泰國村控股有限公司
THAI VILLAGE

Thai Village Holdings LTD
Annual Report 2010

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THAI VILLAGE HOLDINGS LTD

Self-Managed Restaurants

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Franchise Restaurants

CHINA

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VIETNAM

Ho Chi Minh City
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Experience Thai Village

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

Chairman's Message

"keeping the Thai Village Tradition of Goodness"

Dear Shareholders,

I am pleased to report that the Thai Village Group performed well in the Financial Year 2010 ("FY2010"). An improved economic climate and tight cost control contributed to a healthy rejuvenation in the Group's profit after tax, which rose to S$2.91 million in FY2010, up 50% as compared to FY2009.

The opening of two enormous Integrated Resorts – Resorts World Sentosa and Marina Bay Sands – brought a strong boost to the food and beverage landscape in Singapore. Tourist arrivals for the first 9 months of the year are up 21.8%, and the strong drawing power of these resorts looks to be significant and sustainable.

Enhancing Core Business and Financial Strength

Group revenue remained at S$31.0 million in FY2010 even though there was one less outlet as compared to the previous year. Gross profit margin has increased slightly despite rising cost pressure.

The Group continued to build our franchise network, entering into a non-exclusive franchise agreement to operate Thai Teo Chew restaurants under the name of "Thai Village" in the thriving Jing An district of Shanghai. The Chinese economy continues to grow strongly, with GDP up 10.6% year on year for the first 9 months of 2010.

The Group continued to hold a strong cash position, and as at 30 September 2010, net cash stood at S$17.7 million, equivalent to 8.5 Singapore cents per share. Our cash position puts the Group in an excellent position to seize business opportunities as the economy recovers.

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.

Moving Ahead

In the year ahead, we will continue to focus on leveraging our fundamental strengths such as our reputation for fine cuisine, portfolio of restaurants in the region, healthy financial position, five-star hospitality and industry knowledge to seek new opportunities.

Rising affluence and an increasingly cosmopolitan Asian consumer are driving demand for authentic and high quality dining experiences, putting the Group in an excellent position to build our business and enhance shareholder value.

The regional food and beverage industry has become more vibrant with increased consumer choices. The Group will continue to focus on providing an outstanding dining experience. We support and encourage our staff to upgrade themselves through skills training and lifelong learning. This has benefited us through improved employee engagement and heightened loyalty, enhancing the overall customer experience.

Dividend

To reward our loyal shareholders, the Board has recommended a first and final dividend of 0.9 Singapore cents per share up from 0.7 Singapore cents per share in the prior year.

Appreciation and thanks

Thai Village has a strong management team and dedicated staff that are passionate about our business and commitment to excellence. On behalf of the Board, I extend my sincere appreciation to all our valued Shareholders, customers, partners and colleagues for your continuing support. Your contribution has been invaluable to the Group's positive performance and the development of our business.

I am confident that the Group will continue to rise to new challenges and opportunities in the year ahead while retaining our brand of excellent culinary experience and unmatched quality of service. Together, we will continue to build our leadership in the growing culinary industry.

Lee Tong Soon
Chairman and Managing Director

主席致辞

敬爱的股东:

我很荣幸的向大家宣布，泰国村集团2010财政年度的表现良好, 与2009年财政年度比較，集团的税后淨利激增百分之五十到二百九十一万，这一切都归功于更好的经济增长和更严格的成本控制。

圣淘沙名勝世界和滨海湾金沙两座综合娱乐诚的开业，为新加坡的餐饮行业帶來了強劲的增长。今年首九个月的抵境旅客增加百分之二十一点八。这两座综合娱乐城的号召力是可持续而且是不容忽视的。

虽然少了一家餐馆的收入，集团在本财政年度的收入仍然维持在三千一百万元左右。尽管面对成本上升的压力，我们的毛利率仍然有微量的增长。

集团继续的在海外扩展特许经营网络。在本财政年度，集团在上海的靜安区签订了特許单元合约。

集团继续持有充足的现金，截至2010年9月30日，我们持有一千八百万的现金，相当于每股8.5分。充足的现金让我们在经济复苏时能夠更好的抓紧商机。

末來展望

在未來的一年里，我们將继续利用我们的基本优势，例如在美食方面的声誉、在本区域内的餐饮品牌、稳健的财政状况、优越的服务和行业认知來寻求新的机会。

日益富裕而且更加国际化的亚洲消费者，正推动着地道且高品质的餐饮体验的需求。我们的集团恰好可以借此发展业务及提升股东价值。

区域性的餐饮行业提供越來越多的消费选择，使此行业更充满活力。集团将继续注重于提供更卓越的用餐体验。我们支持并鼓励员工通过技能培訓和终生学习來提升自我。这也使集团本身受益，因为员

工更加积极地投入于工作，提高了对企业的忠诚度，这也让顾客的整体用餐体验更上一层楼。

股息

为了回报我们的忠实股东，董事会建议派发每股为0.9分的初期和末期股息，比去年的每股0.7分有所增加。

鸣谢

泰国村拥有强大的管理团队和敬业的员工队伍，对我们的业务充满热忱，并坚持不懈地追求卓越服务。我谨代表董事部向所有尊敬的股东、客户、合作伙伴和同事致以万分的感谢。你们的付出对集团的良好表现与业务发展是无限量的。

我坚信集团能继续在新的一年迎接新的挑战和机遇，同时也保留我们优质的用餐体验和无与伦比的服务。让我们一起同心协力，继续的在餐饮行业建立领先地位。

吕同顺

主席兼董事经理

Operations Review

TURNOVER AND EARNINGS

For FY 2010, the Group Strengthened its performance by focusing on its core strengths and reducing operating expenses. Despite the fact that there was one outlet less compared to FY 2009, the Group's turnover was maintained at S$31.0 million. This was mainly contributed by the improved consumer spending as a result of better economic conditions.

During the year, the Group achieved a 43% improvement in inventory turnover from 63 days to 44 days. We also saw a S$0.2 million increase in gross profit as compared to the prior year due to tight control of raw material usage. The Group managed to maintain its franchise income at S$0.7 million for FY 2010.

Operating expenses were reduced significantly during the year. This was achieved mainly as a result of tight cost control measures and closure of the loss making Beijing outlet. Total operation costs were reduced by 4.8%, resulting in a sharp boost in profit before tax margin from 9.7% in FY 2009 to 13.3% in FY 2010.

As a result of the above, the Group ended the Financial Year with a net profit after tax of S$2.9 million, an improvement by S$1.0 million as compared to the previous year. The Earnings per share also rose 48.9%, from 0.9 Singapore cents per share in FY 2009 to 1.4 Singapore cents per share in FY 2010.

SINGAPORE AND OVERSEAS PERFORMANCE

The improved economic conditions in Singapore, boosted further by an increase in tourist arrivals, has benefited many industries, including the food and beverage industry last year. Total turnover from Singapore operations increased 8.2% from S$14.9 million in FY 2009 to S$16.1 million in FY 2010. In addition to this, better control of material usage and operating costs resulted in Singapore operations registering a S$1.1m increase in profit before tax.

In the Peoples' Republic of China (PRC), lower sales at our Kunming outlet and closure of the Beijing outlet contributed to the revenue decline in our PRC operations from S$15.9 million in FY 2009 to S$14.6 million in FY 2010. Nevertheless, the PRC with its growing economy remains an important growth market with two new franchises added last year - one in Beijing and another

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

“Quality control remains a priority in all our operations”

in Shanghai. The Group managed to secure a franchise fee of S$0.2 million from its new Shanghai franchise.

In FY 2010, the revenue from other regions, namely Indonesia and Vietnam decreased by S$0.1 million compared to FY 2009. The better performance in FY 2009 was mainly due to a one-off S$0.2 million franchise fee from Vietnam.

The Group now has 3 self-managed restaurants in Singapore, 4 self-managed restaurants and 11 franchise restaurants in the PRC, 2 franchise restaurants in Vietnam and 1 franchise restaurant in Indonesia.

ACCREDITATION

The Group achieved HACCP (Hazard Analysis Critical Control Point) standard in FY 2009 for the scope of activities related to our ‘Central Kitchen’ (preparation, cooking and distribution of sauces) and ‘Outlets’ (preparation, cooking and serving of food & beverage). In FY 2010, we managed to renew the certificate, proving our consistency in maintaining the quality control and standard compliance in all our operations.

MANPOWER DEVELOPMENT

Training remains an integral part of our talent management programmes. With the Singapore Government’s Skills Programme for Upgrading and Resilience (SPUR) we continue to send our staff for training to improve their culinary and soft skills. We are also 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.

CASHFLOW AND CASH PER SHARE

In FY 2009, the group spent S$1.3 million on fixed assets. For FY 2010, the Group did not incur any major capital expenditure hence the cash generation was robust, with cash and equivalents increasing S$2.8 million during the year. This was a significant improvement over the S$1.0 million increase in cash and equivalents generated in FY 2009.

Cash and fixed deposits rose from S$14.8 million in FY 2009 to S$17.7 million in FY 2010. Our Group remained debt free, and net cash at 30 September 2010 was 8.5 Singapore cents per share, up from 7.1 Singapore cents per share a year earlier.

BALANCE SHEET

The Group’s already healthy balance sheet was strengthened even further during the year.

Net assets grew by 7% from S$17.7 million in FY 2009 to S$19.0 million in FY 2010. Net asset value per share also grew to 9.1 Singapore cents per share, up from 8.5 Singapore cents per share a year prior.

Board of Directors


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1. MR LEE TONG SOON

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.

2. MR LEE TONG KUON

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 20 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.

3. MR KOK NYONG PATT

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.

4. Dr JOHN CHEN SEOW PHUN
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.

6. MRS JULIA CHEN-KWOK YUNG CHU
Independent 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.

5. MR CHOW KOK KEE
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.

Key Executives

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, sales and marketing 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.

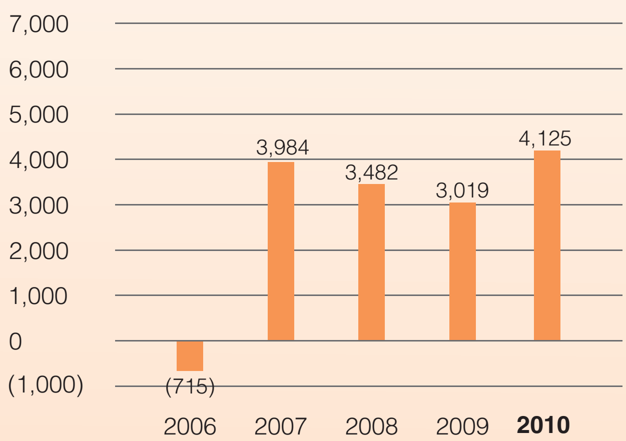
MS VENETIA YONG CHIN CHING
Financial Controller

She was appointed on 1 October 2007. As the Financial Controller, Ms 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. Ms Yong is ACCA qualified and a CPA Singapore.

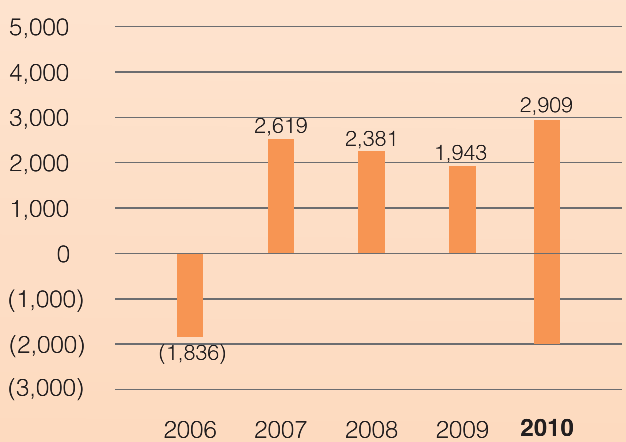
MR KENNY CHIANG KIAN NEE
General Manager (China Operation)

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.

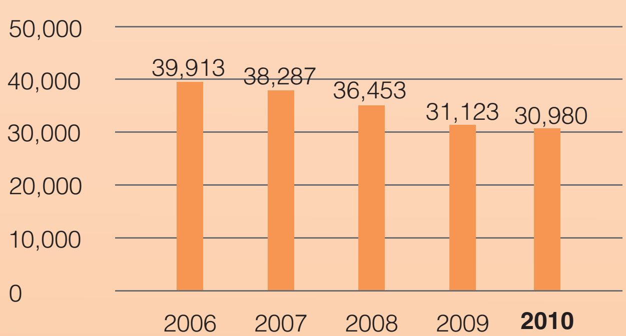
PROFIT BEFORE TAXATION (S$'000)



PROFIT AFTER TAXATION (S$'000)



TURNOVER (S$'000)



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 (Independent Director Appointed on 22 November 2010)

JOINT COMPANY SECRETARIES

Mr Chew Kok Liang (Appointed on 1 March 2010)
Ms Sally Loh Siew Lee (Appointed on 1 March 2010)
Ms Kong Yim Pui, Susan (Resigned on 1 March 2010)
Ms Goh Chui Ling, Marilyn (Resigned on 1 March 2010)

REGISTERED OFFICE

Block 1002 Tai Seng Avenue
#01-2536 Singapore 534409

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

AUDITORS

Ernst & Young LLP
Partner in-charge: Ang Chuen Beng
(Appointed since financial year ended 30 September 2010)

PRINCIPAL BANKERS

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

Our International Presence

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328号 (嘉瑞酒店内) 电话：(86) 21-68548282

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（金储广场北侧） 电话：(86) 21-55221717
静安区巨鹿路889号7–8楼 电话：(86) 21-66971717

Fujian 福建
泉州市泉秀路五矿大厦 电话：(86) 595-22552022

Hubei 湖北
武汉市汉口黄埔大街27号（中原大酒店） 电话：(86) 6882-9999

Jiangsu 江苏
南京市秣陵路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
北京市丰台区六里桥风荷曲苑3号楼602 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
38, Ly Tu Trong street, Ben Nghe Ward,
District 1 Tel: (84) 8 8256704/5

Hanoi 河内
3B Le Thai To Street, Hang Trong Ward,
Hoan Kiem District Tei: (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

Financial Report Contents

Directors' Report

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 2010, and the balance sheet and the statement of changes in equity of the Company for the financial year ended 30 September 2010.

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, Chow Kok Kee and Julia Chen-Kwok Yung Chu retire, and Julia Chen-Kwok Yung Chu, being eligible, offer herself 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 ordinary shares of the Company, as stated below:

	Direct interests			Deemed interests		
	1.10.2009	**30.9.2010**	**21.10.2010**	**1.10.2009**	**30.9.2010**	**21.10.2010**
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 (2009: 12,500) shares are held in the name of Lim Teck Eng, who is the spouse of Lee Tong Soon;
(3) 247,500 (2009: 247,500) shares are held in the name of Lee Shiet Shiong, who is the son of Lee Tong Kuon;
(4) 12,500 (2009: 12,500) shares are held in the name of Ho Choy Pheng, who is the spouse of Kok Nyong Patt; and
(5) 62,500 (2009: 62,500) shares are held in the name of Lim Kok Huang, who is the spouse of Dr. John Chen Seow Phun.

Directors' Report

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 or end of the financial year, or on 21 October 2010.

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;

Directors' Report

Audit Committee (cont'd)

- 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.

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 2010

Statement by Directors

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 statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows, 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 2010, and the results of the business, changes in equity and cash flows 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 2010

Independent Auditors' Report

To the Members of Thai Village Holdings Ltd

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 20 to 71, which comprise the balance sheets of the Group and the Company as at 30 September 2010, the statements of changes in equity of the Group and the Company, and the consolidated statements of comprehensive income and cash flows 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.

Independent Auditors' Report
To the Members of Thai Village Holdings Ltd

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 2010, and the results, changes in equity and cash flows 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 2010

Balance Sheets
as at 30 September 2010

		Group			Company		
	Note	**As at 30 September 2010**	**As at 30 September 2009**	**As at 1 October 2008**	**As at 30 September 2010**	**As at 30 September 2009**	**As at 1 October 2008**
ASSETS		$'000	$'000	$'000	$'000	$'000	$'000
			(Restated)	(Restated)		(Restated)	(Restated)
Non-current assets							
Property, plant and equipment	4	3,991	5,372	5,564	–	–	–
Investment in unquoted equity shares	5	100	100	–	–	–	–
Deposits	9	529	593	660	–	–	–
Investments in subsidiary companies	6	–	–	–	2,061	2,061	2,061
		4,620	6,065	6,224	2,061	2,061	2,061
Current assets							
Stocks	7	1,356	2,027	2,668	–	–	–
Trade debtors	8	185	316	397	46	71	130
Other debtors	9	209	200	449	19	12	22
Deposits	9	150	150	229	–	–	–
Prepayments		259	231	279	13	14	16
Amounts due from subsidiary companies (trade)	10	–	–	–	3,323	5,154	6,708
Amounts due from subsidiary companies (non-trade)	10	–	–	–	1,596	4,000	9,145
Fixed deposits	11	13,369	3,357	7,546	10,600	900	–
Cash and bank balances	11	4,330	11,468	6,303	88	5,455	567
		19,858	17,749	17,871	15,685	15,606	16,588
Total assets		24,478	23,814	24,095	17,746	17,667	18,649
EQUITY AND LIABILITIES							
Current liabilities							
Trade creditors	12	588	1,314	1,283	–	–	–
Other creditors and accruals	13	1,543	1,419	1,192	442	380	469
Franchise deposits	13	–	70	30	–	70	30
Deferred rental income	13	18	28	38	–	–	–
Deferred revenue	13	1,815	1,900	1,918	–	–	–
Amounts due to subsidiary companies (non-trade)		–	–	–	–	–	136
Amounts due to directors	14	443	356	514	443	356	514
Finance lease obligations, current position (secured)		–	–	50	–	–	–
Income tax payable		628	649	626	76	243	336
		5,035	5,736	5,651	961	1,049	1,485
Net current assets		14,823	12,013	12,220	14,724	14,557	15,103

Balance Sheets
as at 30 September 2010

	Note	Group As at 30 September 2010 $'000	Group As at 30 September 2009 $'000 (Restated)	Group As at 1 October 2008 $'000 (Restated)	Company As at 30 September 2010 $'000	Company As at 30 September 2009 $'000 (Restated)	Company As at 1 October 2008 $'000 (Restated)
Non-current liabilities							
Finance lease obligations, non-current portion (secured)		–	–	117	–	–	–
Deferred rental income	13	69	92	142	–	–	–
Franchise deposits	13	220	130	170	220	130	170
Deferred tax liabilities	15	151	131	128	–	–	–
		440	353	557	220	130	170
Total liabilities		5,475	6,089	6,208	1,181	1,179	1,655
Net assets		19,003	17,725	17,887	16,565	16,488	16,994
Equity attributable to owners of the parent							
Share capital	16	14,593	14,593	14,593	14,593	14,593	14,593
Statutory reserve	17	733	705	695	–	–	–
Foreign currency translation reserve	18	(344)	(167)	(139)	–	–	–
Revenue reserve		3,979	2,552	2,696	1,972	1,895	2,401
		18,961	17,683	17,845	16,565	16,488	16,994
Non-controlling interests		42	42	42	–	–	–
Total equity		19,003	17,725	17,887	16,565	16,488	16,994
TOTAL EQUITY AND LIABILITIES		24,478	23,814	24,095	17,746	17,667	18,649

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

Consolidated Statement of Comprehensive Income
for the financial year ended 30 September 2010

	Note	Group 2010 $'000	Group 2009 $'000
Revenue	19	30,980	31,123
Other items of income			
Interest income	20	90	111
Other income	21	195	74
Items of expenses			
Raw materials and consumables used		(10,683)	(11,069)
Changes in stocks of finished goods		(671)	(641)
Employee benefits expenses	22	(8,027)	(8,333)
Depreciation expense	4	(1,203)	(1,312)
Net foreign exchange loss		(92)	(74)
Finance costs	23	–	(17)
Other expenses		(6,464)	(6,843)
Profit before taxation	24	4,125	3,019
Income tax expense	15	(1,216)	(1,076)
Profit for the financial year attributable to owners of the parent		2,909	1,943
Other comprehensive income			
Foreign currency translation		(118)	(32)
Reclassification of foreign currency translation on disposal of a foreign subsidiary company		(59)	4
Other comprehensive income for the financial year		(177)	(28)
Total comprehensive income for the financial year attributable to owners of the parent		2,732	1,915
Earnings per share attributable to owners of the parent (cents per share)			
Basic	25	1.40	0.94
Diluted	25	1.40	0.94

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 2010

Group	Note	Share capital (Note 16) $'000	Statutory reserve (Note 17) $'000	Revenue reserve $'000	Foreign currency translation reserve (Note 18) $'000	Total equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of the parent						
2010								
Balance as at 1 October 2009		14,593	705	2,552	(167)	17,683	42	17,725
Total comprehensive income for the financial year		–	–	2,909	(177)	2,732	–	2,732
Transfer to reserve fund		–	28	(28)	–	–	–	–
Dividends on ordinary shares	26	–	–	(1,454)	–	(1,454)	–	(1,454)
Balance as at 30 September 2010		14,593	733	3,979	(344)	18,961	42	19,003
2009								
Balance as at 1 October 2008		14,593	695	2,696	(139)	17,845	42	17,887
Total comprehensive income for the financial year		–	–	1,943	(28)	1,915	–	1,915
Transfer to reserve fund		–	10	(10)	–	–	–	–
Dividends on ordinary shares	26	–	–	(2,077)	–	(2,077)	–	(2,077)
Balance as at 30 September 2009		14,593	705	2,552	(167)	17,683	42	17,725

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 2010 (cont'd)

Company	**Note**	**Share capital (Note 16)** $'000	**Revenue reserve** $'000	**Total equity** $'000
2010				
Balance as at 1 October 2009		14,593	1,895	16,488
Total comprehensive income for the financial year		–	1,531	1,531
Dividends on ordinary shares	26	–	(1,454)	(1,454)
Balance as at 30 September 2010		14,593	1,972	16,565
2009				
Balance as at 1 October 2008		14,593	2,401	16,994
Total comprehensive 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

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

Consolidated Statement of Cash Flows

for the financial year ended 30 September 2010

	Group	
	2010	2009
	$'000	$'000
Cash flow from operating activities		
Profit before taxation	4,125	3,019
Adjustments for:		
Bad debts recovered	(2)	–
Impairment loss on trade debtors	41	84
Loss on disposal of property, plant and equipment	–	21
Impairment loss on property, plant and equipment	149	–
Depreciation of property, plant and equipment	1,203	1,312
Property, plant and equipment written off	42	73
Interest expense	–	17
Interest income	(90)	(111)
Gain on disposal of a subsidiary company	(128)	–
Exchange differences	(106)	(52)
Operating profit before working capital changes	5,234	4,363
Changes in working capital:		
Decrease in stocks	671	641
Decrease/(increase) in trade debtors	92	(3)
Decrease in other debtors, deposits and prepayments	27	510
(Decrease)/increase in trade creditors	(726)	31
(Decrease)/increase in other creditors and accruals, franchise deposits, deferred rental income and deferred revenue	(7)	174
Increase/(decrease) in amounts due to directors	87	(158)
Cash flow generated from operations	5,378	5,558
Interest paid	–	(17)
Taxes paid	(1,184)	(1,138)
Net cash flow generated from operating activities	4,194	4,403
Cash flow from investing activities		
Interest received	90	121
Investment in unquoted equity shares	–	(100)
Purchase of property, plant and equipment	(84)	(1,345)
Net cash inflow from disposal of a subsidiary company (Note 6)	128	–
Proceeds from disposal of property, plant and equipment	–	140
Net cash flow generated from/(used in) investing activities	134	(1,184)
Cash flow from financing activities		
Payment of dividends to shareholders	(1,454)	(2,077)
Repayment of finance lease obligations	–	(166)
Net cash flow used in financing activities	(1,454)	(2,243)
Net increase in cash and cash equivalents	2,874	976
Cash and cash equivalents at beginning of financial year	14,825	13,849
Cash and cash equivalents at end of financial year (Note 11)	17,699	14,825

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

Notes to the Financial Statements
30 September 2010

1. Corporate information

Thai Village Holdings Ltd (the "Company") is a limited liability company, which is incorporated and domiciled 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.

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 except as disclosed in the accounting policies below.

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 October 2009. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below:

On 1 October 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 *Presentation of Financial Statements* (Revised)
- Amendments to FRS 18 *Revenue*
- Amendments to FRS 23 *Borrowing Costs*
- Amendments to FRS 27 *Consolidated and Separate Financial Statements*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

- Amendments to FRS 102 *Share-based Payment – Vesting Conditions and Cancellations*
- Revised FRS 103 *Business Combinations*
- Amendments to FRS 107 *Financial Instruments: Disclosures*
- FRS 108 *Operating Segments*
- Improvements to FRSs issued in 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- INT FRS 117 *Distributions of Non-cash Assets to Owners*
- Amendments to INT FRS 109 *Reassessment of Embedded Derivatives* and FRS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
- INT FRS 118 *Transfers of Assets from Customers*

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

<u>FRS 1 *Presentation of Financial Statements – Revised presentation*</u>

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as one single statement.

<u>Amendments to FRS 107 *Financial Instruments: Disclosures*</u>

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Notes 30 and 31 to the financial statements respectively.

<u>FRS 108 *Operating Segments*</u>

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 *Segment Reporting*. Additional disclosures about each of the segments are shown in Note 29, including revised comparative information.

Notes to the Financial Statements
30 September 2010

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 *Presentation of Financial Statements*: Assets and liabilities classified as held for trading in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.

- FRS 16 *Property, Plant and Equipment*: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 *Borrowing Costs*: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

FRS 103 *Business Combinations* (revised) and FRS 27 *Consolidated and Separate Financial Statements* (revised)

The revised FRS 103 *Business Combinations* and FRS 27 *Consolidated and Separate Financial Statements* are applicable for annual periods beginning on or after 1 July 2009. As of 1 October 2009, the Group adopted both revised standards at the same time in accordance with their transitional provisions.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

FRS 103 *Business Combinations* (revised)

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;

- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;

- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and

- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 July 2009 are not adjusted.

There is no effect of the adoption of the revised FRS 103 on the Group's consolidated financial statements.

FRS 27 *Consolidated and Separate Financial Statements* (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;

- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and

- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interests, attribution of losses to non-controlling interests and disposal of subsidiaries before 1 October 2009. The changes will affect future transactions with non-controlling interests.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
– 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 102 *Group Cash-settled Share-based Payment Transactions*	1 January 2010
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010
– Amendment to FRS 32 *Financial Instruments: Presentation - Classification of Rights Issues*	1 February 2010
– INT FRS 119 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
– Amendments to FRS 27 *Consolidated and Separate Financial Statements*	1 July 2010
– Amendments to FRS 21 *The Effects of Changes in Foreign Exchange Rates*	1 July 2010
– Revised FRS 24 *Related Party Disclosures*	1 January 2011
– Amendments to INT FRS 114 *Prepayments of a Minimum Funding Requirement*	1 January 2011
– INT FRS 115 *Agreements for the Construction of Real Estate*	1 January 2011
– Amendments to FRS 107 *Financial Instruments: Disclosure*	1 January 2011
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2011
– Amendments to FRS 34 *Interim Financial Reporting*	1 January 2011
– Amendments to INT FRS 113 *Customer Loyalty Programmes*	1 January 2011
– Amendment to FRS 101 *First-time Adoption of International Financial Reporting Standards*	
• Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters	1 July 2010
• Additional Exemptions for First-time Adopters	1 January 2011
– Improvements to FRSs issued in 2010	1 January 2011

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Notes to the Financial Statements
30 September 2010

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Revised FRS 24 *Related Party Disclosures*

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2011.

2.4 *Basis of consolidation*

Business combinations from 1 October 2009

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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 2010. 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.

Subsidiaries 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.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation (cont'd)*

Business combinations from 1 October 2009 (cont'd)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 October 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Notes to the Financial Statements
30 September 2010

2. Summary of significant accounting policies (cont'd)

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries 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 end of the reporting period. 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 end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Group companies***

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *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. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss.

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, and adjusted prospectively if appropriate, 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.

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 profit or loss 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.

2.8 *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 valued 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. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of stocks to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2. Summary of significant accounting policies (cont'd)

2.10 ***Financial assets***

Initial recognition and measurement

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 determines the classification of its financial assets at initial recognition. 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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(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, less impairment. Gains and losses are recognised in profit or loss 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 include unquoted equity securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

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

Derecognition

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 profit or loss.

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 marketplace concerned.

Notes to the Financial Statements

30 September 2010

2. Summary of significant accounting policies (cont'd)

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***

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 profit or loss.

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 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 profit or loss.

(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.

2. Summary of significant accounting policies (cont'd)

2.11 ***Impairment of assets (cont'd)***

(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. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment or the time value of money and the risks specific to the asset. 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 profit or loss.

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. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. 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 profit or loss 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***

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs. The Group does not have any financial liabilities at fair value through profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 ***Financial liabilities (cont'd)***

Subsequent measurement

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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.

2.14 ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

As lessee

Operating lease payments are recognised as an expense in profit or loss 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. Summary of significant accounting policies (cont'd)

2.15 ***Income taxes***

(a) ***Current tax***

Current income 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 end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and

- 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 and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises 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; and

- In respect of deductible temporary differences associated with investments in subsidiary companies, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the Financial Statements
30 September 2010

2. Summary of significant accounting policies (cont'd)

2.15 *Income taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(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 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and short-term fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Credit card transactions that process in less than seven days are classified as cash at bank.

2.17 *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 Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. 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.

Notes to the Financial Statements
30 September 2010

2. Summary of significant accounting policies (cont'd)

2.17 ***Revenue (cont'd)***

(b) ***Franchise and royalty fees***

Initial franchise income is recognised upon the grant of rights, completion of the designated phases of the franchise setup and transfer of know-how to the franchisee in accordance with the terms stated in the franchise agreement. Royalty fees from franchisees are recognised on a periodic basis as a percentage of the franchisees' revenue or a pre-determined amount in accordance with terms as stated in the franchise agreements.

(c) ***Interest income***

Interest income is recognised using the effective interest method.

2.18 ***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 the employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

2.19 ***Related parties***

A party is considered to be related to the Group if:

(a) The party, directly or indirectly through one or more intermediaries,
   (i) controls, is controlled by, or is under common control with, the Group;
   (ii) has an interest in the Group that gives it significant influence over the Group; or
   (iii) has joint control over the Group;

(b) The party is an associate;

(c) The party is a jointly-controlled entity;

(d) The party is a member of the key management personnel of the Group or its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d); or

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2. Summary of significant accounting policies (cont'd)

2.20 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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 profit or loss. 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 periods.

3. Significant accounting estimates and judgements (cont'd)

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:

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 comprehensive income. 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 profit or loss.

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 (2009: 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% (2009: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 2.0% (2009: 3.2%) variance in the Group's profit for the financial year.

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

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 use the discounted cash flow model to 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 flows. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Impairment on property, plant and equipment is disclosed in Note 4 to the financial statements.

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.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective companies' domicile. The carrying amounts of the Group's and the Company's income tax payable and deferred tax liabilities as at 30 September 2010 are $628,000 (2009: $649,000), $76,000 (2009: $243,000) and $151,000 (2009: $131,000) respectively.

4. Property, plant and equipment

Group	Leasehold properties	Furniture, fixtures and equipment	Kitchen and restaurant equipment	Motor vehicles	Computers	Operating supplies	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
Balance as at 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 and 1 October 2009	2,812	6,509	1,140	1,233	287	22	12,003
Additions	–	43	26	–	15	–	84
Write-offs	–	(373)	(109)	–	(26)	(2)	(510)
Reclassifications	–	(5)	7	–	3	(5)	–
Translation differences	–	(194)	(26)	(7)	(4)	–	(231)
Balance as at 30 September 2010	2,812	5,980	1,038	1,226	275	15	11,346
Accumulated depreciation and impairment loss							
Balance as at 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 and 1 October 2009	1,494	3,723	700	456	238	20	6,631
Charge for the financial year	115	737	93	225	33	–	1,203
Impairment loss	–	136	9	–	4	–	149
Write-offs	–	(370)	(76)	–	(20)	(2)	(468)
Reclassifications	–	(4)	6	–	2	(4)	–
Translation differences	–	(127)	(23)	(6)	(4)	–	(160)
Balance as at 30 September 2010	1,609	4,095	709	675	253	14	7,355
Net carrying value							
Balance as at 30 September 2010	1,203	1,885	329	551	22	1	3,991
Balance as at 30 September 2009	1,318	2,786	440	777	49	2	5,372

4. Property, plant and equipment (cont'd)

Impairment of property, plant and equipment

During the financial year, a subsidiary company of the Group within the Restaurant operations segment carried out a review of the recoverable amount of its property, plant and equipment because it had been making operating losses. An impairment loss of $149,000 (2009: Nil), representing the write-down of its assets to their recoverable amount is recognised in "Other expenses" (Note 24) line item of the consolidated income statement for the financial year ended 30 September 2010. The recoverable amount of the property, plant and equipment was based on its value-in-use and the pre-tax discount rate is 7.25% (2009: Nil) per annum.

5. Investment in unquoted equity shares

	Group	
	2010	**2009**
	$'000	$'000
Available-for-sale financial assets:		
Unquoted equity shares, at cost	100	100

6. Investments in subsidiary companies

	Company	
	2010	**2009**
	$'000	$'000
Unquoted equity shares, at cost:		
Balance as at 1 October	2,061	2,411
Impairment losses	–	(350)
Balance as at 30 September	2,061	2,061

Notes to the Financial Statements
30 September 2010

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		Cost of investment held by the Company	
			2010	2009	2010	2009
			%	%	$'000	$'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. ##	Liquidated	Republic of Singapore	–	100	–	350
Thai Village (China) Pte. Ltd. (1)	Investment holding	Republic of Singapore	100	100	@	@
					2,061	2,411

Name of company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2010	2009
			%	%
Held by Thai Village Overseas Ventures Pte Ltd				
Thai Village Sharksfin Restaurant (Beijing) Co., Ltd ###	Operation of restaurants	People's Republic of China	–	100
Food People Alliance Pte. Ltd. ##	Liquidated	Republic of Singapore	–	51
Thai Village Sharksfin Restaurant (Yunnan) Co., Ltd (2)	Operation of restaurants	People's Republic of China	100	100

Notes to the Financial Statements
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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 2010 %	2009 %
Held by Thai Village (China) Pte. Ltd.				
Shanghai Thai Village Restaurant Management Co., Ltd (3) #	Operation and management of restaurants	People's Republic of China	93.75	93.75
Thai Village Sharksfin Restaurant (Shanghai) Co., Ltd (3)	Operation of restaurants	People's Republic of China	100	100
Shanghai Thai Village City Restaurant Co., Ltd (3)	Operation of restaurants	People's Republic of China	100	100

\# A subsidiary company, Thai Village Overseas Ventures Pte. Ltd. ("TVOV"), 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") in 2002. 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 TVOV's investment entity in the People's Republic of China. The investment in Shanghai TV RMC was transferred to Thai Village (China) Pte. Ltd. ("TVC") in 2005. Under the terms of the CJV Supplemental 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 Supplemental 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 13 April 2010, Thai Village Seafood Pte. Ltd. and Food People Alliance Pte. Ltd. were liquidated.

\### Thai Village Sharksfin Restaurant (Beijing) Co., Ltd ("TV Beijing") was disposed to an external party for a cash consideration of RMB620,000 (approximately S$128,000) on 2 November 2009, resulting in a gain on disposal of the subsidiary company, which was recorded in "other income" in the consolidated income statement. From the date of disposal, TV Beijing contributed loss before taxation of approximately $12,000 to the Group in the current financial year.

	$'000
Total consideration	128
Net assets	–
Net cash inflow from disposal of subsidiary company	128

6. Investments in subsidiary companies (cont'd)

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

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by Yunnan Xixin Certified Public Accountants.
(3) Audited by Shanghai HDDY Certified Public Accountants Co., Ltd.

Impairment on investment in a subsidiary company

In prior years, the Company carried out a review of the recoverable amount of its subsidiary company, Thai Village Seafood Pte. Ltd., because it had been persistently making losses. As such, the Company had made full impairment loss of $350,000 on its investment in this subsidiary company since prior years. The liquidation of this subsidiary company in 2010 has no impact on the investment as it had already been fully impaired.

7. Stocks

	Group	
	2010	**2009**
	$'000	$'000
Balance sheet:		
Processed stocks	896	1,352
Raw and other materials	460	675
	1,356	2,027
Income statement:		
Stocks recognised as an expense in cost of sales	11,354	11,710

8. Trade debtors

	Group			Company		
	As at 30 September 2010	**As at 30 September 2009**	**As at 1 October 2008**	**As at 30 September 2010**	**As at 30 September 2009**	**As at 1 October 2008**
	$'000	$'000	$'000	$'000	$'000	$'000
		(Restated)	(Restated)		(Restated)	(Restated)
Trade and other debtors (current)						
Trade debtors	185	316	397	46	71	130
Other debtors (Note 9)	209	200	449	19	12	22
Amounts due from subsidiary companies (trade) (Note 10)	–	–	–	3,323	5,154	6,708
Amounts due from subsidiary companies (non-trade) (Note 10)	–	–	–	1,596	4,000	9,145
Total trade and other debtors	394	516	846	4,984	9,237	16,005
Add: Cash and cash equivalents (Note 11)	17,699	14,825	13,849	10,688	6,355	567
Total loans and receivables	18,093	15,341	14,692	15,672	15,592	16,572

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Trade debtors				
Trade debtors	217	323	46	71
Impairment losses	(32)	(7)	–	–
	185	316	46	71

Included in trade debtors of the Group and of the Company are amounts of $129,000 (2009: $209,000) and Nil (2009: $16,000) denominated in Renminbi respectively.

Trade debtors are non-interest bearing and are generally on 30 (2009: 30 to 90) days' credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

8. Trade debtors (cont'd)

Receivables that are past due but not impaired

The Group and the Company have trade debtors amounting to $101,000 (2009: $205,000) and $35,000 (2009: $64,000) 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 :

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Less than 30 days	60	39	7	9
30 to 60 days	17	34	8	4
More than 61 days	24	132	20	51
	101	205	35	64

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 Individually impaired		Company Individually impaired	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Trade debtors - nominal amounts	34	7	–	–
Impairment loss	(32)	(7)	–	–
	2	–	–	–
Movements in allowance account:				
At 1 October	7	192	–	125
Charge for the financial year	41	84	–	–
Write-off against allowance	(14)	(268)	–	(125)
Bad debts recovered	(2)	–	–	–
Translation differences	–	(1)	–	–
At 30 September	32	7	–	–

For the financial year ended 30 September 2010, an allowance for impairment of $41,000 (2009: $84,000) was recognised in profit or loss account by the Group.

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 As at 30 September 2010	Group As at 30 September 2009	Group As at 1 October 2008	Company As at 30 September 2010	Company As at 30 September 2009	Company As at 1 October 2008
	$'000	$'000	$'000	$'000	$'000	$'000
		(Restated)	(Restated)		(Restated)	(Restated)
Other debtors (current)						
Advances to employees *	30	11	87	12	11	22
Interest receivable	7	6	16	7	–	–
Sundry debtors	172	183	346	–	1	–
	209	200	449	19	12	22
Deposits						
Deposits (current)	150	150	229	–	–	–
Deposits (non-current)	529	593	660	–	–	–
	679	743	889	–	–	–

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

Included in other debtors of the Group is an amount of $129,000 (2009: $100,000) denominated in Renminbi.

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

10. Amounts due from subsidiary companies (trade and non-trade)

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 on demand.

Included in the Company's trade amounts due from subsidiary companies is an amount of $1,114,000 (2009: $907,000) denominated in Renminbi.

Amounts due from subsidiary companies that are impaired

For the financial year ended 30 September 2010, bad debts written off of $4,000 (2009: $104,000) was recognised in profit or loss of 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.

10. Amounts due from subsidiary companies (trade and non-trade) (cont'd)

Amounts due from subsidiary companies (non-trade)

The non-trade amounts due from subsidiary companies are unsecured, interest-free and are repayable on demand. In 2009, included in the Company's non-trade amounts due from subsidiary companies was an amount of $114,000 denominated in Renminbi. There was no balance denominated in foreign currencies in 2010.

The Company does not have any non-trade amounts due from subsidiary companies that are collectively and individually impaired nor any amounts that are past due but not impaired.

11. Cash and cash equivalents

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Fixed deposits	13,369	3,357	10,600	900
Cash and bank balances	4,330	11,468	88	5,455
Total cash and cash equivalents	17,699	14,825	10,688	6,355

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Fixed deposits are made for varying periods of between 1 to 12 (2009: 1 to 10) months depending on the immediate cash requirements of the Group, and earn interest ranging from 0.10% to 2.25% (2009: 0.10% to 1.34%) per annum.

Fixed deposits and cash and bank balances denominated in foreign currencies as at 30 September are as follows:-

United States dollars	11	12	7	7
Renminbi	5,669	5,091	–	28

12. Trade creditors

	Group			Company		
	As at 30 September 2010 $'000	**As at 30 September 2009** $'000 (Restated)	**As at 1 October 2008** $'000 (Restated)	**As at 30 September 2010** $'000	**As at 30 September 2009** $'000 (Restated)	**As at 1 October 2008** $'000 (Restated)
Trade and other creditors (current)						
Trade creditors	588	1,314	1,283	–	–	–
Other creditors and accruals (Note 13)	1,543	1,419	1,192	442	380	469
Amounts due to subsidiary companies (non-trade)	–	–	–	–	–	136
Amounts due to directors (Note 14)	443	356	514	443	356	514
Total financial liabilities carried at amortised cost	2,574	3,089	2,989	885	736	1,119

Trade creditors

Included in the trade creditors of the Group is an amount of $425,000 (2009: $665,000) denominated in Renminbi.

Trade creditors are non-interest bearing and are normally settled on their normal trade terms of 30 (2009: 30) days.

Notes to the Financial Statements
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13. Other creditors and accruals, franchise deposits, deferred rental income and deferred revenue

	Group			Company		
	As at 30 September 2010	**As at 30 September 2009**	**As at 1 October 2008**	**As at 30 September 2010**	**As at 30 September 2009**	**As at 1 October 2008**
	$'000	$'000 (Restated)	$'000 (Restated)	$'000	$'000 (Restated)	$'000 (Restated)
Other creditors and accruals (current)						
Sundry creditors	317	213	333	22	23	238
Accrued personnel expenses	652	651	463	173	169	76
Other accrued operating expenses	574	555	396	247	188	155
	1,543	1,419	1,192	442	380	469
Franchise deposits						
Franchise deposits (current)	–	70	30	–	70	30
Franchise deposits (non-current)	220	130	170	220	130	170
	220	200	200	220	200	200
Deferred rental income						
Deferred rental income (current)	18	28	38	–	–	–
Deferred rental income (non-current)	69	92	142	–	–	–
	87	120	180	–	–	–
Deferred revenue*	1,815	1,900	1,918	–	–	–

* Deferred revenue 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 $583,000 (2009: $596,000) denominated in Renminbi.

14. Amounts due to directors

The amounts due to directors are unsecured, interest-free, repayable on demand.

15. Income tax expense

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

	Group	
	2010	**2009**
	$'000	$'000
Income tax expense is made up of :-		
On results for the financial year		
- Current income taxation	1,181	1,073
- Deferred income taxation	(9)	39
	1,172	1,112
Under/(over)provision in respect of prior years :-		
- Current income taxation	15	–
- Deferred income taxation	29	(29)
- Effect of change in tax rate	–	(7)
	44	(36)
Income tax expense recognised in profit or loss	1,216	1,076

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:-

Profit before taxation	4,125	3,019
Statutory tax expense at the statutory tax rate of 17% (2009: 17%)	701	513
Adjustments for :		
Non-deductible expenses	176	172
Non-taxable income	(20)	(10)
Effect of change in tax rate	–	(16)
Differences in foreign tax rates	133	152
Withholding tax	286	354
Deferred tax assets not recognised	12	14
Double tax relief	(32)	(33)
Over/(under)provision in respect of prior years	44	(29)
Tax exemption	(91)	(52)
Others	7	11
Income tax expense recognised in profit or loss	1,216	1,076

15. Income tax expense (cont'd)

Deferred tax liabilities

	Group 2010 $'000	Group 2009 $'000
Balance as at 1 October	131	128
Charge during the financial year	20	10
Effect of change in tax rate	–	(7)
Balance as at 30 September	151	131

Deferred tax liabilities arose from excess of net carrying value over tax written down value of property, plant and equipment.

Deferred tax assets not recognised as at 30 September relate to the following :-

Unutilised tax losses	(49)	(97)

As at 30 September 2010, the Group has unutilised tax losses carried forward from certain subsidiary companies of approximately $288,000 (2009: $571,000), available for offset against future taxable income. There was a reduction in tax losses of $354,000 for FY2009 as a result of disposal of a subsidiary company from which the tax losses arose. 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 use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

16. Share capital

	Group and Company			
	2010		2009	
	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	14,593	207,749	14,953

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. The ordinary shares have no par value.

17. Statutory reserve

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.

18. Foreign currency translation reserve

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.

Upon disposal of a foreign subsidiary company, cumulative translation difference of $59,000 (2009: $4,000) was reclassified from foreign currency translation reserve to the profit or loss account.

19. Revenue

	Group	
	2010	2009
	$'000	$'000
Restaurant operations	30,284	30,455
Franchise and royalty fee income	696	668
	30,980	31,123

Notes to the Financial Statements
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20. Interest income

	Group 2010	Group 2009
	$'000	$'000
Interest income :-		
Fixed deposits	60	86
Cash and bank balances	30	25
	90	111

21. Other income

	Group 2010	Group 2009
Gain on disposal of investment in a subsidiary company	128	–
Others	67	74
	195	74

22. Employee benefits expenses

	Group 2010	Group 2009
Wages, salaries, bonuses and allowances*	6,875	7,132
Contributions to defined contribution plans	376	398
Other personnel costs	776	803
	8,027	8,333

* 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 $100,000 (2009: $181,000) 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

	Group 2010	Group 2009
Interest expense on finance lease obligations	–	(17)

Notes to the Financial Statements
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24. Profit before taxation

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

	Group	
	2010	**2009**
	$'000	$'000
Impairment loss on trade debtors	41	84
Property, plant and equipment written off	42	73
Loss on disposal of property, plant and equipment	–	21
Consumables expenses	207	231
Cleaning expenses	160	150
Travelling expenses	120	128
General repair and maintenance	105	120
Water and electricity expenses	868	820
Operating lease expenses	3,140	3,374
Impairment loss on property, plant and equipment	149	–
Bad debts recovered	(2)	–

25. Earnings per share (basic and diluted)

Both basic and diluted earnings per share are calculated by dividing the Group's net profit attributable to equity holders of the Company of $2,909,000 (2009: $1,943,000) by the weighted average number of 207,748,700 (2009: 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 2010 and 2009.

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	
	2010	**2009**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2010: 0.7 (2009: 1.0) cents per share	1,454	2,077
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 2010: 0.9 (2009: 0.7) cents per share	1,870	1,454

27. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, 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	
	2010	**2009**
	$'000	$'000
Directors' remuneration:		
Directors' fees	260	260
Directors' remuneration	1,495	1,371
Contribution to defined contribution plans	20	20
	1,775	1,651
Key executive officers' remuneration:		
Executive officers' remuneration	511	487
Contributions to defined contribution plans	45	42
	556	529
Remuneration paid to employees related to directors or substantial shareholders:		
Employees' remuneration	270	258
Contributions to defined contribution plans	27	26
	297	284

28. Commitments

(a) ***Capital commitments***

The Group does not have any capital commitments contracted for as at 30 September 2010 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 (2009: 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.

Operating lease payments recognised in the profit or loss account during the financial year, amounted to $3,140,000 (2009: $3,374,000). No contingent rents were paid during the financial years ended 2010 and 2009.

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	
	2010	**2009**
	$'000	$'000
Within 1 year	2,654	3,469
Within 2 to 5 years	3,809	4,577
More than 5 years	507	688
	6,970	8,734

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.

Business segments

For management purposes, 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 management fees from restaurant outlets, franchise fees and royalties from franchisees.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Allocation basis and transfer pricing

Transfer prices between business segments are set in a manner similar to transactions with third parties. Inter-segment pricing is on an arm's length basis.

29. Segment information (cont'd)

	Restaurant operations		Restaurant management services		Adjustments and eliminations		Notes	Per consolidated financial statements	
	2010	2009	2010	2009	2010	2009		2010	2009
	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
Revenue:									
External sales	30,284	30,455	696	668	–	–		30,980	31,123
Inter-segment sales	–	54	3,246	4,430	(3,246)	(4,484)	A	–	–
	30,284	30,509	3,942	5,098	(3,246)	(4,484)		30,980	31,123
Results:									
Interest income	76	72	14	39	–	–		90	111
Interest expense	–	(17)	–	–	–	–		–	(17)
Gain on disposal of a subsidiary company	–	–	128	–	–	–		128	–
Property, plant and equipment written off	(42)	(73)	–	–	–	–		(42)	(73)
Loss on disposal of property, plant and equipment	–	(21)	–	–	–	–		–	(21)
Depreciation of property, plant and equipment	(1,203)	(1,312)	–	–	–	–		(1,203)	(1,312)
Impairment loss on trade debtors	(37)	(7)	(4)	(77)	–	–		(41)	(84)
Impairment loss on non-financial assets	(149)	–	–	(716)	–	716	F	(149)	–
Segment profit	3,078	1,505	3,339	3,077	(2,292)	(1,563)	B	4,125	3,019
Assets:									
Additions to non-current assets	84	1,445	–	–	–	–	C	84	1,445
Segment assets	13,522	17,416	7,580	18,208	3,376	(11,810)	D	24,478	23,814
Segment liabilities	7,329	11,756	1,167	2,891	(3,021)	(8,558)	E	5,475	6,089

29. Segment information (cont'd)

A Inter-segment revenues are eliminated on consolidation.

B The following items are (deducted from)/added to segment profit/(loss) to arrive at "profit before tax" presented in the consolidated income statement:

	2010 $'000	2009 $'000
Profit from inter-segment sales	(1,782)	(2,849)
Unallocated corporate (income)/expense, net	(510)	1,286
	(2,292)	(1,563)

C Additions to non-current assets consists of additions to property, plant and equipment and investment in unquoted equity shares.

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

Unallocated corporate assets	10,600	900
Inter-segment assets	(7,224)	(12,710)
	3,376	(11,810)

E The following items are deducted from/(add to) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

Income tax payables	628	649
Deferred tax liabilities	151	131
Inter-segment liabilities	(3,800)	(9,338)
	(3,021)	(8,558)

F Inter-segment impairment loss on non-financial assets are eliminated on consolidation.

29. Segment information (cont'd)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Singapore	16,123	14,893	2,903	3,540
People's Republic of China	14,641	15,916	1,088	1,832
Others	216	314	–	–
	30,980	31,123	3,991	5,372

Non-current assets information presented above consist of property, plant and equipment as presented in the consolidated balance sheet.

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.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

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. It is the Group's policy that all parties who wish to trade on credit terms are subject to credit verification procedures. For fixed deposits and cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. 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 2010, approximately 53% (2009: 47%) of trade debtors relates to 4 (2009: 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			
	2010		2009	
	$'000	% of total	$'000	% of total
By country :				
Singapore	56	30	122	39
People's Republic of China	129	70	194	61
	185	100	316	100
By business sectors :				
Restaurant operations	16	9	82	26
Restaurant management services	169	91	234	74
	185	100	316	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, 9 and 10 to the financial statements.

Foreign currency risk

The Group has foreign currency risk exposures mainly in Renminbi.

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.

30. Financial risk management policies and objectives (cont'd)

Foreign currency risk (cont'd)

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.

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.

<u>Sensitive analysis for interest rate risk</u>

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
2010		
Singapore dollars	50	53
Renminbi	50	28
Singapore dollars	(50)	(53)
Renminbi	(50)	(28)
2009		
Singapore dollars	50	48
Renminbi	50	30
Singapore dollars	(50)	(48)
Renminbi	(50)	(30)

30. Financial risk management policies and objectives (cont'd)

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 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 repayment obligations:

	2010			2009		
	Within 1 year $'000	**More than 5 years** $'000	**Total** $'000	**Within 1 year** $'000	**More than 5 years** $'000	**Total** $'000
Group						
Financial assets:						
Trade debtors	185	–	185	316	–	316
Other debtors (Note 9)	209	–	209	200	–	200
Fixed deposits	13,369	–	13,369	3,357	–	3,357
Cash and bank balances	4,330	–	4,330	11,468	–	11,468
Investment in unquoted equity shares	–	100	100	–	100	100
Total undiscounted financial assets	18,093	100	18,193	15,341	100	15,441
Financial liabilities:						
Trade creditors	588	–	588	1,314	–	1,314
Other creditors and accruals (Note 13)	1,543	–	1,543	1,419	–	1,419
Amounts due to directors	443	–	443	356	–	356
Total undiscounted financial liabitilites	2,574	–	2,574	3,089	–	3,089
Total net undiscounted financial assets	15,519	100	15,619	12,252	100	12,352

30. Financial risk management policies and objectives (cont'd)

Liquidity risk (cont'd)

	2010		2009	
	Within 1 year $'000	**Total** $'000	**Within 1 year** $'000	**Total** $'000
Company				
Financial assets:				
Trade debtors	46	46	71	71
Other debtors (Note 9)	19	19	12	12
Amounts due from subsidiary companies (trade)	3,323	3,323	5,154	5,154
Amounts due from subsidiary companies (non-trade)	1,596	1,596	4,000	4,000
Fixed deposits	10,600	10,600	900	900
Cash and bank balances	88	88	5,455	5,455
Total undiscounted financial assets	15,672	15,672	15,592	15,592
Financial liabilities:				
Other creditors and accruals (Note 13)	442	442	380	380
Amounts due to directors	443	443	356	356
Total undiscounted financial liabilities	885	885	736	736
Total net undiscounted financial assets	14,787	14,787	14,856	14,856

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 :

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate of 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 the 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.

31. Fair values of financial instruments (cont'd)

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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, other creditors and accruals, amounts due from 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 2010 and 2009.

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 2010 and 2009.

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% (2009: 20% to 35%). The Group includes trade and other creditors within net debt. Total capital includes equity attributable to owners of the parent less the abovementioned restricted reserve fund.

	Group	
	2010	**2009**
	$'000	$'000
Total capital	18,228	16,978
Net debt	3,964	4,731
Gearing ratio	22%	28%

Notes to the Financial Statements
30 September 2010

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		Company	
	2009	**2009**	**2009**	**2009**
	$'000	$'000	$'000	$'000
	(As reclassified)	(As previously stated)	(As reclassified)	(As previously stated)
Non-current assets				
Deposits	593	–	–	–
Current assets				
Other debtors	200	943	–	–
Deposits	150	–	–	–
Current liabilities				
Other creditors and accruals	1,419	3,639	380	580
Franchise deposits	70	–	70	–
Deferred rental income	28	–	–	–
Deferred revenue	1,900	–	–	–
Non-current liabilities				
Deposits	130	–	130	–
Deferred rental income	92	–	–	–

34. Subsequent event

Thai Village Sharksfin Restaurant Pte Ltd, a subsidiary company of the Company, had changed its name to Thai Village Restaurant Pte. Ltd. with effect from 24 November 2010.

35. Authorisation of financial statements for issue

The financial statements of the Group and of the Company for the financial year ended 30 September 2010 were authorised for issue in accordance with a resolution of the directors on 24 November 2010.

Corporate Governance Report

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

1.2 Board Composition and Guidance
Principle 2: Strong and independent element on the Board

The Board comprises six directors, three of whom are executive directors, and three are independent and/or non-executive directors. The executive directors are Messrs. Lee Tong Soon, Lee Tong Kuon and Kok Nyong Patt. The independent and/or non-executive directors are Dr. John Chen Seow Phun, Mr. Chow Kok Kee and Mrs Julia Chen-Kwok Yung Chu. Mrs Julia Chen-Kwok Yung Chu has been redesignated from a non-executive Director to an independent director of the Company with effect from 22 November 2010. A brief profile of each Director is set out on page 8 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 2010 ("FY2010"), 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 FY2010 and the attendance of each Board member at those meetings are as follows:-

	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]	1	1[1]
Lee Tong Kuon	2	2	–	–	–	–	–	–
Kok Nyong Patt	2	2	–	–	–	–	–	–
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	1	1	1	1

(1) Attended the meeting as an invitee.

Corporate Governance Report

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.

1.3 *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

1.4 *Access to information*
Principle 6: Complete, adequate and timely information

For FY2010, 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 FY2010, the company secretaries attended the Nominating Committee meeting, Remuneration Committee meeting, 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.

Corporate Governance Report

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, all are independent and/or non-executive. Mrs Julia Chen-Kwok Yung Chu has been redesignated from a non-executive Director to an independent director of the Company with effect from 22 November 2010.

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

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 FY2010, 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 their 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 office only until the next annual general meeting of the Company, and shall be eligible for re-election.

The Directors retiring by rotation pursuant to Article 107 at the forthcoming Annual General Meeting ("AGM") are Chow Kok Kee and Julia Chen-Kwok Yung Chu. The NC has recommended Julia Chen-Kwok Yung Chu for re-election. At the Company's forthcoming AGM on 20 January 2011, Chow Kok Kee, who is due for rotation this year pursuant to Article 107 has indicated his intention to retire from the Board and not to seek re-election.

Corporate Governance Report

2.2 *Board Performance*

Principle 5: Formal assessment of the effectiveness of the Board as a whole and the 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.

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 15 December 2010)	23,528,226 Shares (as set out on page 85 of the AR) Mr Lee Tong Soon is also deemed interested in 12,500 Shares held by his spouse.
Board Committees Served	None
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

Corporate Governance Report

Name of Director	Lee Tong Kuon
Shareholding in the Company (as at 15 December 2010)	22,252,725 (as set out on page 85 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

Name of Director	Kok Nyong Patt
Shareholding in the Company (as at 15 December 2010)	22,815,225 Shares (as set out on page 85 of the AR) Mr Kok Nyong Patt is also deemed interested in 12,500 Shares held by his spouse.
Board Committees Served	None
Date of first appointment as director	15 November 1999
Date of last re-election as director	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 15 December 2010)	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	20 January 2010
Present Directorships in other listed companies	Hiap Seng Engineering Ltd OKP Holdings Ltd 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)	Hongguo International Holdings Limited

Corporate Governance Report

Name of Director	Chow Kok Kee
Shareholding in the Company (as at 15 December 2010)	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	21 January 2009. To retire from the Board at the forthcoming AGM to be held on 20 January 2011 and will not seek re-election.
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)	Sing Lun Holdings Ltd

Name of Director	Julia Chen-Kwok Yung Chu
Shareholding in the Company (as at 15 December 2010)	55,000 Shares
Board Committees Served	Remuneration Committee (Member) Audit Committee (Member) Nominating Committee (Member)
Date of first appointment as director	1 December 2007
Date of last re-election as director	29 January 2008. Up for re-election at the AGM on 20 January 2011
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, all are independent and/or non-executive directors, namely Dr. John Chen Seow Phun ("Dr. John Chen"), Mr. Chow Kok Kee, and Mrs Julia Chen-Kwok Yung Chu. Mrs Julia Chen-Kwok Yung Chu has been redesignated from a non-executive Director to an independent director of the Company with effect from 22 November 2010. The chairman of the AC is Dr. John Chen.

Corporate Governance Report

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.

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 FY2010, the AC met twice. Details of the members' attendance at AC meetings in FY2010 are provided in Sections 1.1 and 1.2 of this Report.

The AC performed the following functions in FY2010:-

(a) External Auditors

The Company's external auditors, Ernst & Young LLP, 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 yearly basis.

For FY2010, 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 FY2010.

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 is satisfied that the appointment of different external auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

The AC has met up with the external auditors without the presence of Management in FY2010.

Corporate Governance Report

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.

(b) Review of financial statements

For FY2010, 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 FY2010 and reported its findings to the Board. Please refer to page 61 of the annual report for further details on the related party transactions of the Group for FY2010.

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 FY2010, 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 developing policy on executive remuneration and fixing remuneration packages of individual directors.

The RC comprises three members, all are independent and/or non-executive directors, namely Mr. Chow Kok Kee ("**Mr Chow**"), Dr. John Chen Seow Phun and Mrs Julia Chen-Kwok Yung Chu. Mrs Julia Chen-Kwok Yung Chu has been redesignated from a non-executive Director to an independent director of the Company with effect from 22 November 2010. 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.

Corporate Governance Report

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.

4.2 *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. The service agreements of the executive director will be renewed for a further terms of two years with effect from 1 April 2011.

(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 the 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 FY2010 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	51
	Fees	–	Fees	–	Fees	7
	Bonus	–	Bonus	–	Bonus	23
	Other benefits	–	Other benefits	–	Other benefits	19
Lee Tong Kuon	Salary	–	Salary	–	Salary	51
	Fees	–	Fees	–	Fees	8
	Bonus	–	Bonus	–	Bonus	24
	Other benefits	–	Other benefits	–	Other benefits	17
Kok Nyong Patt	Salary	–	Salary	–	Salary	50
	Fees	–	Fees	–	Fees	7
	Bonus	–	Bonus	–	Bonus	24
	Other benefits	–	Other benefits		Other benefits	19

Corporate Governance Report

Name	Below S$250,000	%	Between S$250,000 and S$499,999	%	Between S$500,000 and S$750,000	%
Chen Seow Phun, John	Salary	–	Salary	–	Salary	–
	Fees	100	Fees	–	Fees	–
	Bonus	–	Bonus	–	Bonus	–
	Other benefits	–	Other benefits	–	Other benefits	–
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	–

For FY2010, 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	90
	Bonus	4
	Other benefits	6
Oh Kok Thai	Salary	85
	Bonus	6
	Other benefits	9
Hau Ee Boon	Salary	89
	Bonus	7
	Other benefits	4
Hau Ee Beng	Salary	90
	Bonus	4
	Other benefits	6
Venetia Yong Chin Ching	Salary	86
	Bonus	6
	Other benefits	8

Corporate Governance Report

None of these employees of the Company are related to directors of the Company and none of their remuneration exceeds S$150,000 for FY2010.

The Board has not included a separate annual remuneration report in its annual report for FY2010 (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. Risk Management

The Board and Management is responsible for monitoring the Group's risk management. They regularly review the Group's business and take necessary steps to identify and highlight areas of significant business risks as well as take the appropriate measures to control and mitigate these risks.

Corporate Governance Report

7. Dealings in Securities

The Company has adopted its own internal Code of Conduct to provide guidance to all directors and officers of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with the Rule 1207(18) of the Listing Manual of the SGX-ST.

8. Material Contracts

Other than disclosed in the audited financial statements and the service agreements between the Executive Directors and the Company, there were no material contracts to which the Company or any subsidiary company is a party and which involve the managing director, 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.

9. Interested Person Transactions

Save as disclosed in the financial statements, there were no interested person transactions with aggregate value of S$100,000 or more for the financial year ended 30 September 2010.

Lee Tong Soon
Chairman and Managing Director

Statistics of Shareholdings

As At 15 December 2010

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	99	4.52	39,187	0.02
1,000 - 10,000	787	35.94	3,064,704	1.48
10,001 - 1,000,000	1,286	58.72	89,815,609	43.23
1,000,001 and above	18	0.82	114,829,200	55.27
TOTAL :	2,190	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	17,720,000	8.53
5.	Chua Yew Chye	3,600,000	1.73
6.	United Overseas Bank Nominees Pte Ltd	3,264,000	1.57
7.	Ang Yu Seng	2,331,000	1.12
8.	Chan I-Harn Alvin	2,292,000	1.10
9.	OCBC Securities Private Ltd	2,244,450	1.08
10.	Kim Eng Securities Pte. Ltd.	2,135,574	1.03
11.	UOB Kay Hian Pte Ltd	2,028,750	0.98
12.	Gan Suat Lui	2,000,000	0.96
13.	DBS Vickers Securities (S) Pte Ltd	1,850,000	0.89
14.	DBS Nominees Pte Ltd	1,718,250	0.83
15.	CIMB Nominees (S) Pte Ltd	1,599,000	0.77
16.	HL Bank Nominees (S) Pte Ltd	1,269,000	0.61
17.	Ng Kok Hiong	1,150,000	0.55
18.	Teo Lea Ken	1,031,000	0.50
19.	Chua Yue Peng	1,000,000	0.48
20.	Yeo Seng Buck	1,000,000	0.48
	TOTAL :	116,829,200	56.23

Statistics of Shareholdings
As At 15 Decemer 2010

Shareholding Interests of the Substantial Shareholders as at 15 December 2010

Name	No of Shares in which the Substantial Shareholder has a direct interest	%	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
Kok Nyong Patt(2)	22,815,225	10.98	12,500	0.01	22,827,725
Lee Tong Kuon(3)	22,252,725	10.71	247,500	0.12	22,500,225
Teo Kiang Ang	17,720,000	8.53	–	–	17,720,000

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

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

Rule 723 of the SGX Listing Manual – Free Float

As at 15 December 2010, approximately 58.26% 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 SGX Listing Manual is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Thai Village Holdings Ltd ("the Company") will be held at Thai Village Restaurant, 5 Stadium Walk, #01-50 Leisure Park Kallang, Singapore 397693 on Thursday, 20 January 2011 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 30 September 2010 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a first and final dividend of S$0.009 per ordinary share (tax exempt one-tier) for the financial year ended 30 September 2010. (2009: S$0.007)

   (Resolution 2)

3. To approve the payment of Directors' fees of S$320,000 for the financial year ending 30 September 2011, with payment to be made in arrears. (2010: S$260,000)

   (Resolution 3)

4. To re-elect Mrs Julia Chen-Kwok Yung Chu who retires pursuant to Article 107 of the Articles of Association of the Company.

   (Resolution 4)

   [See Explanatory Note (i)]

5. To note the retirement of Mr Chow Kok Kee retiring pursuant to Article 107 of the Articles of Association of the Company. Mr Chow Kok Kee, will upon retirement, cease as the Chairman of the Remuneration Committee, members of the Audit Committee and Nominating Committee.

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

   (Resolution 5)

AS SPECIAL BUSINESS

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

7. **Authority to issue shares pursuant to section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

   That the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 to 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

Notice of Annual General Meeting

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 6)

[See Explanatory Note (ii)]

8. **Renewal of Share Purchase Mandate**

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.

Notice of Annual General Meeting

(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 7)

[See Explanatory Note (iii)]

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

BY ORDER OF THE BOARD

Chew Kok Liang
Loh Siew Lee
Company Secretaries

Singapore
5 January 2011

Notice of Annual General Meeting

Explanatory Notes:

i) Mrs Julia Chen-Kwok Yung Chu will, upon re-election as Director of the Company, remain as members of the Audit Committee, Nominating Committee and Remuneration Committee respectively, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. ("SGX-ST")

ii) The Ordinary Resolution 6 above, 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.

iii) The Ordinary Resolution 7 above, 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.

Notes:

(1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her 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.

(2) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Blk 1002 Tai Seng Avenue #01-2536, Singapore 534409 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Notice of Annual General Meeting

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Thai Village Holdings Ltd (the "Company") will be closed on 16 February 2011 for the purpose of determining the Company's shareholders ("Shareholders") entitlements to a first and final dividend of S$0.009 per ordinary share (tax exempt one-tier).

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("CDP") the dividend warrants shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 pm (Singapore time) on 15 February 2011.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place Singapore Land Tower #32-01 Singapore 048623 up to 5.00 p.m. on 15 February 2011 will be registered to determine entitlements to the said dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 20 January 2011 will be made on 28 February 2011.

Proxy Form

THAI VILLAGE HOLDINGS LTD
[Company Registration No. 199905141N]
(Incorporated In the Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy Thai Village Holdings Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely 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.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

I/We, ...

of ....

being a member/members of Thai Village Holdings Ltd(the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Thai Village Restaurant, 5 Stadium Walk, #01-50 Leisure Park Kallang, Singapore 397693 on Thursday, 20 January 2011 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1	Directors' Report and Audited Accounts for the financial year ended 30 September 2010		
2	Payment of proposed first and final dividend of S$0.009 per ordinary share		
3	Approval of Directors' fees amounting to S$320,000 for the financial year ending 30 September 2011, with payment to be made in arrears		
4	Re-election of Mrs Julia Chen-Kwok Yung Chu as a Director under Article 107		
5	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration		
	Special Business		
6	Authority to issue new shares		
7	Renewal of Share Purchase Mandate		

Dated this .... day of 2011

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder
*Delete where inapplicable

Notes :

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 of Singapore), 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 of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any other named proxy as alternate(s) to the first named.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Blk 1002 Tai Seng Avenue #01-2536, Singapore 534409 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised 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 authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 addition, in the case of Shares entered 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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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