales increased \$5.4 million (or 67.0 per cent) but sales of ambient meals were \$4.1 million lower.
- Farmhouse Fare contributed \$16.3 million of sales in chilled desserts.

- Revenues from Australian subsidiaries were higher by \$2.0 million or 10.7 per cent.
- Shanghai STFI (“SSTFI”) turnover declined \$2.0 million (or 26.6per cent) due to the ban of chicken exports to Singapore as well as lower sales in its domestic market during the 9 months.

7.2 Commentary on Profit Before Taxation (“PBT”)

3Q 2007 vs 3Q 2006

PBT

S\$'000

	3Q 2007	3Q 2006	+/(-)	+/(-) %
Food Distribution	388	1,744	(1,356)	(77.8)
Food Preparation, Manufacturing & Processing	5,257	4,097	1,160	28.3
Abattoir & Hog Auction	1,775	386	1,389	359.8
	7,420	6,227	1,193	19.2
PBT %	4.6%	4.4%		

PBT

S\$'000

	3Q 2007	3Q 2006	+/(-)	+/(-) %
Singapore	8,230	5,657	2,573	45.5
UK/Europe	(572)	94	(666)	N.M.
Australia	181	263	(82)	(31.2)
China & Others	(419)	213	(632)	N.M.
Total Overseas	(810)	570	(1,380)	N.M.
Total	7,420	6,227	1,193	19.2

N.M.: Not Meaningful

PBT for the quarter increased \$1.2 million or 19.2 per cent.

Singapore

PBT from Singapore was higher by \$2.6 million or 45.5 per cent despite the poor performance from Food Distribution.

Food Distribution profit was \$1.4 million lower despite higher sales as a result of lower margins.

Profit for Food Catering was higher due to exports of MRE, higher consumption levels and a price increase when compared with the same quarter last year.

Abattoir and Hog Auctions reported higher profits due to higher number of pigs supplied and an increase in slaughter fee.

Overseas

Overseas subsidiaries reported a combined loss of \$0.8 million versus a profit of \$0.6 million in 3Q2006.

Daniels’s profit was \$0.1 million (or 8.7 per cent) lower despite a 8.5 per cent increase in sales. The performance was affected by a significant increase in raw material costs and a shortage of juicing oranges. Price increases to customers will take effect in 4Q2007.

ICL's profit increased \$0.2 million on higher sales.

The chilled dessert business registered a loss of \$0.6 million for the quarter. This result included a charge of \$0.5 million for amortisation of intangibles relating to its acquisition. Chilled desserts similarly faced significant raw material cost increases. Price increases to customers will take effect in 4Q2007.

Cresset registered a loss of \$1.8 million for 3Q 2007, compared with a loss \$1.5 million for 3Q 2006. Increased contributions from CRM were negated by reduced contributions from the ambient business. The increased overheads impacted Cresset's bottom-line.

Profits from Australian subsidiaries were lower by \$0.1million for the quarter.

Loss from SSTFI was \$0.4 million for 3Q 2007, compared with a \$0.2 million profit for 3Q 2006. The higher losses were attributable to lower sales during the quarter.

9M 2007 vs 9M 2006

PBT **S\$'000**

	9M 2007	9M 2006	+ / (-)	+ / (-) %
Food Distribution	2,830	6,756	(3,926)	(58.1)
Food Preparation, Manufacturing & Processing	22,634	18,409	4,225	23.0
Abattoir & Hog Auction	5,247	1,513	3,734	246.8
	30,711	26,678	4,033	15.1
PBT %	6.2%	6.1%		

PBT **S\$'000**

	9M 2007	9M 2006	+ / (-)	+ / (-) %
Singapore	20,276	17,367	2,909	16.8
UK/Europe	8,564	8,530	34	0.4
Australia	3,826	1,242	2,584	208.1
China & Others	(1,955)	(461)*	(1,494)	N.M.
Total Overseas	10,435	9,311	1,124	12.1
Total	30,711	26,678	4,033	15.1

* 9M 2006 included \$648 thousand loss on voluntary winding up of a dormant subsidiary in Malaysia.

N.M.: Not Meaningful

PBT from Singapore was higher by \$2.9 million or 16.8 per cent due to the higher profits from the Abattoir and Hog Auction operations as a result of higher pig supplies and an increase in slaughter fee. Profits from Food Catering were also higher than 9M 2006 due to better sales and a price increase.

Food Distribution profit was \$3.9 million lower as a result of lower margins.

Overseas

PBT from overseas grew \$1.1 million or 12.1 per cent.

Daniels's profit increased \$1.0 million (or 12.0 per cent) on higher sales. Margins were however lower due to higher raw material and packaging costs. Price increases will take effect in 4Q2007.

ICL's profit increased \$1.5 million on higher sales.

Farmhouse Fare contributed \$0.3 million in profits, which included a charge of \$1.5 million for amortisation of intangibles.

Cresset registered a loss of \$6.1 million for 9M 2007, compared with a loss \$3.4 million for 9M 2006. The rapid decline and exit from the ambient business at the end of 2Q2007, and the inability to scale down costs in proportion to sales reduction had a severe impact on the bottom-line for the nine months. The results also included \$0.9 million of restructuring/exit costs for the ambient business.

Profits from Australian subsidiaries were higher by \$2.6 million for 9M 2007. It included a \$4.4 million grant received in 2Q 2007 from the Great Barrier Reef Marine Park ("GBRMP") Authority as compensation for downsizing the GBRMP fishing industry. In connection with this, a \$1.1 million impairment loss on fishing license was recognised, as well as \$0.2 million gain for disposal of fishing vessels.

Loss from SSTFI was \$2.0 million for 9M 2007, compared with a profit of \$0.2 million for 9M 2006, as a consequence of the export ban on chicken products, weak domestic demand and \$0.7 million of stock write-off and provisions made.

7.3 Notes to the Consolidated Income Statement

7.3.1 Operating and Administrative expenses

<u>S\$'000</u>	<u>3Q 2007</u>	<u>3Q 2006</u>	<u>Change %</u>	<u>9M 2007</u>	<u>9M 2006</u>	<u>Change %</u>
Marketing, selling & distribution expenses	11,200	9,365	19.6	34,821	31,060	12.1
Administrative expenses	15,143	13,998	8.2	47,625	39,805	19.6
Other operating expenses	6,044	5,271	14.7	17,918	15,609	14.8
Total Operating & Administrative expenses	32,387	28,634	13.1	100,364	86,474	16.1

<u>S\$'000</u>	<u>3Q 2007 vs 3Q 2006</u>	<u>9M 2007 vs 9M 2006</u>
Due to higher exchange rates	748	2,779
Inclusion of expenses of newly acquired Farmhouse Fare*	1,092	2,564
Restructuring costs for Cresset	-	890
Amortisation of intangibles relating to Farmhouse Fare	532	1,532
SSTFI-stock write-downs/provisions	-	712
Increase due to operational activities	1,381	5,413
Total Increase	3,753	13,890

* Acquired end of October 2006.

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

S\$'000	3Q 2007	3Q 2006	9M 2007	9M 2006
Exchange (loss)/gains, net	541	136	1,061	(34)
Gain on disposal of property, plant and equipment, net	88	9	272	32
Grants received	128	290	4,842	721
Bad debts recovered (trade)	28	13	50	40
Gain on disposal of intangible assets	0	323	0	705
Loss on liquidation of a subsidiary	0	0	0	(648)
Impairment of intangible assets	(13)	0	(1,125)	0
Others	335	171	1,041	1,069
	1,107	942	6,141	1,885

(b) Expenses

S\$'000	3Q 2007	3Q 2006	9M 2007	9M 2006
Depreciation	4,499	4,525	13,858	12,874
Amortisation of intangibles	532	0	1,532	0
Provision for doubtful debts	24	156	137	385
Bad debts written off	104	0	195	6
Provision for stock obsolescence	436	334	1,856	872
Equity compensation costs	(248)	192	136	561

7.3.3 Exceptional items

9M 2007 results included the following exceptional items :-

- \$4.4 million GBRMPA Restructure Grant received by our Australian subsidiary
- \$1.1 million impairment loss on fishing licence. The licences have been written down to its fair values less disposal costs.
- \$0.9 million restructuring costs in Cresset for the ambient business
- Exceptional stock provisions of \$0.7 million by SSTFI related mainly to the suspension of poultry exports to Singapore.

The net impact of the above increased PBT by \$1.7 million for 9M 2007.

9M 2006 included a \$0.6 million loss on liquidation of a dormant subsidiary in Malaysia.

7.3.4 Seasonal Operations

The Group's results are subject to seasonal variations in sales and profits especially in the 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

Food Distribution revenues will continue to improve following the re-instatement of a key supply agency for poultry and pork.

Food Catering is expected to continue to perform well in the last quarter due to higher prices and consumption levels. Abattoir and Auction revenues will continue to benefit from an increase in slaughter fees. Pig supply numbers are expected to be stable in the last quarter of 2007.

8.2 Overseas Operations

The UK/Europe businesses are expected to perform well in the last quarter of the year.

Restructuring at Cresset is progressing well. Staff reductions have been made and cost-cutting initiatives taken to reduce overhead costs.

SSTFI performance in the last quarter of the year is expected to continue to be weak.

In Australia, the exit from commercial fishing operations is expected to be completed by 1Q2008.

8.3 Overall Outlook for FY 2007

Overall, we expect FY 2007 to be better than 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

9M 2007	Food Preparation, Abattoir and Hog Auction					Total
	Food Distribution	Manufacturing and Processing	Abattoir and Hog Auction	Others	Adjustments	
\$S'000						
<u>Revenue</u>						
-External customers	98,768	378,771	15,860	0	0	493,399
-Inter-segment	14,423	14,392	867	0	(29,682)	0
Total revenue	113,191	393,163	16,727	0	(29,682)	493,399
Segment results	2,830	25,666	5,247	3,036	(3,036)	33,743
Interest Income	0	326	0	0	0	326
Interest Expense	0	(3,358)	0	0	0	(3,358)
	2,830	22,634	5,247	3,036	(3,036)	30,711
Share of results of jointly controlled entity						(5)
Profit before taxation						30,706
Taxation						(8,918)
Profit after taxation						21,788
Minority Interests						(2,194)
Profit after tax and minority interests						19,594
<u>Assets and Liabilities</u>						
Segment Assets	55,302	280,104	26,251	2,247	0	363,904
Unallocated Assets	0	592	0	358	0	950
Total Assets	55,302	280,696	26,251	2,605	0	364,854
Segment Liabilities	17,517	131,935	3,203	31,581	0	184,236
Unallocated Liabilities	1,429	13,081	1,568	0	0	16,078
Total Liabilities	18,946	145,016	4,771	31,581	0	200,314
Capital Expenditure	553	5,487	56	64	0	6,160

By Business Activity

9M 2006	Food Preparation,				Adjustments	Total
	Food Distribution	Manufacturing and Processing	Abattoir and Hog Auction	Others		
<u>S\$'000</u>						
<u>Revenue</u>						
-External customers	98,396	329,379	12,345	0	0	440,120
-Inter-segment	13,517	10,675	871	0	(25,063)	0
Total revenue	111,913	340,054	13,216	0	(25,063)	440,120
Segment results	6,756	20,520	1,513	6,108	(6,108)	28,789
Interest Income	0	445	0	0	0	445
Interest Expense	0	(2,556)	0	0	0	(2,556)
	6,756	18,409	1,513	6,108	(6,108)	26,678
Share of results of jointly controlled entity						(4)
Profit before taxation						26,674
Taxation						(7,674)
Profit after taxation						19,000
Minority Interests						(586)
Profit after tax and minority interests						18,414
<u>Assets and Liabilities</u>						
Segment Assets	35,217	237,924	27,995	18,154	0	319,290
Unallocated Assets	0	386	0	358	0	744
Total Assets	35,217	238,310	27,995	18,512	0	320,034
Segment Liabilities	12,165	110,647	3,415	26,797	0	153,024
Unallocated Liabilities	2,733	8,865	1,203	0	0	12,801
Total Liabilities	14,898	119,512	4,618	26,797	0	165,825
Capital Expenditure	48	7,058	148	137	0	7,391

By Geographical Region

<u>S\$'000</u>	Turnover		PBT		Assets		Capital Expenditure	
	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006
Singapore	180,518	172,709	20,276	17,367	107,090	102,425	908	1,062
UK/Europe	286,769	241,304	8,564	8,530	232,440	191,938	4,775	6,031
Australia	20,612	18,618	3,826	1,242	16,706	14,470	404	203
China & Others	5,500	7,489	(1,955)	(461)*	7,668	10,457	73	95
Total Overseas	312,881	267,411	10,435	9,311	256,814	216,865	5,252	6,329
Total	493,399	440,120	30,711	26,678	363,904	319,290	6,160	7,391

<u>%</u>	Turnover		PBT	
	9M 2007	9M 2006	9M 2007	9M 2006
Singapore	36.6	39.2	66.0	65.1
Overseas	63.4	60.8	34.0	34.9
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

Interested Persons Transactions as defined in the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000) conducted in 3Q 2007 and 3Q 2006:

	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)	
	3Q 2007 S\$'000	3Q 2006 S\$'000
Transactions for the Purchase of Goods and Services		
Power Seraya Limited and its Associates	209	0
Tuas Power Limited and its Associates	0	314
Total Interested Person Transactions	209	314

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

Certain new accounting standards and interpretations have been issued and are mandatory for accounting periods beginning on or after 1 January 2007.

FRS 107 *Financial Instruments: Disclosures and the Amendments to FRS 1 Presentation of Financial Statements: Capital Disclosures*, which become mandatory for the Group's 2007 financial statements, will require extensive additional disclosures with respect to the Group's financial instruments and share capital. Management is currently assessing the impact of FRS 107 and the amendment for FRS 1 on the format and extent of disclosures presented in the financial statements. This standard does not have any impact on the Group's financial result or position.

Other than FRS 107 and the Amendments to FRS 1, the initial application of these standards and interpretations are not expected to have any material impact on the Group's financial statements.

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 9 Months ended 30 September 2007 of the Group and the Company to be false or misleading.

By order of the Board

Ms Susan Kong Yim Pui

Company Secretary

18 October 2007