THAI VILLAGE HOLDINGS LTD
ANNUAL REPORT 2009

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THAI VILLAGE HOLDINGS LTD

Self-Managed Restaurants

SINGAPORE

Goodwood Park

Leisure Park Kallang

Jurong

CHINA

Shanghai, Sunshine

Shanghai, Pudong

Shanghai, Xin Jin Qiao

Kunming

Franchise Restaurants

CHINA

Beijing

Changzhou

Fengxian

Nanjing

Quanzhou

Wuhan

Wuhu

Xiamen

Yangpu

Yangzhou

INDONESIA

Surabaya

VIETNAM

Ho Chi Minh City

Hanoi

A vital ingredient to our business is our deep-seated commitment to offer the best food and service in all our restaurant operations. Upholding a tradition of goodness, we believe that consistency is the key to meet our customers' expectations.

Thai Village Holdings Ltd, together with our subsidiaries, manages two key business segments – restaurant operations and restaurant management services. To date, we proudly own a chain of 7 self-managed restaurants and 14 franchise restaurants, catering to the expectations of discerning palates of sophisticated consumers.

Established in 1991 with our flagship Thai Village Sharksfin Restaurant in Singapore, we have grown steadily in regional capacity to become a benchmark for exquisite Thai-Teochew cuisine in Singapore, China and Indonesia. Our signature dish, the Braised Superior Shark's Fin soup, is served at all Thai Village restaurants. Today, we continue to whet appetites with our finest ingredients, delicate taste and outstanding service in the region, serving up Thai-Teochew delicacies to our customers.

Keeping the Thai Village Tradition of Goodness

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to deliver to you our annual report for the financial year ended 30 September 2009.

Despite a challenging year due to the global financial crisis that affected many businesses worldwide and curbed consumer spending, we emerged in a profitable position.

REFLECTIONS

With the economic slowdown, we continued to review and improve upon our operating structure and implemented tighter cost control measures. As a result, we recorded a reduction in operating expenses during the financial year.

This was achieved partly with the help of the Singapore Government's Jobs Credit Scheme, which allowed us to rein in our manpower costs. In addition to the cash grants per employee, we were also encouraged by the Government's subsidies for staff training. Hence, we undertook a combination of measures such as training and no-pay leave to manage and retain our talent.

Following our announcements on 23 July 2008 and 23 January 2009 on the proposed reverse takeover (the "RTO") from China Stationery Limited, we have come to a mutual agreement not to proceed with the RTO. This was announced on 2 September 2009.

Catering to the discerning palate, our strengths have always been hinged on our ability to offer hearty fare cooked using the best produce and finest ingredients.

We have successfully entered into a second unit franchise agreement with Barista Jack Limited on 6 April 2009 to operate a restaurant serving Thai-Teochew cuisine in Hanoi,Vietnam. It is a non-exclusive licence for a period of five years. This builds on our existing presence in Vietnam with a franchise outlet in Ho Chi Minh City.

This brings our list of restaurant chains to 2 franchise restaurants in Vietnam, 1 franchise restaurant in Indonesia, 11 franchise restaurants and 4 self-managed restaurants in Peoples' Republic of China, and 3 self-managed restaurants in Singapore.

THE PATH AHEAD

With the RTO behind us, we will continue to explore and pursue new business opportunities in the coming financial year.

One of the countries we continue to look keenly at is China. The country's economic progress continues to spur positive business worldwide and is a magnet for investments and businesses to its shores. With the upcoming World Shanghai Expo in 2010, we are seeking opportunities in the city and looking forward to increased patronage at our 3 outlets in Shanghai during the exciting international event which expects 70 million visitors over 6 months.

We are also currently exploring possible franchise agreements in emerging markets such as Cambodia and Indonesia. On the local front, the Singapore market remains competitive and we hope to improve performance with the opening of the republic's first Integrated Resorts in year 2010, where an influx of tourists is expected to boost spending, including hospitality and food & beverage.

Our commitment to create new revenue streams will drive us towards decisions aimed at future growth in our core business.

We wish to put on record our sincere thanks to our customers, business associates and shareholders for their warm and generous support during these challenging times. It is the enduring and unique relationships we have with our stakeholders that will continue to see us through the coming financial year.

We also congratulate our management and staff who have achieved several awards and certifications in FY2009 and we look forward to leading them into an exciting next lap.

Lee Tong Soon
Chairman and Managing Director

主席致辞

敬爱的股东，

本人谨在此代表董事会向各位公布截至 2009 年 9 月 30 日的年度报告。

虽然全球金融危机波及到世界各地的许多企业，并使消费者支出更为谨慎，但在如此具有挑战性的一年中，我们仍创造了盈利。

回顾

受到经济衰退的影响，我们不断检讨及改善我们的经营环境并采取更严格的成本控制措施。因此，我们在本财年成功缩减了营运支出。一部分可归功于新加坡政府所推出的雇用补贴计划（Jobs Credit Scheme）。在此计划的协助下，我们得以成功控管我们的人力成本。除了员工的现金补贴之外，我们还可获得新加坡政府所提供的员工培训补助金。因此，我们才能运用如培训及无薪假等措施来管理并留住人才。

关于在2008 年 7 月 23 日及 2009 年 1 月 23 日公布中国文具 （China Stationery） 提议的反向收购（RTO），我们在 9 月 2 日宣布我们双方已共同达成协议，停止此项收购计划。

我们在 2009 年 4 月 6 日与 Barista Jack Limited 顺利签订了第二个特许加盟协议，越南河内市开设餐厅，提供泰式潮州菜肴。该协议是为期五年的非独占性许可。加上越南胡志明市的特许加盟店，我们在越南的业务正在逐步扩大。

我们目前在越南，印尼和中国总共拥有 14 家加盟店。我们也同时在新加坡和中国拥有 7 家自营店。

未来展望

由于反向收购计划已经终止，我们将在下一个财政年度继续探索和追求新商机。

主席致辞

为了在竞争中占得先机，本集团继续以强调供应正宗地道的菜肴而独树一帜，站稳市场脚步并开发新的商机。

我们对中国市场依然抱持积极的态度。中国的经济成长持续驱动全球企业的发展，并吸引各种投资及商业活动进驻。我们看好 2010 年上海世博会所带来的商机，预估此次国际盛会将会在6个月内吸引多达 7,000 万游客造访上海，因此光顾我们上海 3 家分店的顾客将会显著增加。

目前我们也积极寻求在新兴市场（如柬埔寨）及潜力市场（印尼）开设特许加盟店的机会。新加坡本地市场前景依然看好，预估在首个综合娱乐城于 2010 年开幕后，业绩会稳健成长。届时，综合娱乐城所带来的观光客将能推动新加坡许多产业的发展，包括酒店和餐饮业。

在我们全力创造新收入来源的努力下，我们也正朝向提高核心业务长期成长及成功的新财年迈进。

我们谨在此向你们，我们的顾客及生意伙伴表达最诚挚的谢意，感谢你们在此艰难时刻的情义支持。这份持久不断的情谊将是我们来年持续努力，顺利度过一切挑战的动力。

我们同时要在此恭贺于 2009 年获得奖项及认证的主管和员工们，并期盼能继续带领各位迎向另一个事业高峰。

吕同顺
主席兼董事经理

The tough economic conditions in FY2009 have spurred the Group to stay focused on its core strengths and to keep vigil over its operating costs. The Group's turnover decreased by S$5.30 million to S$31.12 million as compared to S$36.45 million in the previous financial year.

The reduced revenue is mainly due to the slowdown in consumer spending and closure of two outlets, Manpo in the Peoples' Republic of China (PRC) and Changi Village in Singapore, whereas the S$0.32 million one-off compensation received last year for the early termination of an outlet's operating lease agreement was behind the decline in other operating income.

The lower turnover decreased our gross profit by S$2.69 million. Despite the challenging operating environment, the Group's profit after tax amounted to S$1.94 million.

The total franchise income increased slightly with the opening of an additional franchise outlet during the financial year. Fixed assets decreased by S$0.19 million despite renovations carried out at 2 outlets: Jurong, Singapore and Sunshine, Shanghai, PRC. We also made an equity investment of S$0.10 million in the Singapore Culinary Institute, a related company of Restaurant Association of Singapore

Net cash generated during FY2009 was S$0.98 million versus the S$4.91 million net cash used in FY2008. This is mainly due to a $6.23 special dividend payment to shareholders in February 2008. Dividend payout is proposed at 0.7 Singapore cents per ordinary share for FY2009.

SINGAPORE AND OVERSEAS PERFORMANCE

Total sales of the Singapore outlets have decreased by S$3.2 million. The PRC saw a decline in revenue by S$2.1 million. Both countries faced a sluggish economy and closed an outlet each. Revenue from Indonesia has been stable. A new franchise outlet has been in operation in Hanoi since Sept 2009. The additional outlet in Vietnam will help to strengthen the Group's presence in the region.

Our signature dishes are best served with our signature brand of service: warm, friendly, and naturally swift.

ACCREDITATION

Quality control remains a priority in all our operations. During FY2009, we took further initiatives to successfully comply with HACCP (Hazard Analysis Critical Control Point), an international standard that advocates a systematic preventive approach to food safety and protecting public health. We achieved the HACCP standard for the scope of activities related to our 'Central Kitchen' (preparation, cooking and distribution of sauces) and our 'Outlets' (preparing, cooking and serving of food & beverage).

ENHANCEMENTS

We have refurbished our Jurong outlet in Singapore, aligning its new look with our Leisure Park outlet for greater brand identity. A refreshing face-lift also took place at our Sunshine outlet in Shanghai, to create a memorable dining experience for patrons.

In Singapore, we added convenience to our regular menu with the roll-out of new individual value set meals. This is part of our initiative to cater to busy executives and businessmen. The response has been very positive as it saves time from deciding on our wide array of dishes. The value set meals offer premium dishes that include sharksfin, abalone and cheese-baked lobster.

MANPOWER DEVELOPMENT

Training remains an integral part of our talent management programme. With the Singapore Government's Skills Programme for Upgrading and Resilience (SPUR), we have been able to send our staff for training to improve their culinary and soft skills during the economic slowdown. We have also successfully renewed our commitment as a Certified On-the-Job Training Centre (COJTC) for the Institute of Technical Education. This allows our employees to be trained on-site by us and receive an OJT certificate.

AWARDS & ACCOLADES

Thai Village Sharksfin Restaurant emerged the winner of the 2009 Citibank - The Business Times, Gourmet Choice Awards in the Thai/Vietnamese/Korean category. Wine & Dine magazine has also named us one of Singapore's Finest Restaurants in its 2009 Awards. These honours have added to our list of existing accolades such as the Business Excellence Awards and the Golden Brand Award.

MR LEE TONG SOON [1]
Chairman and Managing Director

He is responsible for the overall management and business development of the Group. Mr Lee is one of the founding shareholders of Thai Village Sharksfin Restaurant Pte Ltd ("TVSR") and has been the Managing Director of TVSR since its incorporation in 1995. He has been instrumental in the Group's expansion and has been shaping the development and growth of the Group's operations since 1991. Prior to founding the Group, Mr Lee was an estate officer with the Housing Development Board from 1983 to 1990. He joined McDonald's Restaurants Pte Ltd as a real estate manager from 1990 to 1991 where he was responsible for finding new locations for new McDonald's restaurants. Mr Lee holds a Bachelor Degree in Arts and Social Science from the National University of Singapore.

MR LEE TONG KUON [2]
Executive Director

He is one of the founding shareholders of TVSR and has been a director since its incorporation in 1995. His primary responsibility is in kitchen operations. He oversees the setting up of the kitchen in the Group's new restaurants and personally trains new kitchen staff. Mr Lee is the master chef of the Group and is in charge of introducing new dishes to the menu. He has over 18 years of experience in Thai-Teochew style cooking. Prior to joining us in 1991, he was a chef at Klongtan Ping Sharksfin Restaurant in Thailand and Singapore from 1989 to 1991.

MR KOK NYONG PATT [3]
Executive Director

He is one of the founding shareholders of the TVSR and has been a director since its inception in 1995. His areas of responsibilities include business development, business strategy and planning, human resource management and business administration. Prior to joining the Group in 1992, Mr Kok was a petroleum cargo officer with Hong Lam Shipping Pte Ltd from 1986 to 1992.

Customer satisfaction is top priority in Thai Village restaurants. This entails close attention to customer's needs and a constant willingness to elevate our standards.

DR JOHN CHEN SEOW PHUN [4]
Independent Director

He was appointed as an Independent Director of the Company in December 2001. He is the Managing Director of JCL Business Development Pte Ltd and the Chairman of SAC Capital Pte Ltd. He also sits on the Board of a number of listed companies. He was the Assistant Secretary General of the NTUC from 1991 to 1997 and served as the Deputy Chairman and Managing Director of the NTUC Healthcare Co-op Ltd from 1992 to 1997. Dr Chen was a Member of Parliament from September 1988 to April 2006. From March 1997 to June 1999, he was the Minister of State for Communications. From June 1999 to November 2001, he was the Minister of State for Communications & Information Technology and Minister of State for National Development. Prior to joining the Government in 1997, Dr Chen has served as a Board Member of the Economic Development Board, the Housing and Development Board, the Port of Singapore Authority and Singapore Power Ltd. Dr Chen holds a PhD in Electrical Engineering from the University of Waterloo, Canada. He taught at the National University of Singapore from 1983 to 1991.

MR CHOW KOK KEE [5]
Independent Director

He was appointed in March 2002. He is currently the Managing Director of ACTA Investment & Services Pte Ltd ("ACTA"). A Colombo Plan Scholar, Mr Chow graduated from the University of Newcastle with both a Bachelor of Commerce degree as well as a Bachelor of Engineering (First Class Honours) degree. He also holds a Masters of Business Administration degree from the National University of Singapore. Mr Chow started his career in 1976 in the government administrative service holding management positions in the Ministries of Defence and Education for 6 years. Subsequently in 1982, Mr Chow joined DBS Bank, where he worked for 15 years, gaining experience in various areas of banking including Corporate Banking, International Banking, Correspondent Banking, Finance, Tax and Settlements as well as Corporate Planning. Mr Chow last held the position of Senior Vice-President at DBS Bank. In 1997, Mr Chow assumed his current position as business and financial advisor to several companies who are clients of ACTA. Mr Chow is a member of the Institute of Engineers, Australia, an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom and a fellow of the Singapore Institute of Directors.

MRS JULIA CHEN-KWOK YUNG CHU [6]
Non-executive Director

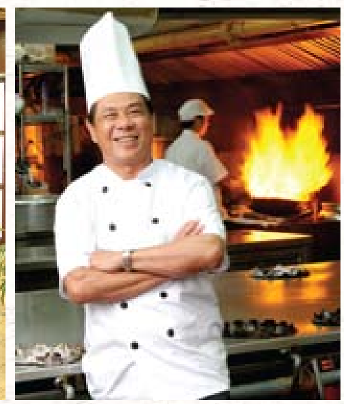
She was appointed on 1 December 2007. A Certified Practising Accountant of CPA Australia, Mrs Julia Chen-Kwok holds a Bachelor of Economics from Monash University and has many years of professional accounting and management experience. Mrs Julia Chen-Kwok has been the Financial Controller responsible for finance and management functions for the Thai Village Group of Companies from 1999 to 30 September 2007. Prior to joining the Group in 1999, she has held various accounting positions with companies including Shell International Trading Company, Daly Smith Corporation Pty Ltd, IPL Daltron Sydney, Sembawang Industrial Manufacturing Pte Ltd and Price Waterhouse.

MR MAXTEIN OH KOK THAI
Group General Manager

As the General Manager of the Group, he is responsible for overseeing the general functions of the Group which includes operations, regional business development, administration and human resource. Prior to joining the Group in August 1997, Mr Oh was a F & B Outlet Manager with Conrad International Centennial Singapore. He has also held the position of Manager in various restaurants in Singapore including, Pondok Gurame Group of Restaurants, Jumbo Group of Restaurants and Yunnan Group of Restaurants. He was with the Westin Stamford and the Westin Plaza from 1987 to 1992.

MR KENNY CHIANG KIAN NEE
General Manager (China Operation)

He is responsible for the operations and business development of the Group's subsidiaries and franchisees in the PRC. Prior to joining the Group in December 1999, Mr Chiang was a real estate manager with MLS Pro-Link Pte Ltd from 1995 to 1999. Mr Chiang also worked as a cargo officer with Hong Lam Bunkers Pte Ltd from 1992 to 1995 and as a chef with Hilton Hotel International Singapore from 1990 to 1992.

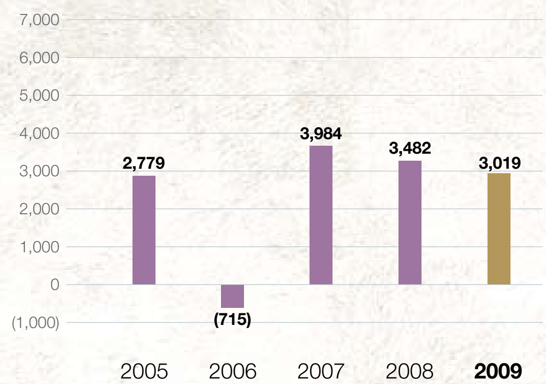


MS VENETIA YONG CHIN CHING
Financial Controller

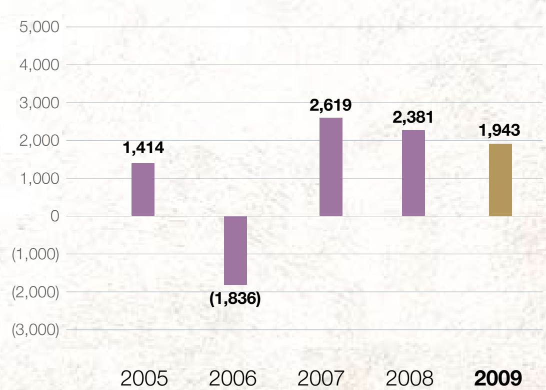
She was appointed on 1 October 2007. As the Financial Controller, Mdm Yong is responsible for the finance and management reporting functions of the Group. She has many years of accounting and management experience. Prior to joining the Group in September 2006, she has held various finance and accounting positions within the Thakral Group of companies and Acer Group of companies and has also worked in audit. Mdm Yong is ACCA qualified and a CPA Singapore.

Financial Highlights

PROFIT BEFORE TAXATION (S$'000)



PROFIT AFTER TAXATION (S$'000)



TURNOVER (S$'000)

Corporate Information

BOARD OF DIRECTORS

Mr Lee Tong Soon (*Chairman and Managing Director)*
Mr Lee Tong Kuon (*Executive Director)*
Mr Kok Nyong Patt (*Executive Director)*
Dr John Chen Seow Phun (*Independent Director)*
Mr Chow Kok Kee (*Independent Director)*
Mrs Julia Chen-Kwok Yung Chu (*Non-executive Director)*

JOINT COMPANY SECRETARIES

Ms Kong Yim Pui Susan
Ms Goh Chui Ling Marilyn

REGISTERED OFFICE

Block 1002 Tai Seng Avenue
#01-2536 Singapore 534409
Tel: (65) 6487 6182
Fax: (65) 6487 6183
Email: general@thaivillagerestaurant.com.sg
Website: www.thaivillagerestaurant.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
3 Church Street #08-01, Samsung Hub
Singapore 049483

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Mr Cheng Heng Tan
(Appointed during financial year ended 30 September 2005)

BANKERS

United Overseas Bank Limited
Overseas-Chinese Banking Corporation Limited
DBS Bank Ltd

SELF-MANAGED RESTAURANTS

SINGAPORE (新加坡分店)

Jurong 裕廊

19 Yung Ho Road
Singapore 618592
Tel: (65) 6268 3885 Fax: (65) 6268 2006

Leisure Park Kallang 加冷娱乐广场

5 Stadium Walk, #01-50 Leisure Park Kallang
Singapore 397693
Tel: (65) 6440 2292 Fax: (65) 6440 7285

Goodwood Park 良木园

22 Scotts Road Goodwood Park Hotel
Singapore 228221
Tel: (65) 6440 8251 Fax: (65) 6440 0748

CHINA OUTLETS (中国分店)

Shanghai 上海

虹桥路2266号(阳光大酒店内)	电话：(86) 21-62627676
北京西路61号(新金桥广场内)	电话：(86) 21-62588585
蒲东潍坊路费尽号(嘉瑞酒店内)	电话：(86) 21-62548282

Kunming 昆明

昆明市东风西路87号	电话：(86) 871-3641851

FRANCHISE RESTAURANTS

CHINA（中国加盟店)

Shanghai 上海

奉贤南桥路1号	电话：(86) 21-57429999-2188
国定东路237号	电话：(86) 21-55221717

Fujian 福建

泉州市泉秀路五矿大厦	电话：(86) 595-22552022
厦门市思明区会展南里134-139号	电话：(86) 592-5913888

Hubei 湖北

武汉市汉口黄浦大街27号(中国大酒店)	电话：(86) 27-82427779

Jiangsu 江苏

南京秣陵路108号	电话：(86) 25-84227188
常州市怀德中45号中油国际大酒店四楼	电话：(86) 519-6808068
扬州市丰乐上街1号(新泰大酒楼)	电话：(86) 514-7937977

Anhui 安徽

芜湖市北京东路1号世纪花园	电话：(86) 553-3120988

Beijing 北京

丰台区六里桥风荷曲苑2号楼	电话：(86) 10-52731777
朝阳区劲松三区甲302号 华腾大厦二层206单元	电话：(86) 10-87730088

VIETNAM (越南加盟店)

Ho Chi Minh City 胡志明市

36-38, Ly Tu Trong, District 1, Ho Chi Minh City
Socialist Republic of Vietnam
Tel: (84) 8 8256704/5 Fax: (84) 8 8256 706

Hanoi 河内明市

38 Le Thai To Street, Hang Trong Ward, Hoan Kiem District
Tel: (84) 4 3938 1168

INDONESIA (印尼加盟店)

Surabaya 泗水

Mal Galaxy Lantai Satu, No. 107-109,
Jl. Dharmahusada Indah Timur 37, Surabaya 60115
Tel: (62) 31-5937368 Fax: (62) 31-5937298

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21 Statements of Changes in Equity

23 Consolidated Statement of Cash Flow

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The directors are pleased to present their report to the members together with the audited consolidated financial statements of Thai Village Holdings Ltd (the "Company") and its subsidiary companies (collectively, the "Group") for the financial year ended 30 September 2009, and the balance sheet of the Company as at 30 September 2009, and the statement of changes in equity of the Company for the financial year ended 30 September 2009.

DIRECTORS

The directors of the Company in office at the date of this report are:

Lee Tong Soon

Lee Tong Kuon

Kok Nyong Patt

Dr John Chen Seow Phun

Chow Kok Kee

Julia Chen-Kwok Yung Chu

In accordance with Article 107 of the Company's Articles of Association, Kok Nyong Patt and Dr John Chen Seow Phun retire and being eligible, offer themselves for re-election.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), interests in the shares of the Company, as stated below:

	Direct interests			Deemed interests		
	1.10.2008	**30.9.2009**	**21.10.2009**	**1.10.2008**	**30.9.2009**	**21.10.2009**
The Company						
Lee Tong Soon (1)	23,528,226	23,528,226	23,528,226	12,500 (2)	12,500 (2)	12,500 (2)
Lee Tong Kuon (1)	22,252,725	22,252,725	22,252,725	247,500 (3)	247,500 (3)	247,500 (3)
Kok Nyong Patt	22,815,225	22,815,225	22,815,225	12,500 (4)	12,500 (4)	12,500 (4)
Dr John Chen Seow Phun	–	–	–	62,500 (5)	62,500 (5)	62,500 (5)
Julia Chen-Kwok Yung Chu	55,000	55,000	55,000	–	–	–

Note:

(1) Lee Tong Soon and Lee Tong Kuon are brothers;

(2) 12,500 (2008: 12,500) shares are held in the name of Lim Teck Eng, who is the spouse of Lee Tong Soon;

(3) 247,500 (2008: 247,500) shares are held in the name of Lee Shiet Shiong, who is the son of Lee Tong Kuon;

(4) 12,500 (2008: 12,500) shares are held in the name of Ho Choy Pheng, who is the spouse of Kok Nyong Patt; and

(5) 62,500 (2008: 62,500) shares are held in the name of Lim Kok Huang, who is the spouse of Dr John Chen Seow Phun.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year, or on 21 October 2009.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

SHARE OPTIONS

There is presently no option scheme on unissued shares of the Company.

AUDIT COMMITTEE

The Audit Committee ("AC") carries out its functions in accordance with Section 201(B)(5) of the Act, Cap. 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

- Reviews the half-yearly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of directors;

- Reviews the cost effectiveness, independence and objectivity of the external auditors;

- Reviews the nature and extent of non-audit services provided by external auditors;

- Recommends to the Board of directors the external auditors to be nominated and reviews the scope and results of the audit;

- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management via reviews carried out by the internal auditors;

- Reviews the legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviews the interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual;

- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC; and

- Reports actions and minutes of the AC to the Board of directors with such recommendations as the AC considers appropriate.

AUDIT COMMITTEE (cont'd)

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened 2 meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of directors:

Lee Tong Soon
Chairman and Managing Director

Kok Nyong Patt
Executive Director

Singapore
24 November 2009

We, Lee Tong Soon and Kok Nyong Patt, being two of the directors of Thai Village Holdings Ltd (the "Company"), do hereby state that, in the opinion of the directors:

(i) the accompanying balance sheets, consolidated income statement, statements of changes in equity, and consolidated statement of cash flow, together with notes thereto, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2009, and the results of the business, changes in equity and cash flow of the Group, and the changes in equity of the Company for the financial year then ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of directors:

Lee Tong Soon
Chairman and Managing Director

Kok Nyong Patt
Executive Director

Singapore
24 November 2009

We have audited the accompanying financial statements of Thai Village Holdings Ltd (the "Company") and its subsidiary companies (collectively, the "Group") set out on pages 19 to 57, which comprise the balance sheets of the Group and the Company as at 30 September 2009, the statements of changes in equity of the Group and the Company, the income statement and the statement of cash flow of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(i) the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2009, and the results, changes in equity and cash flow of the Group, and the changes in equity of the Company for the financial year then ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
24 November 2009

Balance Sheets

as at 30 September 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	5,372	5,564	–	–
Investment in unquoted equity shares	5	100	–	–	–
Investments in subsidiary companies	6	–	–	2,061	2,061
		5,472	5,564	2,061	2,061
Current assets					
Stocks	7	2,027	2,668	–	–
Trade debtors	8	316	397	71	130
Other debtors and deposits	9	943	1,338	12	22
Prepayments		231	279	14	16
Amounts due from subsidiary companies (trade)	10	–	–	5,154	6,708
Amounts due from subsidiary companies (non-trade)	10	–	–	4,000	9,145
Fixed deposits	11	3,357	7,546	900	–
Cash and bank balances	11	11,468	6,303	5,455	567
		18,342	18,531	15,606	16,588
TOTAL ASSETS		23,814	24,095	17,667	18,649
EQUITY AND LIABILITIES					
Current liabilities					
Trade creditors	12	1,314	1,283	–	–
Other creditors and accruals	13	3,639	3,462	580	669
Amounts due to subsidiary companies (non-trade)	10	–	–	–	136
Amounts due to directors	14	356	514	356	514
Finance lease obligations, current portion (secured)	15	–	50	–	–
Income tax payable		649	626	243	336
		5,958	5,935	1,179	1,655
Net current assets		12,384	12,596	14,427	14,933
Non-current liabilities					
Finance lease obligations, non-current portion (secured)	15	–	117	–	–
Deferred tax liabilities	16	131	128	–	–
Deferred rental		–	28	–	–
		131	273	–	–
Total liabilities		6,089	6,208	1,179	1,655
Net assets		17,725	17,887	16,488	16,994
Equity attributable to equity holders of the parent company					
Share capital	17	14,593	14,593	14,593	14,593
Reserve fund	18	705	695	–	–
Foreign currency translation reserve	19	(167)	(139)	–	–
Revenue reserve		2,552	2,696	1,895	2,401
		17,683	17,845	16,488	16,994
Minority interests		42	42	–	–
Total equity		17,725	17,887	16,488	16,994
TOTAL EQUITY AND LIABILITIES		23,814	24,095	17,667	18,649

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Income Statement

for the financial year ended 30 September 2009

	Note	Group 2009 $'000	Group 2008 $'000
Revenue	20	31,123	36,453
Other items of income			
Interest income	21	111	192
Other income		74	426
Items of expense			
Raw materials and consumables used		(11,069)	(14,725)
Changes in stocks of finished goods		(641)	376
Employee benefits expenses	22	(8,333)	(9,175)
Depreciation expense	4	(1,312)	(1,286)
Net foreign exchange (loss)/gain		(74)	111
Finance costs	23	(17)	(23)
Other expenses		(6,843)	(8,867)
Profit before taxation	24	3,019	3,482
Income tax expense	16	(1,076)	(1,101)
Profit for the financial year		1,943	2,381
Attributable to:			
Equity holders of the parent company		1,943	2,381
Minority interests		–	–
		1,943	2,381
Earnings per share attributable to equity holders of the parent company (cents per share)	25		
Basic		0.94	1.15
Diluted		0.94	1.15

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Attributable to equity holders of the parent company					
		Share capital (Note 17) $'000	Reserve fund (Note 18) $'000	Revenue reserve $'000	Foreign currency translation reserve (Note 19) $'000	Minority interests $'000	Total equity $'000
Group							
2009							
Balance as at 1 October 2008		14,593	695	2,696	(139)	42	17,887
Foreign currency translation	19	–	–	–	(28)	–	(28)
Net expense recognised directly in equity		–	–	–	(28)	–	(28)
Profit for the financial year		–	–	1,943	–	–	1,943
Total recognised income and expense for the financial year		–	–	1,943	(28)	–	1,915
Transfer to reserve fund	18	–	10	(10)	–	–	–
Dividends on ordinary shares	26	–	–	(2,077)	–	–	(2,077)
Balance at 30 September 2009		14,593	705	2,552	(167)	42	17,725
2008							
Balance as at 1 October 2007		14,593	647	8,673	(368)	42	23,587
Foreign currency translation	19	–	–	–	229	–	229
Net income recognised directly in equity		–	–	–	229	–	229
Profit for the financial year		–	–	2,381	–	–	2,381
Total recognised income for the financial year		–	–	2,381	229	–	2,610
Transfer to reserve fund	18	–	48	(48)	–	–	–
Dividends on ordinary shares	26	–	–	(8,310)	–	–	(8,310)
Balance at 30 September 2008		14,593	695	2,696	(139)	42	17,887

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 30 September 2009

	Note	Share capital (Note 17) $'000	Revenue reserve $'000	Total equity $'000
Company				
2009				
Balance as at 1 October 2008		14,593	2,401	16,994
Profit for the financial year		–	1,571	1,571
Total recognised income for the financial year		–	1,571	1,571
Dividends on ordinary shares	26	–	(2,077)	(2,077)
Balance as at 30 September 2009		14,593	1,895	16,488
2008				
Balance as at 1 October 2007		14,593	8,504	23,097
Profit for the financial year		–	2,207	2,207
Total recognised income for the financial year		–	2,207	2,207
Dividends on ordinary shares	26	–	(8,310)	(8,310)
Balance as at 30 September 2008		14,593	2,401	16,994

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flow

for the financial year ended 30 September 2009

	Group 2009 $'000	Group 2008 $'000
Cash flow from operating activities		
Profit before taxation	3,019	3,482
Adjustments for:		
Bad debts written off (trade)	–	121
Impairment loss on doubtful debts (trade)	84	136
Loss/(gain) on disposal of property, plant and equipment	21	(82)
Depreciation of property, plant and equipment	1,312	1,286
Property, plant and equipment written off	73	597
Interest expense	17	23
Interest income	(111)	(192)
Loss on liquidation of a subsidiary company	–	10
Stocks written down to net realisable value	–	6
Translation differences	(52)	177
Operating profit before working capital changes	4,363	5,564
Changes in working capital:		
Decrease/(increase) in stocks	641	(382)
Increase in trade debtors	(3)	(37)
Decrease in other debtors, deposits and prepayments	510	514
Increase in trade creditors	31	31
Increase in other creditors and accruals	174	501
Decrease in amounts due to directors	(158)	(5)
Cash generated from operations	5,558	6,186
Interest paid	(17)	(23)
Taxes paid, net	(1,138)	(1,013)
Net cash flow generated from operating activities	4,403	5,150
Cash flow from investing activities		
Interest received	121	223
Investment in unquoted equity shares	(100)	–
Purchase of property, plant and equipment	(1,345)	(1,973)
Proceeds from disposal of property, plant and equipment	140	232
Net cash flow used in investing activities	(1,184)	(1,518)
Cash flow from financing activities		
Payment of dividends to shareholders	(2,077)	(8,310)
Repayment of finance lease obligations, net	(166)	(232)
Net cash flow used in financing activities	(2,243)	(8,542)
Net increase/(decrease) in cash and cash equivalents	976	(4,910)
Cash and cash equivalents at beginning of financial year	13,849	18,759
Cash and cash equivalents at end of financial year (Note 11)	14,825	13,849

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Thai Village Holdings Ltd (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited. The registered office and principal place of business of the Company is located at Block 1002 Tai Seng Avenue #01-2536, Singapore 534409.

The principal activities of the Company are those of investment holding, franchising, and the provision of management services to its subsidiary companies. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary companies are as shown in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Related companies in these financial statements refer to the companies within Thai Village Holdings Ltd group of companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values are rounded to the nearest thousand ($'000) unless otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company during the financial year, and are consistent with those used in the previous financial year.

2.2 Future changes in accounting policies

The Group and the Company have not applied the following relevant FRS and Interpretations of FRS ("INT FRS") that have been issued but not yet effective:

			Effective date (Annual periods beginning on or after)
FRS 1	:	Presentation of Financial Statements – Revised Presentation	1 January 2009
FRS 23	:	Amendment to FRS 23, Borrowing Costs	1 January 2009
FRS 108	:	Operating Segments	1 January 2009
FRS 27	:	Amendments to FRS 27, Consolidated and Separate Financial Statements	1 July 2009
FRS 103	:	Revised FRS 103, Business Combinations	1 July 2009
FRS 117	:	INT FRS 117, Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to FRSs issued in 2009:			
- Amendments to FRS 1, Presentation of Financial Statements			1 January 2010
- Amendments to FRS 7, Statement of Cash Flows			1 January 2010
- Amendments to FRS 17, Leases			1 January 2010
- Amendments to FRS 36, Impairment of Assets			1 January 2010
- Amendments to FRS 39, Financial Instruments: Recognition and Measurement			1 January 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future changes in accounting policies (cont'd)

The adoption of the above pronouncements is not expected to have significant impact on the financial statements in the period of initial application, except for FRS 1, FRS 23, FRS 108, revised FRS 103 and the amendments to FRS 27, as indicated below:

(i) FRS 1 (revised), Presentation of Financial Statements – Revised Presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt.

(ii) FRS 23, Borrowing Costs

FRS 23 has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of FRS 23, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

(iii) FRS 108, Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position and results of the Group when implemented in 2009.

(iv) Revised FRS 103, Business Combinations and Amendments to FRS 27, Consolidated and Separate Financial statements

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary company (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary company, as well as the loss of control of a subsidiary company.

The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt. Other consequential amendments were made to FRS 7, Statement of Cash Flows, FRS 12, Income Taxes, FRS 21, The Effects of Changes in Foreign Exchange Rates, FRS 28, Investments in Associates and FRS 31, Interests in Joint Ventures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The accounting year-end of the subsidiary companies incorporated in the People's Republic of China is 31 December which is not co-terminous with that of the holding company, Thai Village Holdings Ltd. The consolidated financial statements are prepared based on the management accounts of these subsidiary companies for the 12 months ended 30 September 2009. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiary companies are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the consolidated balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of the business combination is recognised as income in the consolidated income statement on the date of acquisition.

2.4 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. They are presented in the consolidated income statement and within equity in the consolidated balance sheet, separately from the parent shareholders' equity.

Transactions with minority interests are accounted for using the parent entity extension method, whereby on acquisition of minority interests, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill on consolidation. Any excess of the share of net assets acquired over the consideration paid is recognised in the consolidated income statement. Gain or loss on disposal to minority interests is recognised in the consolidated income statement.

When the losses applicable to the minority interests exceed the minority interests in the subsidiary company's equity, the excess and any further losses applicable to the minority interests are allocated against the majority interests, except to the extent that the minority interests have a binding obligation and are able to make an additional investment to cover the losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the consolidated income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiary companies, which are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the foreign subsidiary company.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount recognised in foreign currency translation reserve relating to that particular foreign operation is recognised in the consolidated income statement.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and includes the costs of dismantlement, removal or restoration, the obligation for which the Group incurs as a consequence of installing the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the consolidated income statement. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gains or losses resulting from their disposal are included in the consolidated income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Depreciation

Depreciation of an asset begins when it is available for use, and is computed using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold properties	-	over respective lease terms of 20 to 30 years
Furniture, fixtures and equipment	-	5 - 8 years
Kitchen and restaurant equipment	-	5 - 10 years
Motor vehicles	-	5 years
Computers	-	1 - 5 years
Operating supplies	-	5 years

The residual values, useful lives and depreciation methods are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2.8 Investments in subsidiary companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any accumulated impairment losses.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing the stocks to their present location and condition are accounted for on a first-in first-out basis.

2.10 Financial assets

Financial assets are recognised on the balance sheets when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group does not have any financial assets designated as at fair value through profit or loss, or held-to-maturity.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flow from the asset had expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the consolidated income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial assets (cont'd)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the consolidated income statement. The cumulative gain or loss previously recognised in equity is recognised in the consolidated income statement when the financial asset is derecognised.

Investment in unquoted equity shares whose fair value cannot be reliably measured is measured at cost less any accumulated impairment losses.

2.11 Impairment of assets

The Group assesses at each balance sheet date whether there is any objective evidence that an asset or a group of assets is impaired.

(a) Impairment of financial assets

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the consolidated income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the consolidated income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the consolidated income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Impairment of assets (cont'd)

(a) Impairment of financial assets (cont'd)

(ii) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(b) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the consolidated income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

The Group and the Company do not reverse, in a subsequent period, any impairment loss previously recognised.

2.12 Financial liabilities

Financial liabilities are recognised on the balance sheets when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at the fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the consolidated income statement when the liabilities are derecognised, and through amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the consolidated income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.15 Income taxes

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the consolidated income statement, except that tax relating to items recognised directly in equity, is recognised directly in equity.

(b) Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Income taxes (cont'd)

(b) Deferred tax (cont'd)

- in respect of deductible temporary differences and carry-forward of unused tax credits and unutilised tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised in the consolidated income statement, except that deferred tax relating to items recognised directly in equity, is recognised directly in equity.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of debtors or creditors on the balance sheets.

2.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(a) Revenue from restaurant operations

Revenue from restaurant operations is recognised upon the billing of food and beverage (inclusive of 10% service charge) to customers. Revenue represents the invoiced value of food and beverage, net of discounts and sales levy but inclusive of the 10% service charge.

(b) Franchise and royalty fees

Initial franchise fees are recognised as revenue when the services are rendered. Royalty fees are recognised on an accrual basis.

(c) Interest income

Interest income is recognised using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

2.18 Borrowing costs

Borrowing costs are recognised in the consolidated income statement as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

2.19 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.20 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other segments.

A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environment.

Segment information is presented in respect of the Group's business and geographical segments. The primary format is based on the Group's business segments, namely restaurant operations and restaurant management services.

2.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Government grants

Government grants relating to Jobs Credit Scheme are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants related to income may be presented as a credit in the consolidated income statement. Alternatively, they are deducted in reporting the related expenses.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Income taxes

The Group has exposures to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's and the Company's income tax payables as at 30 September 2009 approximated $649,000 (2008: $626,000) and $243,000 (2008: $336,000) respectively. The carrying amount of the Group's deferred tax liabilities as at 30 September 2009 approximated $131,000 (2008: $128,000).

Impairment of available-for-sale financial assets

The Group classifies unquoted equity shares as available-for-sale financial assets and recognises changes in their fair value in equity. The Group evaluates, among other factors, the duration and extent to which the fair value of the financial asset is less than its cost, and the financial health of and near term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

When the fair value declines, management exercises judgement based on the observable data relating to the possible events that may have caused the decline in value to determine whether the decline in value is an impairment that should be recognised in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.1 Judgements made in applying accounting policies (cont'd)

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiary companies. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences selling prices for goods and services and of the country whose competitive forces and regulations mainly determines the selling prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining selling prices.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 30 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the balance sheet date is disclosed in Note 4 to the financial statements. A 5% (2008: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 3.2% (2008: 2.6%) variance in the Group's profit for the financial year.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment annually and at other times when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flow from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of the cash flow.

Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in various notes to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Furniture, fixtures and equipment $'000	Kitchen and restaurant equipment $'000	Motor vehicles $'000	Computers $'000	Operating supplies $'000	Total $'000
Group							
Cost							
Balance as at 1 October 2007	2,812	5,988	1,115	1,133	398	120	11,566
Additions	–	1,323	243	380	27	–	1,973
Disposals	–	(18)	(33)	(358)	(8)	–	(417)
Write-offs	–	(1,553)	(213)	(2)	(144)	(97)	(2009)
Reclassifications	–	(39)	39	2	(5)	3	–
Translation differences	–	174	29	7	6	*	216
Balance as at 30 September and 1 October 2008	2,812	5,875	1,180	1,162	274	26	11,329
Additions	–	826	119	355	45	–	1,345
Disposals	–	(1)	–	(283)	–	–	(284)
Write-offs	–	(162)	(155)	–	(33)	(4)	(354)
Reclassifications	–	(2)	–	–	2	–	–
Translation differences	–	(27)	(4)	(1)	(1)	–	(33)
Balance as at 30 September 2009	2,812	6,509	1,140	1,233	287	22	12,003
Accumulated depreciation							
Balance as at 1 October 2007	1,266	3,244	710	347	361	93	6,021
Charge for the financial year	114	809	112	224	25	2	1,286
Disposals	–	(14)	(7)	(239)	(7)	–	(267)
Write-offs	–	(1,069)	(123)	–	(144)	(76)	(1,412)
Reclassifications	–	(39)	39	–	(3)	3	–
Translation differences	–	107	20	7	2	1	137
Balance as at 30 September and 1 October 2008	1,380	3,038	751	339	234	23	5,765
Charge for the financial year	114	812	107	240	38	1	1,312
Disposals	–	–	–	(123)	–	–	(123)
Write-offs	–	(92)	(152)	–	(33)	(4)	(281)
Reclassifications	–	(2)	–	2	–	–	–
Translation differences	–	(33)	(6)	(2)	(1)	–	(42)
Balance as at 30 September 2009	1,494	3,723	700	456	238	20	6,631
Net carrying value							
Balance as at 30 September 2009	1,318	2,786	440	777	49	2	5,372
Balance as at 30 September 2008	1,432	2,837	429	823	40	3	5,564

* Denotes amount less than $1,000.

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Assets held under finance leases

As at 30 September 2008, the carrying amount of a motor vehicle held under finance leases amounted to $189,000. The leased motor vehicle was pledged as security for the related finance lease liabilities. In 2009, this motor vehicle was disposed of and the Group had fully repaid the related finance lease obligations. The Group did not purchase any property, plant and equipment by means of finance leases during the financial year (Note 15).

Impairment of property, plant and equipment

During the financial year, an impairment assessment was carried out on the Group's property, plant and equipment by reviewing the recoverable amounts of the property, plant and equipment. The assessment had led to management's conclusion that no impairment loss was required to be recognised.

Leasehold properties

Location	Tenure	Owned by	Description/Usage
Singapore			
No. 19 Yung Ho Road Singapore 618592	20 years leasehold commencing 18 December 1996	Thai Village Sharksfin Restaurant Pte Ltd	Operation of restaurant
Block 1002 Tai Seng Avenue #01-2536 Singapore 534409	30 years leasehold commencing 16 April 1998	Thai Village Sharksfin Restaurant Pte Ltd	Office and warehouse

5. INVESTMENT IN UNQUOTED EQUITY SHARES

	Group	
	2009	**2008**
	$'000	$'000
Available-for-sale financial assets:		
Unquoted equity shares, at cost	100	–

Unquoted equity shares were measured at cost less any accumulated impairment loss. The fair value cannot be reliably measured as these unquoted equity shares do not have quoted market prices in an active market and it is not practicable to determine the fair value using valuation models as the assumption in these models cannot be reliably determined.

The unquoted equity shares are denominated in Singapore dollars.

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2009	**2008**
	$'000	$'000
Unquoted equity shares, at cost:		
Balance as at 1 October	2,411	2,411
Allowance for impairment loss	(350)	(350)
Balance as at 30 September	2,061	2,061

In 2007, an impairment loss of $350,000 was recognised for a subsidiary company because the Company considered that the subsidiary company would not be able to generate profits in the near future to recover the Company's interest therein.

6. **INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)**

Details of the subsidiary companies as at 30 September are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group 2009 %	Effective equity interest held by the Group 2008 %	Cost of investment held by the Company 2009 $'000	Cost of investment held by the Company 2008 $'000
Held by the Company						
Thai Village Sharksfin Restaurant Pte Ltd (1)	Operation of restaurants	Republic of Singapore	100	100	2,061	2,061
Thai Village Overseas Ventures Pte Ltd (1)	Investment holding	Republic of Singapore	100	100	@	@
Thai Village Seafood Pte. Ltd. (1)	In the process of liquidation	Republic of Singapore	100	100	350	350
Thai Village (China) Pte. Ltd. (1)	Investment holding	Republic of Singapore	100	100	@	@
Held by Thai Village Overseas Ventures Pte Ltd						
Thai Village Sharksfin Restaurant (Beijing) Co., Ltd (3) ###	Operation of restaurants	People's Republic of China	100	100	–	–
Food People Alliance Pte. Ltd. (1)	In the process of liquidation	Republic of Singapore	51	51	–	–
Thai Village Sharksfin Restaurant (Yunnan) Co., Ltd (2)	Operation of restaurants	People's Republic of China	100	100	–	–
Held by Thai Village (China) Pte. Ltd.						
Shanghai Thai Village Restaurant Management Co., Ltd (4) #	Operation and management of restaurants	People's Republic of China	93.75	93.75	–	–
Thai Village Sharksfin Restaurant (Shanghai) Co., Ltd (4)	Operation of restaurants	People's Republic of China	100	100	–	–
Shanghai Thai Village City Restaurant Co., Ltd (4)	Operation of restaurants	People's Republic of China	100	100	–	–

6. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group		Cost of investment held by the Company	
			2009	2008	2009	2008
			%	%	$'000	$'000
Held by Food People Alliance Pte. Ltd.						
Thai Village Sharksfin Restaurant (Qingdao) Co., Ltd ##	Liquidated	People's Republic of China	–	51	–	–
					2,411	2,411

A subsidiary company, Thai Village (China) Pte. Ltd. ("TVC"), entered into a Co-operative Joint Venture ("CJV") Agreement with Shanghai Cheng Qiao Zi Chan Jing Ying You Xian Gong Si ("SCQZCJY") for the setting up of a co-operative joint venture known as Shanghai Thai Village Restaurant Management Co., Ltd ("Shanghai TV RMC"). Under the relevant laws of the People's Republic of China, Shanghai TV RMC holds the status of a Chinese legal person and is recognised as TVC's investment entity in the People's Republic of China. Under the terms of the CJV Agreement, TVC is entitled to receive all profits from Shanghai TV RMC after paying SCQZCJY a fixed sum of US$20,000 annually regardless of whether profits are made for the year. The CJV Agreement also provides that TVC shall have control over Shanghai TV RMC's business operations. Other than the US$20,000 return per annum and the original 6.25% capital injected, SCQZCJY will not be entitled to any share of assets and liabilities of Shanghai TV RMC in the event of winding up.

On 2 December 2008, Thai Village Sharksfin Restaurant (Qingdao) Co., Ltd has been liquidated.

Subsequent to the financial year-end, on 2 November 2009, Thai Village Sharksfin Restaurant (Beijing) Co., Ltd was disposed of to an external party for a cash consideration of RMB620,000 (approximately S$134,000) (Note 34).

@ Cost of investment is less than $1,000.

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by Yunnan Xixin Certified Public Accountants co.,Ltd.

(3) Audited by Beijing Gentlewind Certified Public Accountants Co., Ltd.

(4) Audited by Shanghai HDDY Certified Public Accountants Co., Ltd.

7. STOCKS

	Group	
	2009	**2008**
	$'000	$'000
Balance sheet		
Processed stocks	1,352	1,857
Raw and other materials	675	811
	2,027	2,668
Income statement		
Stocks recognised as an expense:		
Stocks written down to net realisable value	–	6

8. TRADE DEBTORS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade debtors	323	589	71	255
Impairment of doubtful debts	(7)	(192)	–	(125)
	316	397	71	130
Bad debts written off to income statement (Note 24)	–	121	–	–

Included in trade debtors of the Group and of the Company are amounts of $229,000 (2008: $341,000) and $36,000 (2008: $128,000) denominated in Renminbi respectively.

Trade debtors are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group and the Company have trade debtors amounting to $205,000 (2008: $241,000) and $64,000 (2008: $116,000) respectively that are past due at the balance sheet date but not impaired. These debtors are unsecured and the analysis of their aging at the balance sheet date is as follows:

Less than 30 days	39	61	9	14
30 to 60 days	34	59	4	13
More than 61 days	132	121	51	89
	205	241	64	116

8. TRADE DEBTORS (cont'd)

Trade debtors that are impaired

The Group's and the Company's trade debtors that are impaired at the balance sheet date and the movements of the allowance account used to record the impairment are as follows:

	Group		Company	
	Individually impaired		Individually impaired	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade debtors - nominal amounts	7	254	71	125
Allowance for impairment	(7)	(192)	–	(125)
	–	62	71	–
Movements in allowance account:				
At 1 October	192	139	125	56
Charge for the financial year	84	136	–	69
Write-off against allowance	(268)	(82)	(125)	–
Translation differences	(1)	(1)	–	–
At 30 September	7	192	–	125

For the financial year ended 30 September 2009, an allowance for impairment of $84,000 (2008: $136,000) and Nil (2008: $69,000) was recognised in the income statements by the Group and the Company respectively, subsequent to a debt recovery assessment performed on trade debtors as at balance sheet date.

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements. There are no balances that are collectively determined to be impaired.

9. OTHER DEBTORS AND DEPOSITS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Deposits	743	889	–	–
Advances to employees *	11	87	11	22
Interest receivable	6	16	–	–
Sundry debtors	183	346	1	–
	943	1,338	12	22

* Advances to employees are non-trade in nature, unsecured, interest-free and repayable on demand.

Included in other debtors and deposits of the Group is an amount of $473,000 (2008: $706,000) denominated in Renminbi.

The Group and the Company do not have any other debtors and deposits that are past due but not impaired.

10. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES (TRADE AND NON-TRADE)

Company

Amounts due from subsidiary companies (trade)

The trade amounts due from subsidiary companies arose from the provision of management and consultation services by the Company to its subsidiary companies. These amounts are unsecured, interest-free and are repayable within the normal trade credit terms.

10. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES (TRADE AND NON-TRADE) (cont'd)

Amounts due from subsidiary companies that are impaired

For the financial year ended 30 September 2009, bad debts written off of $104,000 (2008: Nil) was recognised in the income statement by the Company, subsequent to a debt recovery assessment performed on amounts due from subsidiary companies as at balance sheet date.

Amounts due from subsidiary companies that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements. There are no balances that are collectively determined to be impaired.

Included in the Company's trade amounts due from subsidiary companies is an amount of $907,000 (2008: $2,001,000) denominated in Renminbi.

Amounts due from/(to) subsidiary companies (non-trade)

The non-trade amounts due from subsidiary companies arose mainly from loans to subsidiary companies. These amounts are unsecured, interest-free and are repayable on demand. Included in the Company's non-trade amounts due from subsidiary companies is an amount of $114,000 (2008: $42,000) denominated in Renminbi.

As at 30 September 2008, the non-trade amount due to a subsidiary company was unsecured, interest-free, repayable on demand, and was denominated in Renminbi. This amount arose from purchases made on behalf by a subsidiary company. This amount was fully repaid in 2009.

11. FIXED DEPOSITS, AND CASH AND BANK BALANCES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Fixed deposits	3,357	7,546	900	–
Cash and bank balances	11,468	6,303	5,455	567
	14,825	13,849	6,355	567

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 to 10 (2008: 1 to 12) months depending on the immediate cash requirements of the Group, and earn interest ranging from 0.10% to 1.34% (2008: 0.80% to 4.14%) per annum.

Fixed deposits, and cash and bank balances are held in the following currencies:

United States dollars	12	12	7	7
Renminbi	5,091	4,948	28	43
Singapore dollars	9,722	8,889	6,320	517
	14,825	13,849	6,355	567

Subsequent to the financial year-end, an amount of $5,000,000 was transferred from the bank balances to the fixed deposits account.

12. TRADE CREDITORS

Group

Included in the trade creditors of the Group is an amount of $665,000 (2008: $639,000) denominated in Renminbi.

Trade creditors are non-interest bearing and are normally settled on their normal trade terms of 30 days.

13. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Sundry creditors	413	333	223	238
Deferred income *	1,900	1,918	–	–
Accrued personnel expenses	651	463	169	76
Other accrued operating expenses	647	720	188	355
Deferred rental	28	28	–	–
	3,639	3,462	580	669

* Deferred income relates to the advances received from customers in respect of the stored value cards sold.

Included in the other creditors and accruals of the Group is an amount of $2,317,000 (2008: $2,370,000) denominated in Renminbi.

14. AMOUNTS DUE TO DIRECTORS

Group and Company

The amounts due to directors are unsecured, interest-free, repayable on demand, and are denominated in Singapore dollars.

15. FINANCE LEASE OBLIGATIONS (SECURED)

Group

In 2008, the Group conducted a portion of its operations from a leased motor vehicle. This lease was classified as a finance lease and expired over the next 4 years with an option to purchase at the end of the lease term. The average discount rate implicit in the lease was 5.60% per annum.

Future minimum lease payments under finance leases together with the present values of the net minimum lease payments were as follows:

	2009		2008	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
	$'000	$'000	$'000	$'000
Within 1 year	–	–	57	50
Within 2 to 5 years	–	–	133	117
Total minimum lease payments	–	–	190	167
Less: Amounts representing finance charges	–	–	(23)	–
Present value of minimum lease payments	–	–	167	167
Disclosed as:				
Current		–		50
Non-current		–		117
		–		167

The leased motor vehicle was disposed of during the financial year, and the Group had fully repaid the related finance lease obligation (Note 4). The Group and the Company did not undertake any finance lease obligations as at 30 September 2009.

16. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 30 September are:

	Group	
	2009	**2008**
	$'000	$'000
Income tax expense is made up of:		
On results for the financial year		
- Current income taxation	1,073	1,110
- Deferred income taxation	39	–
	1,112	1,110
(Over)/underprovision in respect of prior years:		
- Current income taxation	–	144
- Deferred income taxation	(29)	(153)
- Effect of change in tax rate	(7)	–
	(36)	(9)
Total	1,076	1,101

The reconciliation between the statutory tax expense to the Group's effective tax expense applicable to profit before taxation for the financial years ended 30 September is as follows:

	2009	2008
Profit before taxation	3,019	3,482
Statutory tax expense at the statutory tax rate of 17% (2008: 18%)	513	627
Adjustments for:		
Non-deductible expenses	172	184
Non-taxable income	(10)	(38)
Effect of change in tax rate	(16)	–
Differences in foreign tax rates	152	235
Withholding tax	354	269
Deferred tax assets not recognised	14	32
Double tax relief	(33)	(125)
Overprovision in respect of prior years	(29)	(9)
Tax rebate/exemption	(52)	(74)
Others	11	–
Effective tax expense	1,076	1,101

16. INCOME TAX EXPENSE (cont'd)

Deferred tax liabilities

	Group	
	2009	**2008**
	$'000	$'000
Deferred tax liabilities:		
Balance as at 1 October	128	274
Charge/(credit) during the financial year	10	(153)
Effect of change in tax rate	(7)	–
Translation differences	–	7
Balance as at 30 September	131	128
Deferred tax liabilities as at 30 September relate to the following:		
Deferred tax liabilities:		
Excess of net book values over tax written down values of property, plant and equipment	131	121
Translation differences	–	7
Net deferred tax liabilities	131	128
Deferred tax assets not recognised as at 30 September relate to the following:		
Unutilised tax losses	(97)	(88)

The Group did not recognise deferred tax assets approximating $97,000 (2008: $88,000), as the taxable profits from foreign subsidiary companies, which the deferred tax assets can be utilised, are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the companies operate.

As at 30 September 2009, the Group has unutilised tax losses carried forward from certain subsidiary companies of approximately $571,000 (2008: $489,000), available for offset against future taxable income. The potential deferred tax assets arising from these unutilised tax losses have not been recognised as taxable profits from the foreign subsidiary companies against which the deferred tax assets can be utilised is uncertain.

The corporate income tax rates applicable to Singapore companies of the Group were 17% and 18% respectively for the years of assessment 2010 and 2009.

17. SHARE CAPITAL

	Group and Company			
	2009		**2008**	
	No. of ordinary shares		**No. of ordinary shares**	
	'000	$'000	'000	$'000
Issued and fully paid-up:				
Balance as at 1 October and 30 September	207,749	14,953	207,749	14,593

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

18. RESERVE FUND

Group

In accordance with the Foreign Enterprise Law applicable to the subsidiary company in the People's Republic of China ("PRC"), the subsidiary company is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary company's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary company. The SRF is not available for dividend distribution to shareholders.

19. FOREIGN CURRENCY TRANSLATION RESERVE

Group

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

20. REVENUE

	Group	
	2009	**2008**
	$'000	$'000
Restaurant operations	30,283	35,676
Franchise and royalty fee income	840	777
	31,123	36,453

21. INTEREST INCOME

Interest income:		
Fixed deposits	86	142
Cash and bank balances	25	50
	111	192

22. EMPLOYEE BENEFITS EXPENSES

	Group	
	2009	2008
	$'000	$'000
Wages, salaries, bonuses and allowances *	(7,241)	(7,959)
Contributions to defined contribution plans	(401)	(452)
Other personnel costs	(691)	(764)
	(8,333)	(9,175)

* Includes directors' fees and remuneration as disclosed in Note 27 to the financial statements.

Personnel expenses for the Group are derived at after offsetting an amount of $181,000 (2008: Nil) relating to the Jobs Credit Scheme introduced on 22 January 2009 by the Singapore Government to encourage businesses to preserve jobs during the economic downturn.

23. FINANCE COSTS

Interest expense on finance lease obligations	(17)	(23)

24. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the following:

Impairment loss on doubtful debts (trade)	84	136
Bad debts written off (trade)	–	121
Property, plant and equipment written off	73	597
Loss/(gain) on disposal of property, plant and equipment	21	(82)
Consumables expenses	231	313
Cleaning expenses	150	177
Travelling expenses	128	117
Printing and stationery	62	83
Telephone charges	81	92
Water and electricity expenses	820	1,002
Operating lease expenses	3,374	3,835
Compensation received for the early termination of an operating lease	–	320
Loss on liquidation of a subsidiary company	–	10
Stocks written down to net realisable value	–	6

25. EARNINGS PER SHARE (BASIC AND DILUTED)

Group

Both basic and diluted earnings per share are calculated by dividing the Group's net profit attributable to equity holders of the Company of $1,943,000 (2008: $2,381,000) by the weighted average number of 207,748,700 (2008: 207,748,700) ordinary shares in issue during the year.

The basic and fully diluted earnings per share are the same as the Group did not have any dilutive potential ordinary shares outstanding as at 30 September 2009 and 2008.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

26. DIVIDENDS ON ORDINARY SHARES

	Group and Company	
	2009	**2008**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2009: 1.0 (2008: 1.0) cents per share	2,077	2,077
- Special exempt (one-tier) dividend for 2009: Nil (2008: 3.0) cents per share	–	6,233
	2,077	8,310
Proposed but not recognised as a liability as at 30 September:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2009: 0.7 (2008: 1.0) cents per share	1,454	2,077

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group had the following significant related party transactions, which took place on terms agreed between the parties for the financial years ended 30 September:

Compensation of key management personnel

	Group	
	2009	**2008**
	$'000	$'000
Directors' remuneration:		
Directors' fees	260	253
Directors' remuneration	1,371	1,410
Contribution to defined contribution plans	20	27
	1,651	1,690
Key executive officers' remuneration:		
Executive officers' remuneration	416	539
Contributions to defined contribution plans	42	48
	458	587
Remuneration paid to employees related to directors or substantial shareholders:		
Employees' remuneration	192	201
Contributions to defined contribution plans	22	25
	214	226

28. COMMITMENTS

(a) *Capital commitments*

As at 30 September 2008, the Group had capital commitments contracted for as at the balance sheet date but not recognised in the financial statements in respect of property, plant and equipment amounting to $53,000. This commitment was related to the renovation of a subsidiary company's restaurant outlet. The Group does not have any capital commitments contracted for as at 30 September 2009 but not recognised in the financial statements.

(b) *Operating lease commitments – as lessee*

The Group has various operating lease agreements for the rental of restaurants, staff quarters and warehouse premises. These leases have an average tenure ranging from 1 to 30 (2008: 1 to 30) years, with no renewal option included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

In 2008, in addition to minimum rentals, certain subsidiary companies in the People's Republic of China were committed to pay additional rental based on a certain percentage of sales achieved at each outlet. This would materialise if the outlet sales of the respective subsidiary companies exceeded a certain minimum threshold as stipulated in the rental agreements. In 2009, there are no such requirements as the terms of the relevant rental agreement have been revised.

Operating lease payments recognised in the consolidated income statement during the financial year, amounted to $3,374,000 (2008: $3,835,000) of which Nil (2008: $393,000) pertained to the contingent rents paid during the financial year.

28. COMMITMENTS (cont'd)

(b) Operating lease commitments – as lessee (cont'd)

Future minimum rentals under non-cancellable operating leases as at 30 September are as follows:

	Group	
	2009	**2008**
	$'000	$'000
Within 1 year	3,469	3,183
Within 2 to 5 years	4,577	6,506
More than 5 years	688	874
	8,734	10,563

29. SEGMENT INFORMATION

The Group's primary format for reporting segment information is business segments, with each segment representing a strategic business segment that offers different products/services.

Segment accounting policies are the same as the policies described in Note 2 to the financial statements. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Business segments

The Group is organised on a worldwide basis into two main operating business segments, namely:

- Restaurant operations, which mainly relate to operation of restaurant outlets; and
- Restaurant management services, which mainly relate to franchise services.

Segment assets consist primarily of property, plant and equipment, trade and other debtors, and stocks.

Segment liabilities comprise mainly trade creditors, and other creditors and accruals.

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

Allocation basis and transfer pricing

Transfer prices between business segments are set in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Inter-segment pricing is on an arm's length basis.

29. SEGMENT INFORMATION (cont'd)

	Restaurant operations $'000	Restaurant management services $'000	Eliminations $'000	Total $'000
2009				
Revenue:				
- external sales	30,283	840	–	31,123
- inter-segment sales	54	4,430	(4,484)	–
Total revenue	30,337	5,270	(4,484)	31,123
Results:				
Segment results	7,837	2,178	(4,404)	5,611
Unallocated expenses				(2,686)
Finance income				111
Finance costs				(17)
Profit before taxation				3,019
Income tax expense				(1,076)
Profit for the financial year				1,943
Attributable to:				
Equity holders of the parent company				1,943
Minority interests				–
				1,943
Assets and liabilities:				
Segment assets	8,884	104	–	8,988
Unallocated assets				14,826
Total assets				23,814
Segment liabilities	4,273	680	–	4,953
Unallocated liabilities				1,136
Total liabilities				6,089
Other segment information:				
Capital expenditure	1,345	–	–	1,345
Depreciation of property, plant and equipment	1,312	–	–	1,312
Impairment loss on doubtful debts (trade)	7	77	–	84
Loss on disposal of property, plant and equipment	21	–	–	21
Property, plant and equipment written off	73	–	–	73

29. **SEGMENT INFORMATION (cont'd)**

	Restaurant operations $'000	Restaurant management services $'000	Eliminations $'000	Total $'000
2008				
Revenue:				
- external sales	35,676	777	–	36,453
- inter-segment sales	45	5,876	(5,921)	–
Total revenue	35,721	6,653	(5,921)	36,453
Results:				
Segment results	8,831	2,646	(5,876)	5,601
Unallocated expenses				(2,288)
Finance income				192
Finance costs				(23)
Profit before taxation				3,482
Income tax expense				(1,101)
Profit for the financial year				2,381
Attributable to:				
Equity holders of the parent company				2,381
Minority interests				–
				2,381
Assets and liabilities:				
Segment assets	10,061	185	–	10,246
Unallocated assets				13,849
Total assets				24,095
Segment liabilities	4,060	685	–	4,745
Unallocated liabilities				1,463
Total liabilities				6,208
Other segment information:				
Capital expenditure	1,973	–	–	1,973
Depreciation of property, plant and equipment	1,286	–	–	1,286
Bad debts written off (trade)	121	–	–	121
Impairment loss on doubtful debts (trade)	2	134	–	136
Gain on disposal of property, plant and equipment	(82)	–	–	(82)
Property, plant and equipment written off	597	–	–	597
Stocks written down to net realisable value	6	–	–	6

29. SEGMENT INFORMATION (cont'd)

Geographical segments

Turnover is based on the location of customers. Assets and additions to property, plant and equipment are allocated based on the location of those assets.

	Turnover		Carrying amounts of segment assets		Capital expenditure	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	14,979	18,252	15,458	15,285	802	1,244
People's Republic of China	15,764	17,966	8,356	8,810	543	729
Others	380	235	–	–	–	–
	31,123	36,453	23,814	24,095	1,345	1,973

30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial instruments comprise fixed deposits, and cash and bank balances. The main purpose of these financial instruments is to finance the Group's operations. The Group has other financial assets and liabilities, such as trade and other debtors, and trade and other creditors, which arise directly from its operations.

Exposures to credit risk, foreign currency risk, interest rate risk, and liquidity risk arise in the normal course of the Group's operations. The Group's overall strategies, tolerance of risks, and general risk management philosophy are determined by the Board in accordance with prevailing economic and operating conditions.

Credit risk

The carrying amounts of trade and other debtors, fixed deposits, and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all parties who wish to trade on credit terms are subject to credit verification procedures. In addition, debtors balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at 30 September 2009, approximately 47% (2008: 52%) of trade debtors relates to 5 (2008: 5) debtors.

30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (cont'd)

Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business sector profile of its trade debtors on an ongoing basis. The credit risk concentration profile of the Group's trade debtors at the balance sheet date is as follows:

	Group			
	2009		2008	
	$'000	% of total	$'000	% of total
By country:				
Singapore	122	38	320	54
People's Republic of China	201	62	269	46
	323	100	589	100
By business sectors:				
Restaurant operations	253	78	334	57
Restaurant management services	70	22	255	43
	323	100	589	100

Financial assets that are neither past due nor impaired

Trade and other debtors that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 8 and 10 to the financial statements.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from Renminbi.

The Group does not have any formal policy on managing its foreign exchange risk. However, management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arises. It is the policy of the Group not to trade in any foreign exchange forward contracts.

The Group maintains a natural hedge, wherever possible, by matching the foreign currency assets against its liabilities. However, the Group continues to be exposed to foreign currency risks relating to any immaterial amounts.

Foreign exchange exposures in transactional currencies, other than functional currencies of the operating entities, are kept to an acceptable level. In relation to its overseas investment in its foreign subsidiary companies whose net assets are exposed to currency translation risk and which are held for long-term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

As a result, the Group has maintained its foreign currency risk exposure to be minimal.

30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing fixed deposits.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, on the Group's profit net of taxation:

		Group	
		Increase/ (decrease) in basis points	**Effect on profit net of taxation**
			$'000
2009	Singapore dollars	50	48
	Renminbi	50	30
	Singapore dollars	(50)	(48)
	Renminbi	(50)	(30)
2008	Singapore dollars	50	43
	Renminbi	50	25
	Singapore dollars	(50)	(43)
	Renminbi	(50)	(25)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is that not more than 30% (2008: 30%) of finance lease obligations should mature in the next 1 year, and that to maintain sufficient liquid financial assets. At the balance sheet date, approximately Nil (2008: 30%) of the Group's finance lease obligations (Note 15) will mature in less than 1 year based on the carrying amount reflected in the financial statements.

30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments:

	2009		2008		
	Within 1 year	Total	Within 1 year	Within 2 to 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Trade creditors	1,314	1,314	1,283	–	1,283
Other creditors and accruals	3,611	3,611	3,434	–	3,434
Finance lease obligations	–	–	50	117	167
Amounts due to directors	356	356	514	–	514
	5,281	5,281	5,281	117	5,398
Company					
Other creditors and accruals	580	580	669	–	669
Amounts due to subsidiary companies	–	–	136	–	136
Amounts due to directors	356	356	514	–	514
	936	936	1,319	–	1,319

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value:

Investment in unquoted equity shares

Fair value information has not been disclosed for the Group's investment in unquoted equity shares that is carried at cost because fair value cannot be measured reliably. These unquoted equity shares represent ordinary shares in a company that is not quoted on any market and do not have any comparable industry peer that is listed. The Group does not intend to dispose of this investment in the foreseeable future.

Trade debtors, amounts due from subsidiary companies (trade), and trade creditors

The carrying amounts of these balances approximate their fair values because these are subject to normal trade credit terms.

Other debtors and deposits, other creditors and accruals, amounts due from/(to) subsidiary companies (non-trade), and amounts due to directors

The carrying amounts of these balances approximate their fair values due to their short-term nature.

Fixed deposits, and cash and bank balances

The carrying amounts of these balances approximate their fair values due to their short-term and liquid nature.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 September 2009 and 2008.

As disclosed in Note 18, a subsidiary company of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary company for the financial years ended 30 September 2009 and 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 35% (2008: 20% to 35%). The Group includes within net debt, finance lease obligations, and trade and other creditors. Total capital includes equity attributable to the equity holders of the parent less the abovementioned restricted reserve fund.

	Group	
	2009	**2008**
	$'000	$'000
Total capital	16,978	17,150
Net debt	4,953	4,912
Gearing ratio	29%	29%

33. COMPARATIVE INFORMATION

The following comparative figures have been reclassified to conform with the current year's presentation to better reflect the nature of the transactions:

	Group	
	2009	**2008**
	$'000	$'000
	(Restated)	
Revenue	36,453	37,174
Other expenses	(8,867)	(9,588)

34. SUBSEQUENT EVENT

On 22 November 2009, a wholly-owned subsidiary company, Thai Village Overseas Ventures Pte Ltd, entered into an agreement with an external party, Beijing Lu Xin Tai Catering Services Co. Ltd, to dispose of its entire equity interest in its wholly-owned subsidiary company, Thai Village Sharksfin Restaurant (Beijing) Co., Ltd for a cash consideration of RMB620,000 (approximately S$134,000).

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 September 2009 were authorised for issue in accordance with a resolution of the directors on 24 November 2009.

Thai Village Holdings Ltd (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**"). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company (the "**Shareholders**"). This Report describes the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance 2005 (the "**Code**"). For ease of reference, specific reference is made to the Principles and Guidelines of the Code.

1. BOARD OF DIRECTORS (THE "BOARD")

1.1 The Board's conduct of its affairs

Principle 1: Effective Board to lead and control the Company

Principle 2: Strong and independent element on the Board

The Board comprises six directors, three of whom are executive directors, and three are non-executive directors, two of whom are independent. The executive directors are Messrs. Lee Tong Soon, Lee Tong Kuon and Kok Nyong Patt. The non-executive directors are Dr John Chen Seow Phun and Mr Chow Kok Kee, both of whom are independent, and Mrs Julia Chen-Kwok Yung Chu. A brief profile of each Director is set out on page 8 and 9 of this Annual Report.

The Board's principal functions include, among others, supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction.

Matters which are specifically reserved for the approval of the Board include, amongst others, any material acquisitions and disposals of assets and major undertakings (other than in the ordinary course of business).

Certain functions have been delegated to various board committees, namely, the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**").

In financial year 2009 ("FY2009"), the Board conducted two meetings. In addition to physical meetings, the Company's Articles of Association (the "**Articles**") also provide for Board meetings to be conducted by way of tele-conferencing, provided that the requisite quorum of at least two directors is present.

The number of Board and various board committees meetings held in FY2009 and the attendance of each Board member at those meetings are as follows:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lee Tong Soon (1)	2	2	2	2	1	1	1	1 (3)
Lee Tong Kuon	2	2	–	–	–	–	–	–
Kok Nyong Patt	2	1	–	–	–	–	–	–
Chen Seow Phun, John	2	2	2	2	1	1	1	1
Chow Kok Kee	2	2	2	2	1	1	1	1
Julia Chen-Kwok Yung Chu (2)	2	2	2	2	1	1 (3)	1	1 (3)

(1) Mr Lee Tong Soon has stepped down as a member of the Audit Committee and the Nominating Committee with effect from 20 November 2008 and 24 November 2009 respectively.

(2) Mrs Julia Chen-Kwok Yung Chu has been appointed as a member of the Audit Committee on 20 November 2008. She has also been appointed as member of the Nominating Committee and the Remuneration Committee on 24 November 2009.

(3) Attended the meeting as an invitee.

1. BOARD OF DIRECTORS (THE "BOARD") (cont'd)

New directors, upon appointment, are briefed on the business and organisational structure of the Group. There are update sessions to inform the directors on new legislation and/or regulations which are relevant to the Group.

1.2 Role of the Chairman and Chief Executive Officer ("CEO")

Principle 3: Clear division of responsibilities at the top of the Company

Mr Lee Tong Soon ("Mr Lee") is currently the chairman of the Board (the "**Chairman**") and the managing director of the Company (the "**Managing Director**").

As the Chairman, Mr Lee is responsible for, among others, exercising control over quality, quantity and timeliness of the flow of information between the management of the Company (the "**Management**") and the Board, and assisting in ensuring compliance with the Company's guidelines on corporate governance.

The Board has not adopted the recommendation of the Code as specified in Guideline 3.1 that the Chairman and the Managing Director should be separate persons. This is because the Board is of the view that there is already a sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group by members of the Board, taking into account factors such as the number of non-executive and independent directors on the Board, as well as the size and scope of the affairs and operations of the Group.

In addition, as recommended by the Code, the Board had appointed independent and non-executive director, Dr John Chen Seow Phun as the lead independent director (the "**Lead Independent Director**"). Shareholders and employees of the Company with concerns which contact through the normal channels of the Chairman and Managing Director or the Management has failed to resolve or for which such contact is inappropriate may contact Dr John Chen care of the following email address:

Dr John Chen Seow Phun
Email: john_chen@thaivillagerestaurant.com.sg

1.3 Access to information

Principle 6: Complete, adequate and timely access to information

For FY2009, Management provided the members of the Board with management accounts on a half-yearly basis, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting before the scheduled meeting.

The Board (whether individually and as a group) has, in the furtherance of its duties, access to independent professional advice, if necessary, at the Company's expense.

In FY2009, the company secretaries attended two AC meetings and two Board meetings. The company secretaries assist the Board to ensure that the Board procedures and the rules and regulations relating thereto are complied with.

2. NOMINATING COMMITTEE ("NC")

2.1 Board Membership

Principle 4: Formal and transparent process for the appointment of new directors to the Board.

The NC was set up on 30 September 2002. The NC comprises the following three directors, two of whom (including the chairman of the NC) are independent and non-executive.

Dr John Chen Seow Phun (Chairman)
Chow Kok Kee
Julia Chen-Kwok Yung Chu

2. NOMINATING COMMITTEE ("NC") (cont'd)

2.1 Board Membership (cont'd)

Principle 4: Formal and transparent process for the appointment of new directors to the Board. (cont'd)

The NC has adopted specific written terms of reference. According to the terms of reference of the NC, the members of the NC are responsible for, among others, the appointment and re-nomination of directors having regard to their independence, qualifications, performance and contributions. The NC reviews and assesses candidates for directorships before making recommendations to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities, the current composition and size of the Board, and strives to ensure that the Board, as a whole, possesses the core competencies required by the Code. In view of the foregoing, the Board is of the view that there are adequate processes for the appointment of new directors.

The NC adopted the Code's definition on what constitutes an independent director under guidance note 2.1 (a) to (d) of the Code.

For FY2009, the NC is of the view that:

(a) Majority of the NC members are independent (as defined in the Code) and able to exercise objective judgement on corporate affairs of the Group independently from Management;

(b) there is no individual or small group of individuals on the Board who dominate the Board's decision making process;

(c) the Board as a whole, possesses core competencies required for the effective conduct of the affairs and operations of the Group; and

The Code recommends that all directors should be required to submit themselves for re-nomination and re-election at regular intervals. In this regard, the Articles provide as follows:

Article 107 provides that one-third of the directors for the time being (other than the Managing Director), or if the number is not three or a multiple of three, the number nearest one-third, shall retire from office, provided always that all directors (other than the Managing Director) shall retire from office at least once every three years.

Article 109 provides that a retiring director shall be eligible for re-election at the meeting at which he retires.

Article 117 provides that any director appointed during the financial year, shall hold such office until the next annual general meeting of the Company and shall be eligible for re-election at such annual general meeting.

2.2 Board Performance

Principle 5: Formal assessment of the effectiveness of the Board and contribution by each director

As stated above, one of the terms of reference of the NC is to review and evaluate the performance of each director and the Board as a whole for each financial year.

The review parameters for evaluating each director include, among others, the following:

(a) attendance at board/committee meetings;

(b) participation at meetings;

(c) involvement in management; and

(d) availability for consultation and advice, when required.

2. NOMINATING COMMITTEE ("NC") (cont'd)

2.2 Board Performance (cont'd)

Principle 5: Formal assessment of the effectiveness of the Board and contribution by each director (cont'd)

The Board is of the view that the performance of the Company's share price alone does not necessarily give a good indication of the performance of the Company and hence the performance of the Board as a whole. Instead, the Board has identified the Group's turnover and profit before tax to be a better performance criteria to assess the performance of the Board.

Presently, none of the executive directors of the Company hold any directorships in other listed companies. Although the non-executive directors hold board representations in companies (including listed companies) which are not within the Group, the Board is of the view that such multiple board representations of the non-executive directors do not hinder their ability to carry out their duties as directors of the Company. Further, the Board is also of the view that such multiple board representations of the non-executive directors benefit the Group, as the non-executive directors are able to bring with them the experience and knowledge obtained from such board representations in other companies.

Key information regarding the directors of the Company are as follows:

Name of Director	Lee Tong Soon
Shareholding in the Company (as at 8 December 2009)	23,528,226 Shares (as set out on page 69 of the AR) Mr Lee Tong Soon is also deemed interested in 12,500 Shares held by his spouse.
Board Committees Served	Audit Committee (Member) – Cessation date: 20 November 2008 Nominating Committee (Member) – Cessation date: 24 November 2009
Date of first appointment as director	15 November 1999
Date of last re-election as director	Not Applicable. Mr Lee Tong Soon is the Managing Director of the Company since incorporation. As such, he is not subject to re-election according to Article 107 as set out above.
Present Directorships in other listed companies	Nil
Past Directorships in other listed companies (within the last 3 years)	Nil

Name of Director	Lee Tong Kuon
Shareholding in the Company (as at 8 December 2009)	22,252,725 (as set out on page 69 of the AR) Mr Lee Tong Kuon is also deemed interested in 247,500 Shares held by his son.
Board Committees Served	None
Date of first appointment as director	15 November 1999
Date of last re-election as director	21 January 2009
Present Directorships in other listed companies	Nil
Past Directorships in other listed companies (within the last 3 years)	Nil

2. NOMINATING COMMITTEE ("NC") (cont'd)

2.2 Board Performance (cont'd)

Principle 5: Formal assessment of the effectiveness of the Board and contribution by each director (cont'd)

Name of Director	Kok Nyong Patt
Shareholding in the Company (as at 8 December 2009)	22,815,225 Shares (as set out on page 69 of the AR) Mr Kok Nyong Patt is also deemed interested in 12,500 Shares held by his spouse.
Board Committees Served	Nil
Date of first appointment as director	15 November 1999
Date of last re-election as director	Up for re-election at the AGM on 20 January 2010
Present Directorships in other listed companies	Nil
Past Directorships in other listed companies (within the last 3 years)	Nil

Name of Director	John Chen Seow Phun
Shareholding in the Company (as at 8 December 2009)	Dr John Chen Seow Phun is deemed interested in 62,500 Shares held by his spouse.
Board Committees Served	Audit Committee (Chairman) Nominating Committee (Chairman) Remuneration Committee (Member)
Date of first appointment as director	13 December 2001
Date of last re-election as director	Up for re-election at the AGM on 20 January 2010
Present Directorships in other listed companies	Hiap Seng Engineering Ltd OKP Holdings Ltd Hongguo International Holdings Limited PSC Corporation Ltd Matex International Limited HLH Group Limited Tat Seng Packaging Group Ltd Fu Yu Corporation Limited
Past Directorships in other listed companies (within the last 3 years)	SNF Corporation Ltd (now known as Adventus Holdings Ltd)

2. NOMINATING COMMITTEE ("NC") (cont'd)

2.2 Board Performance (cont'd)

Principle 5: Formal assessment of the effectiveness of the Board and contribution by each director **(cont'd)**

Name of Director	Chow Kok Kee
Shareholding in the Company (as at 8 December 2009)	Nil
Board Committees Served	Remuneration Committee (Chairman) Audit Committee (Member) Nominating Committee (Member)
Date of first appointment as director	18 March 2002
Date of last re-election as director	29 January 2008
Present Directorships in other listed companies	Chosen Holdings Ltd Innovalues Precision Ltd Meiban Group Ltd Tuan Sing Holdings Ltd Valuetronics Holdings Ltd MobileOne Ltd
Past Directorships in other listed companies (within the last 3 years)	ChinaCast Communication Holdings Ltd Sing Lun Holdings Ltd

Name of Director	Julia Chen-Kwok Yung Chu
Shareholding in the Company (as at 8 December 2009)	55,000 Shares
Board Committees Served	- Appointed as a member of the Audit Committee on 20 November 2008 - Appointed as a member of the Nominating Committee and the Remuneration Committee on 24 November 2009
Date of first appointment as director	1 December 2007
Date of last re-election as director	29 January 2008
Present Directorships in other listed companies	Nil
Past Directorships in other listed companies (within the last 3 years)	Nil

3. AUDIT COMMITTEE ("AC")

3.1 Audit Committee

Principle 11: Establishment of AC with written terms of reference

The AC comprises three members, two of whom (including the chairman of the AC) are independent and all are non-executive directors, namely Dr John Chen Seow Phun, Mr Chow Kok Kee, and Mrs Julia Chen-Kwok Yung Chu. The chairman of the AC is Dr John Chen.

The Code recommends in Guideline 11.1 that all members of the AC should be non-executive, the majority of whom, including the chairman of the AC, should be independent.

3. AUDIT COMMITTEE ("AC") (cont'd)

3.1 Audit Committee (cont'd)

Principle 11: Establishment of AC with written terms of reference (cont'd)

The AC performs the functions specified by the Companies Act, the Listing Manual and the Code and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC has adopted written terms of reference. According to the written terms of reference, the AC has the authority to undertake such reviews and projects as it may consider appropriate in the discharge of its duties. The AC has full access to and the co-operation of the Management. The AC may invite any director or executive officer to attend its meetings and has reasonable resources to enable it to perform its functions.

In FY2009, the AC met twice. Details of the members' attendance at AC meetings in FY2009 are provided in Section 1.1 of this Report.

The AC performed the following functions in FY2009:

(a) External Auditors

The Company's external auditors, Ernst & Young, carried out, as part of their statutory audit, a review of the effectiveness of the Company's internal controls, including financial, operational and compliance controls, risks management and interested person transactions (as defined in the Listing Manual) on an annual basis. Any material non-compliance, internal control weaknesses and interested person transactions are reported by the external auditors to the AC on a half-yearly basis.

For FY2009, the AC reviewed together with the external auditors:

(i) the audit plan (including, among others, the nature and scope of the audit before the audit commenced and the risk management issues of the Group);

(ii) their evaluation of the system of internal controls (including, among others, financial, operational and compliance controls);

(iii) their audit report;

(iv) the assistance given to them by the Company's officers;

(v) the consolidated balance sheet and income statement of the Company; and

(vi) the interested person transactions of the Group.

The external auditors did not provide any non-audit services to the Group in FY2009.

The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors and give its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors.

The AC has met up with the external auditors without the presence of Management in FY2009.

The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting, or other matters whereby any reports are directed to the Chairman of the AC and the AC will be informed immediately of any whistle-blowing reports received.

3. AUDIT COMMITTEE ("AC") (cont'd)

3.1 Audit Committee (cont'd)

Principle 11: Establishment of AC with written terms of reference (cont'd)

(b) Review of financial statements

For FY2009, the AC reviewed the half-yearly and full year financial statements of the Company and the Group, including announcements relating thereto, to Shareholders and the SGX-ST.

(c) Review of related party transactions

The AC has reviewed related party transactions of the Group for FY2009 and reported its findings to the Board. Please refer to page 49 of the annual report for further details on the related party transactions of the Group for FY2009.

3.2 Internal Controls

Principle 12: Sound system of internal controls.

The AC is responsible for reviewing the adequacy of the Company's internal controls. Based on its review of internal controls, the AC is of the view that there are adequate internal controls in place.

3.3 Internal Audit

Principle 13: Setting up an independent internal audit function

In FY2009, the Company appointed Nexia TS Pte Ltd ("**Nexia TS**"), an external consultant, to conduct an internal audit of the Company so as to provide a comprehensive analysis of the business processes and the risks related to each process. Based on Nexia TS's internal audit report which was presented to and discussed with the AC, the Board is satisfied that the system of internal controls in place is in operation and is adequate and effective for the purpose for which it is designed.

Nexia TS meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

4. REMUNERATION COMMITTEE ("RC")

4.1 Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors.

The RC comprises three members, two of whom (including the chairman of the RC) are independent and all are non-executive directors, namely Mr Chow Kok Kee ("Mr Chow"), Dr John Chen Seow Phun and Mrs Julia Chen-Kwok Yung Chu. The chairman of the RC is Mr Chow. The RC has adopted written terms of reference.

The chairman of the RC, Mr Chow, has human resource experience and is knowledgeable in the field of executive compensation.

According to the terms of reference of the RC, the functions of the RC include, among others, the setting up and implementation of formal and transparent processes by which the remuneration packages of all the executive directors (in the form of service agreements) and at least the top five executives (in terms of aggregate remuneration and not being directors) are formulated and approved.

No director or member of the RC shall be involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

4. REMUNERATION COMMITTEE ("RC") (cont'd)

4.2 Level and Mix of Remuneration

Principle 8: Remuneration of directors should be adequate and not excessive.

According to the respective service agreements of the executive directors:

(a) the term of service is for a period of two years commencing 1 April 2009 and is subject to review thereafter;

(b) the remuneration include, among others, a fixed salary and a variable performance bonus, which is designed to align the executive directors' interests with that of the Shareholders; and

(c) there are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive director.

The independent and non-executive directors do not have any service agreements with the Company. Save for directors' fees, which have to be approved by the Shareholders at every annual general meeting ("**AGM**"), the independent and non-executive directors do not receive any remuneration from the Company.

The Company currently does not have any employee share option schemes.

4.3 Disclosure on Remuneration

Principle 9: Disclosure of remuneration policy, level and mix of remuneration and procedure for setting remuneration.

A breakdown of the level and mix of remuneration paid to each director in remuneration bands of S$250,000 for FY2009 are as follows:

Name	Below S$250,000		Between S$250,000 and S$499,999		Between S$500,000 and S$750,000	
		%		%		%
Lee Tong Soon	Salary	–	Salary	–	Salary	56
	Fees *	–	Fees *	–	Fees *	7
	Bonus	–	Bonus	–	Bonus	17
	Other benefits	–	Other benefits	–	Other benefits	20
Lee Tong Kuon	Salary	–	Salary	56	Salary	–
	Fees *	–	Fees *	8	Fees *	–
	Bonus	–	Bonus	18	Bonus	–
	Other benefits	–	Other benefits	18	Other benefits	–
Kok Nyong Patt	Salary	–	Salary	–	Salary	54
	Fees *	–	Fees *	–	Fees *	8
	Bonus	–	Bonus	–	Bonus	15
	Other benefits	–	Other benefits	–	Other benefits	23
John Chen Seow Phun	Salary	–	Salary	–	Salary	–
	Fees *	100	Fees *	–	Fees *	–
	Bonus	–	Bonus	–	Bonus	–
	Other benefits	–	Other benefits	–	Other benefits	–

* Fees are subject to the approval of the shareholders at the AGM for FY2009.

4. REMUNERATION COMMITTEE ("RC") (cont'd)

4.3 Disclosure on Remuneration (cont'd)

Principle 9: Disclosure of remuneration policy, level and mix of remuneration and procedure for setting remuneration. **(cont'd)**

Name	Below S$250,000		Between S$250,000 and S$499,999		Between S$500,000 and S$750,000	
		%		%		%
Chow Kok Kee	Salary	–	Salary	–	Salary	–
	Fees *	100	Fees *	–	Fees *	–
	Bonus	–	Bonus	–	Bonus	–
	Other benefits	–	Other benefits	–	Other benefits	–
Julia Chen-Kwok Yung Chu	Salary	–	Salary	–	Salary	–
	Fees *	100	Fees *	–	Fees *	–
	Bonus	–	Bonus	–	Bonus	–
	Other benefits	–	Other benefits	–	Other benefits	–

* Fees are subject to the approval of the shareholders at the AGM for FY2009.

For FY2009, the remuneration paid to each of the top five key executives (in terms of salary and who are not directors of the Company) was less than S$250,000. A breakdown of the level and mix of remuneration of these top five key executives is as follows:

Name	Breakdown	
		%
Chiang Kian Ngee	Salary	93
	Bonus	2
	Other benefits	5
Oh Kok Thai	Salary	88
	Bonus	3
	Other benefits	9
Hau Ee Boon	Salary	93
	Bonus	3
	Other benefits	4
Hau Ee Beng	Salary	92
	Bonus	2
	Other benefits	6
Venetia Yong Chin Ching	Salary	89
	Bonus	3
	Other benefits	8

None of these employees of the Company are related to directors of the Company and none of their remuneration exceeds S$150,000 for FY2009.

The Board has not included a separate annual remuneration report in its annual report for FY2009 (as suggested by guidance note 9.1 of the Code) as the Board is of the view that the matters which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Report and in the financial statements of the Company.

5. COMMUNICATIONS WITH THE SHAREHOLDERS

5.1 Accountability

Principle 10: The Board should present a balanced and understandable assessment of Company's performance, position and prospects.

The financial results of the Company will be published via SGXNET on a half yearly basis. The Company may also, on an ad hoc basis, hold media and analysts briefings and publish press releases of its financial results.

5.2 Communications with Shareholders

Principle 14: Regular, effective and fair communication with Shareholders.

The Board is mindful of the obligation to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST.

All Shareholders receive the annual report and the notice of AGM (the "**Notice of AGM**"). The Notice of AGM is advertised in the newspapers and published via SGXNET.

5.3 Greater Shareholder Participation

Principle 15: Greater Shareholder participation at AGM

The Board welcomes the views of Shareholders on matters affecting the Company, whether at Shareholders' meetings or on an ad hoc basis. At AGMs, Shareholders are given the opportunity to air their views and to ask the directors and Management questions regarding the Group.

6. DEALINGS IN SECURITIES

The Company has adopted the SGX-ST Best Practices Guide applicable in relation to dealings in the Company's securities by its officers. The Company has informed its officers not to deal in the Company's shares whilst they are in possession of unpublished material price sensitive information and during the period commencing one month before the announcement of the Company's financial results and ending on the date of the announcement of such financial results.

7. MATERIAL CONTRACTS

No Material contracts to which the Company or any subsidiary company is a party and which involve the chief executive officer, directors and controlling shareholders' interests subsisted at the end of the financial year, or have been entered into since the end of the previous year.

Lee Tong Soon
Chairman and Managing Director

Statistics of Shareholdings

as at 8 December 2009

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	94	4.20	38,077	0.02
1,000 – 10,000	797	35.63	3,171,590	1.52
10,001 – 1,000,000	1,327	59.32	92,340,738	44.45
1,000,001 and above	19	0.85	112,198,295	54.01
TOTAL	2,237	100.00	207,748,700	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Lee Tong Soon	23,528,226	11.33
2.	Kok Nyong Patt	22,815,225	10.98
3.	Lee Tong Kuon	22,252,725	10.71
4.	Teo Kiang Ang	11,792,000	5.68
5.	Yeo Seng Buck	4,500,000	2.17
6.	Chua Yew Chye	3,600,000	1.73
7.	United Overseas Bank Nominees Pte Ltd	3,338,000	1.61
8.	DBS Vickers Securities (S) Pte Ltd	3,110,000	1.50
9.	OCBC Securities Private Ltd	2,103,450	1.01
10.	UOB Kay Hian Pte Ltd	2,013,750	0.97
11.	Gan Suat Lui	2,000,000	0.96
12.	Ang Yu Seng	1,979,000	0.95
13.	Kim Eng Securities Pte. Ltd.	1,859,229	0.89
14.	DBS Nominees Pte Ltd	1,625,250	0.78
15.	HL Bank Nominees (S) Pte Ltd	1,334,250	0.64
16.	CIMB Bank Nominees (S) Sdn Bhd	1,224,000	0.59
17.	Zou Xunbin	1,072,000	0.52
18.	Teo Lea Ken	1,031,000	0.50
19.	Phillip Securities Pte Ltd	1,020,190	0.49
20.	Chua Yue Peng	1,000,000	0.48
TOTAL		113,198,295	54.49

SHAREHOLDING INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS AS AT 8 DECEMBER 2009

Name	No of Shares in which the Substantial Shareholder has a direct interest	%	No of Shares in which the Substantial Shareholder is deemed to have an interest	%	No. of Shares/ Total Interest
Lee Tong Soon[1]	23,528,226	11.33	12,500	0.01	23,540,726
Lee Tong Kuon[2]	22,252,725	10.71	247,500	0.12	22,500,225
Kok Nyong Patt[3]	22,815,225	10.98	12,500	0.01	22,827,725
Teo Kiang Ang	11,792,000	5.68	–	–	11,792,000

(1) Mr Lee Tong Soon and Mr Lee Tong Kuon are brothers. Mr Lee Tong Soon is deemed to be interested in the Shares held by his spouse.

(2) Mr Lee Tong Kuon is deemed to be interested in the Shares held by his son.

(3) Mr Kok Nyong Patt is deemed to be interested in the Shares held by his spouse.

RULES 723 OF THE SGX LISTING MANUAL – FREE FLOAT

As at 8 December 2009, approximately 61.12% of the issued share capital of the Company was held in the hands of public as defined in the SGX-ST Listing Manual. The Company confirms that Rule 723 of the Listing Manual is complied with.

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Thai Village Holdings Ltd will be held at Thai Village Sharksfin Restaurant, 5 Stadium Walk, #01-50 Leisure Park Kallang, Singapore 397693 on Wednesday 20 January 2010 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 30 September 2009 together with the Directors' Report and Auditors' Report thereon

Resolution 1

2. To approve Directors' fees of S$260,000 for the financial year ending 30 September 2010, with payment to be made in arrears. (2009: S$260,000)

Resolution 2

3. To approve the payment of a final dividend of S$0.007 per ordinary share (tax exempt one-tier) for the financial year ended 30 September 2009 as recommended by the Directors. (2008: S$0.01)

Resolution 3

4. To re-elect Mr Kok Nyong Patt who retires pursuant to Article 107 of the Company's Articles of Association.

Resolution 4

5. To re-elect Dr John Chen Seow Phun who retires pursuant to Article 107 of the Company's Articles of Association.

Resolution 5

6. To re-appoint Messrs Ernst & Young LLP, Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 6

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

7. THAT the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 to allot and issue shares and convertible securities of the Company on such terms and conditions and for such purposes and to such persons and with such rights or restrictions as the Directors may in their absolute discretion deem fit PROVIDED ALWAYS THAT the aggregate number of shares and convertible securities to be issued pursuant to this resolution shall not exceed fifty per cent (50%) of the total issued share capital (excluding treasury shares) of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total issued share capital (excluding treasury shares) of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. For the purposes of this resolution, the percentage of the total issued share capital (excluding treasury shares) shall be based on the Company's total issued share capital (excluding treasury shares) at the time of the passing of this resolution after adjusting for:

   (a) new shares arising from the conversion or exercise of convertible securities or from exercising employee share options or vesting of shares awards outstanding or subsisting at the time of the passing of this resolution, provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

   (b) any subsequent bonus issue, consolidation or subdivision of shares

Resolution 7

8. THAT:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the ”Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) market purchase(s) transacted on the SGX-ST through the SGX-ST’s Quest-ST trading system and/or any other stock exchange on which the Shares may for the time being be listed and quoted (“Other Exchange”) through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(b) off-market purchase(s) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);

(2) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(a) the date on which the next Annual General Meeting of the Company is held or is required by law to be held; or

(b) the date on which the Share Buyback is carried out to the full extent mandated.

(3) in this Resolution:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of the market purchase by the Company and deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an off-market purchase, stating the purchase price (which shall not be more than the Maximum Price of the Shares calculated on the foregoing basis) for each Share, and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase;

“Maximum Limit” means that number of issued Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares; and

"Share" means an ordinary share in the capital of the Company; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

Resolution 8

9. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Susan Kong Yim Pui
Goh Chui-Ling Marilyn
Company Secretaries

Singapore
5 January 2010

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 10 February 2010 for the purpose of determining Members' entitlements to a final dividend of S$0.007 per ordinary share (tax exempt one-tier) (the "**Proposed Final Dividend**") to be proposed at the Annual General Meeting to be held on 20 January 2010 (the "**AGM**").

Duly completed registrable transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on 9 February 2010 by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483 will be registered to determine members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 9 February 2010 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by members at the AGM, will be paid on 25 February 2010.

Notes:

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the Company's registered office at Blk 1002 Tai Seng Avenue #01-2536, Singapore 534409 not less than 48 hours before the time of the Meeting.

(ii) Dr John Chen Seow Phun will, upon re-election as a Director of the Company, continue as Chairman of the Audit Committee and the Nominating Committee, and a member of the Remuneration Committee and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(iii) Resolution 7, if passed, will empower the Directors of the Company from the date of the Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to a maximum of fifty (50) percent of the total issued share capital (excluding treasury shares) of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

(iv) Resolution 8, if passed, will authorise the Company to adopt the Share Buyback Mandate and empower the Directors of the Company to exercise all powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company pursuant to the terms of the Share Buyback Mandate.

This authority will continue in force until the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting.

Proxy Form

THAI VILLAGE HOLDINGS LTD

(Incorporated in the Republic of Singapore)
Company Registration Number. 199905141N

1. For investors who have used their CPF monies to buy shares in the capital of THAI VILLAGE HOLDINGS LTD, this report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We____

of ____

being a member/members of the above-mentioned Company, hereby appoint:

NAME	ADDRESS	NRIC/ PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Thai Village Sharksfin Restaurant, 5 Stadium Walk, #01-50 Leisure Park Kallang, Singapore 397693 on Wednesday 20 January 2010 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy to vote for or against the resolutions to be proposed at the Meeting as hereunder indicated.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	Ordinary Business		
1.	To adopt the Audited Accounts, Directors' Report and Auditors' Report.		
2.	To approve the Directors' Fees for the financial year ending 30 September 2010, with payment to be made in arrears.		
3.	To approve the payment of a final (tax exempt one-tier) dividend of S$0.007 per ordinary share.		
4.	To re-elect Mr Kok Nyong Patt as a Director under Article 107.		
5.	To re-elect Dr John Chen Seow Phun as a Director under Article 107.		
6.	To re-appoint Messrs Ernst & Young as Auditors and authorise Directors to fix their remuneration.		
	Special Business		
7.	To authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
8.	To adopt the Share Buyback Mandate and to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company pursuant to the terms of the Share Buyback Mandate.		

Dated this ___________ day of ________________________________ 2010.

TOTAL NO. OF SHARES HELD

____
Signature(s) of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to the Proxy Form

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

3. Where a member appoints two proxies, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. The instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the registered office of the Company at Blk 1002 Tai Seng Avenue #01-2536, Singapore 534409 not less than 48 hours before the time appointed for the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix Stamp Here

The Company Secretary

THAI VILLAGE HOLDINGS LTD

Block 1002, Tai Seng Avenue #01-2536,
Singapore 534409

Fold along this line

THAI VILLAGE HOLDINGS LTD
Company Registration No. 199905141N
Block 1002 Tai Seng Avenue
#01-2536
Singapore 534409
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