BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Second Quarter and Half Year Ended 30 Jun 2009

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

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

The Board of Directors of BreadTalk Group Limited is pleased to announce the consolidated results of the Group for the second quarter and half year ended 30 Jun 2009. The figures presented below have not been audited.

	Group			Group		
	2Q 2009	**2Q 2008**	Increase/	**1H 2009**	**1H 2008**	Increase/
	$000	$000	(Decrease)	$000	$000	(Decrease)
Revenue	56,982	47,769	19.3%	114,183	92,860	23.0%
Cost of sales	(25,016)	(21,091)	18.6%	(51,056)	(42,131)	21.2%
Gross profit	31,966	26,678	19.8%	63,127	50,729	24.4%
Other operating income	2,910	2,477	17.5%	4,731	3,699	27.9%
Distribution and selling expenses	(21,701)	(17,600)	23.3%	(43,245)	(35,330)	22.4%
Administrative expenses	(8,624)	(6,818)	26.5%	(16,809)	(13,533)	24.2%
Profit from operations	4,551	4,737	-3.9%	7,804	5,565	40.2%
Interest income	29	22	31.8%	59	59	0.0%
Interest expense	(154)	(222)	-30.6%	(325)	(411)	-20.9%
Profit before tax and share of results of associates and joint ventures	4,426	4,537	-2.4%	7,538	5,213	44.6%
Share of results of associates	-	(139)	100.0%	(200)	(273)	26.7%
Share of results of joint ventures	115	21	447.6%	223	3	7333.3%
Profit before tax	4,541	4,419	2.8%	7,561	4,943	53.0%
Tax expense	(1,194)	(1,149)	3.9%	(2,037)	(1,914)	6.4%
Profit after tax	3,347	3,270	2.4%	5,524	3,029	82.4%
Other comprehensive income/ (loss):						
Share-based compensation reserve	32	-	N.A.	32	-	N.A.
Fair value adjustment	115	-	N.A.	(460)	-	N.A.
Foreign currency translation	(578)	163	-454.6%	12	127	-90.6%
Other comprehensive income/ (loss) for the period, net of tax	(431)	163	-364.4%	(416)	127	-427.6%
Total comprehensive income for the period	2,916	3,433	-15.1%	5,108	3,156	61.9%
Profit attributable to:						
Shareholders of the Company	**3,045**	**2,945**	3.4%	**5,124**	**2,643**	93.9%
Minority interests	302	325	-7.1%	400	386	3.6%
	3,347	3,270	2.4%	5,524	3,029	82.4%
Total comprehensive income attributable to:						
Shareholders of the Company	**2,614**	**3,108**	-15.9%	**4,708**	**2,770**	70.0%
Minority interests	302	325	-7.1%	400	386	3.6%
	2,916	3,433	-15.1%	5,108	3,156	61.9%

1(a)(ii) Breakdown and Explanatory Notes to the income statement.

(A) Profit before tax is arrived at after charging / (crediting) the following:

	Group			Group		
	2Q 2009	**2Q 2008**	Increase/	**1H 2009**	**1H 2008**	Increase/
	$000	$000	(Decrease)	$000	$000	(Decrease)
Depreciation and amortisation	4,030	3,207	25.7%	7,898	6,284	25.7%
Operating lease expenses	11,845	10,714	10.6%	24,092	20,741	16.2%
Personnel expenses	16,648	12,184	36.6%	32,713	25,172	30.0%
Impairment loss of plant and equipment	-	-	N.A.	336	-	N.A.
Plant and equipment written off	186	58	220.7%	297	91	226.4%
(Gain)/Loss on disposal of plant and equipment	(1)	29	-103.4%	(11)	29	-137.9%
Intangible assets written off	-	-	N.A.	-	14	-100.0%
Loss on disposal of a subsidiary	-	-	N.A.	61	-	N.A.
Foreign exchange (gain) loss, net	361	78	N.M.	(11)	171	-106.4%
Government grant	(722)	(747)	-3.3%	(722)	(747)	-3.3%

N.A. - Not applicable N.M. - Not meaningful

(B) Tax Expense

The Group's tax expense for 2Q 2009 included an under-provision of $26,000 in respect of prior years (2Q 2008: under-provision of $55,000).

In HY2009, there was an under-provision of tax in respect of prior years of $2,000 (HY2008: under-provision of $32,000).

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

	Group		Company	
	30 Jun 2009 $000	**31 Dec 2008** $000	**30 Jun 2009** $000	**31 Dec 2008** $000
Non-current assets				
Property, plant and equipment	55,328	58,156	75	69
Intangible assets	9,289	9,205		-
Investment securities	1,034	1,494		-
Investment in subsidiaries	-	-	25,426	23,739
Investment in associates	-	200		-
Investment in joint ventures	440	222		-
Deferred tax assets	595	532		-
	66,686	69,809	25,501	23,808
Current assets				
Inventories	3,505	3,925	-	-
Trade receivables	4,220	4,761	-	-
Other receivables and deposits	20,616	17,884	1	9
Prepayments	2,341	2,558	16	24
Amount due from subsidiaries (non-trade)	-	-	6,079	7,853
Amount due from joint ventures (non-trade)	333	343	-	-
Fixed deposits	5,174	3,187	1,534	2,550
Cash on hand and at bank	40,977	44,690	2,347	3,909
	77,166	77,348	9,977	14,345
Current liabilities				
Trade payables	11,684	11,630	-	-
Other payables	28,791	34,898	128	149
Other liabilities	23,213	21,072	1,243	1,475
Provision for reinstatement cost	1,964	1,809	-	-
Amount due to subsidiaries (non-trade)	-	-	22	8
Amount due to joint ventures (non-trade)	99	99	-	-
Amount due to landlord (non-trade)	91	90	-	-
Finance lease obligations, secured	168	191	-	-
Loan from minority shareholders of subsidiaries	-	276	-	-
Short term loan, secured	4,192	4,855	-	-
Long-term loans, secured	3,963	4,844	-	-
Tax payable	3,243	3,102	29	45
	77,408	82,866	1,422	1,677
Net current (liabilities)/ assets	**(242)**	**(5,518)**	**8,555**	**12,668**
Non-current liabilities				
Long-term loans, secured	5,250	6,407	-	-
Finance lease obligations, secured	331	430	-	-
Amount due to landlord (non-trade)	166	197	-	-
Deferred tax liabilities	1,014	1,124	-	-
	6,761	8,158	-	-
Net assets	59,683	56,133	34,056	36,476
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(283)	-	(283)	-
Accumulated profits	19,193	16,408	1,004	3,173
Translation reserve	557	545	-	-
Other reserves	1,826	2,254	32	-
	54,596	52,510	34,056	36,476
Minority interests	5,087	3,623	-	-
Total equity	59,683	56,133	34,056	36,476

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

Amount repayable in one year or less, or on demand

As at 30.06.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
8,323	-	9,890	276

Amount repayable after one year

As at 30.06.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
5,581	-	6,837	-

Details of any collateral

(1) As at 30 Jun 2009, the Group's term loans totalling approximately $13.4 million are secured by corporate guarantees issued by the Company.

(2) Finance lease obligations are secured by the underlying assets acquired and in some cases, together with corporate guarantees issued by the Company.

(3) As at 30 Jun 2009, there were several deeds of guarantee executed by the Company to secure certain operating leases of a subsidiary company.

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

	Group		Group	
	2Q 2009	**2Q 2008**	**1H 2009**	**1H 2008**
	$000	$000	$000	$000
Cashflows from operating activities				
Profit before tax	4,541	4,419	7,561	4,943
Adjustments for:				
Share of results of associates	-	139	200	273
Share of results of joint ventures	(115)	(21)	(223)	(3)
Depreciation of property, plant and equipment	3,887	3,055	7,615	5,990
Amortisation of intangible assets	143	152	283	294
Loss on disposal of a subsidiary	-	-	61	-
(Gain)/Loss on disposal of plant and equipment	(1)	29	(11)	29
Impairment loss of plant and equipment	-	-	336	-
Plant and equipment written off	186	58	297	91
Intangible assets written off	-	-	-	14
Share based payment expense	32	-	32	-
Interest expense	154	222	325	411
Interest income	(29)	(22)	(59)	(59)
Translation difference	670	235	(135)	257
Operating cash flow before working capital changes	9,468	8,266	16,282	12,240
(Increase)/ decrease in:				
Inventories	62	(217)	132	(732)
Trade receivables	146	793	529	(87)
Other receivables and deposits	(1,884)	(1,834)	(2,535)	(963)
Prepayments	476	46	216	(680)
Amount due from associates (non-trade)	-	(7)	-	7
Amount due from joint ventures (trade)	-	70	-	63
Amount due from joint ventures (non-trade)	35	28	10	(45)
Increase/ (decrease) in:		-		
Trade payables	207	430	227	444
Other payables and other liabilities	1,889	489	(3,553)	(1,681)
Amount due to associates (trade)	-	(11)	-	(5)
Amount due to associates (non-trade)	-	3	-	3
Amount due to joint ventures (non-trade)	(4)	5	1	(7)
Cash generated from operations	10,395	8,061	11,309	8,557
Tax paid	(2,123)	(2,104)	(2,078)	(1,955)
Net cash flow from operating activities	**8,272**	**5,957**	**9,231**	**6,602**
Cash flows from investing activities				
Interest income received	29	22	59	59
Purchase of property, plant and equipment	(3,634)	(4,402)	(5,973)	(8,440)
Proceeds from disposal of plant and equipment	7	74	23	76
Acquisition of intangible assets	(388)	(35)	(397)	(75)
Net cash flow from disposal of a subsidiary	-	-	125	-
Net cash flow used in investing activities	**(3,986)**	**(4,341)**	**(6,163)**	**(8,380)**

Cash flows from financing activities				
Increase in fixed deposits and cash at bank pledged	-	-	-	(2)
Interest expense paid	(148)	(216)	(313)	(399)
Dividends paid to shareholders of the Company	(2,339)	(1,292)	(2,339)	(1,292)
Net (Repayment of) proceeds from finance lease obligations	(63)	(65)	(121)	(53)
Proceeds from short-term loans	2,139	874	2,529	4,144
Repayment of short-term loans	(1,447)	-	(3,214)	(1,085)
Proceeds of long-term loans	3	2,896	546	3,982
Repayment of long-term loans	(1,422)	(984)	(2,676)	(2,034)
Purchase of treasury shares	-	-	(283)	-
Repayment of amount owing to landlord	(23)	-	(47)	-
Capital injection from minority shareholders of subsidiaries	1,080	400	1,080	850
Loan from minority shareholders of subsidiaries	-	150	44	150
Net cash flow (used in) from financing activities	**(2,220)**	**1,763**	**(4,794)**	**4,261**
Net increase (decrease) in cash and cash equivalents	2,066	3,379	(1,726)	2,483
Cash and cash equivalents at beginning of financial period	44,085	37,342	47,877	38,238
Cash and cash equivalents at end of financial period (Note A)	**46,151**	**40,721**	**46,151**	**40,721**

Note A: Cash and cash equivalents comprise:	**Group**	
	30 Jun 2009	**30 Jun 2008**
	$000	$000
Cash on hand and at bank	40,977	37,780
Fixed deposits	5,174	3,050
	46,151	40,830
Less: Fixed deposits pledged	-	(109)
Cash and cash equivalents	46,151	40,721

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to Shareholders of the Company							
	Share capital	**Treasury shares**	**Translation reserve**	**Accumulated profits**	**Other reserves (Note B)**	**Total**	**Minority interests**	**Total equity**
Group	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 January 2008	33,303	-	(213)	10,394	612	44,096	3,170	47,266
Total comprehensive income (loss) for the period	-	-	(36)	(302)	-	(338)	61	(277)
Issuance of new shares to minority shareholders	-	-	-	-	-	-	450	450
Balance at 31 March 2008	**33,303**	**-**	**(249)**	**10,092**	**612**	**43,758**	**3,681**	**47,439**
Total comprehensive income for the period	-	-	163	2,945	-	3,108	325	3,433
Dividend paid	-	-	-	(1,292)	-	(1,292)	-	(1,292)
Issuance of new shares to minority shareholders	-	-	-	-	-	-	400	400
Balance at 30 Jun 2008	**33,303**	**-**	**(86)**	**11,745**	**612**	**45,574**	**4,406**	**49,980**
Balance at 1 January 2009	33,303	-	545	16,408	2,254	52,510	3,623	56,133
Total comprehensive income (loss) for the period	-	-	590	2,079	(575)	2,094	98	2,192
Purchase of treasury shares	-	(283)	-	-	-	(283)	-	(283)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	177	177
Disposal of a subsidiary	-	-	-	-	-	-	(193)	(193)
Balance at 31 March 2009	**33,303**	**(283)**	**1,135**	**18,487**	**1,679**	**54,321**	**3,705**	**58,026**
Total comprehensive income (loss) for the period	-	-	(578)	3,045	147	2,614	302	2,916
Dividend paid	-	-	-	(2,339)	-	(2,339)	-	(2,339)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	1,080	1,080
Balance at 30 Jun 2009	**33,303**	**(283)**	**557**	**19,193**	**1,826**	**54,596**	**5,087**	**59,683**

Company	Share capital	Treasury shares	Accumulated profits	Other reserves (Note B)	Total Equity
	$000	$000	$000	$000	$000
As at 1 January 2008	33,303	-	2,219	-	35,522
Total comprehensive income for the period	-	-	433	-	433
Balance at 31 March 2008	**33,303**	**-**	**2,652**	**-**	**35,955**
Total comprehensive income for the period	-	-	(325)	-	(325)
Dividend paid			(1,292)	-	(1,292)
Balance at 30 Jun 2008	**33,303**	**-**	**1,035**	**-**	**34,338**
As at 1 January 2009	33,303	-	3,173	-	36,476
Purchase of treasury shares	-	(283)	-	-	(283)
Total comprehensive income for the period	-	-	199	-	199
Balance at 31 March 2009	**33,303**	**(283)**	**3,372**	**-**	**36,392**
Total comprehensive income for the period	-	-	(29)	32	3
Dividend paid	-	-	(2,339)		(2,339)
Balance at 30 Jun 2009	**33,303**	**(283)**	**1,004**	**32**	**34,056**

Note B: Other reserves

	Group		Company	
	30 Jun 2009	**30 Jun 2008**	**30 Jun 2009**	**30 Jun 2008**
	$000	$000	$000	$000
Statutory reserve fund	1,076	612	-	-
Fair value adjustment reserve	718	-	-	-
Share based compensation reserve	32	-	32	-
	1,826	**612**	**32**	**-**

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes in the share capital of the Company in second quarter 2009. As at 30 June 2009, the Company's issued and paid up capital, excluding 970,000 (31 December 2008: Nil) treasury shares held, comprises 233,941,034 (31 December 2008: 234,911,034) ordinary shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2009, the Company's issued and paid up capital, excluding 970,000 (31 December 2008: Nil) treasury shares held, comprises 233,941,034 (31 December 2008: 234,911,034) ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported

There were no movements in the number of treasury shares held in second quarter 2009. As at 30 June 2009, the Company's issued and paid up capital, excluding 970,000 (31 December 2008: Nil) treasury shares held, comprises 233,941,034 (31 December 2008: 234,911,034) ordinary shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2008, except for the adoption of the Financial Reporting Standards (FRS) which are effective for financial year beginning on or after 1 January 2009 as disclosed below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of new/ revised FRS effective 1 January 2009 has no material impact on the financial statements of the Group, except for FRS 1 and FRS 108 as indicated below:

FRS 1 Presentation of Financial Statements - Revised Presentation

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

FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group.

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

	Group		**Group**	
	2Q 2009	**2Q 2008**	**1H 2009**	**1H 2008**
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.30 cents	1.25 cents	2.19 cents	1.13 cents
Weighted average number of ordinary shares	233,941,034	234,911,034	234,264,367	234,911,034
(b) On a fully diluted basis	1.30 cents	1.25 cents	2.18 cents	1.13 cents
Adjusted weighted average number of ordinary shares	234,540,367	234,911,034	234,564,034	234,911,034

During the second quarter 2009, a total of 899,000 restricted shares was granted conditionally under the "BreadTalk Restricted Share Grant Plan".

As at 30 Jun 2009, there were no share options issued under the "BreadTalk Group Limited Employees' Share Option Scheme" .

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

	Group		**Company**	
	30 Jun 2009	**31 Dec 2008**	**30 Jun 2009**	**31 Dec 2008**
Net asset value per ordinary share based on issued share capital as at the end of period reported on	23.3 cents	22.4 cents	14.6 cents	15.5 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

The Group recorded a strong set of results in 1H 2009 with group revenue rising 23.0% to $114.2 million while profit before tax rose 53.0% to $7.6 million, underpinned mainly by strong growth from the bakery and food court businesses.

In 2Q 2009, Group revenue grew 19.3% to $57.0 million driven by revenue growth across all business and geographical segments. Meanwhile, profit before tax grew 2.8% to $4.5 million compared to 2Q 2008.

Group operating profit dipped marginally by 3.9% to $4.6 million in 2Q 2009 compared to $4.7 million in 2Q 2008 but nonetheless grew 39.9% compared to $3.3 million in 1Q 2009. Despite the global economic slowdown, all business segments recorded increase in operating profit excluding pre-operating cost of Carl's Junior business of $0.3 million.

The Group ceased to take up any losses from its 30% owned associate, Out of The Box Pte Ltd, in 2Q 2009 as the group's investment cost in the associate has been fully eroded.

Share of results of joint ventures were up $94,000 in 2Q 2009 as its Malaysian food court business improved in profitability during the quarter. The group also ceased to take up losses from Shanghai Hong Bu Rang Food & Beverage Management Co., Ltd after the group's cost of investment in the joint venture company has been fully eroded.

Group effective tax rate for 2Q 2009 stood at 26.3%, marginally higher compared to 26.0% in 2Q 2008. For 1H 2009, Group effective tax rate dropped to 26.9% compared to 38.7% in 1H 2008 with the turning-around of certain loss-making subsidiaries in 1H 2009.

As a result, Group net profit attributable to shareholders rose 3.4% to $3.0 million in 2Q 2009 compared to $2.9 million in 2Q 2008. Meanwhile, Group net profit attributable to shareholders rose 93.9% to $5.1 million in 1H 2009, up from $2.6 million in 1H 2008.

Earnings per share on fully diluted basis for 2Q 2009 rose 4.0% to 1.30 cents compared to 1.25 cents in 2Q 2008 while for 1H 2009, earnings per share on fully diluted basis rose 92.9% to 2.18 cents compared to 1.13 cents in 1H 2008.

(A) Segmental Analysis

Group revenue rose 19.3% and 23.0% to $57.0 million and $114.2 million respectively in 2Q 2009 and 1H 2009 underpinned by successful expansion drive across all business divisions.

	2Q 2009		2Q 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	25,240	44.3%	21,065	44.1%	4,175	19.8%
Franchise income	5,182	9.1%	3,380	7.1%	1,802	53.3%
Restaurant sales	8,793	15.4%	7,726	16.2%	1,067	13.8%
Foodcourt income	17,767	31.2%	15,598	32.6%	2,169	13.9%
	56,982	100.0%	47,769	100.0%	9,213	19.3%

	1H 2009		1H 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	50,599	44.3%	40,693	43.8%	9,906	24.3%
Franchise income	9,381	8.2%	6,947	7.5%	2,434	35.0%
Restaurant sales	17,544	15.4%	15,023	16.2%	2,521	16.8%
Foodcourt income	36,659	32.1%	30,197	32.5%	6,462	21.4%
	114,183	100.0%	92,860	100.0%	21,323	23.0%

Bakery

The number of bakery outlets owned and operated by the Group:

	Number of Bakery Outlets		
	30 Jun 2009	31 Dec 2008 *	30 Jun 2008 *
Singapore	43	42	39
Malaysia	12	12	7
Hong Kong	7	5	2
PRC	40	36	31
Thailand	3	3	3
	105	98	82

** For purpose of comparison, the number of bakery outlet excludes J Co. Donut outlets following its disposal effective January 2009.*

Sales from bakery business, the largest revenue contributor, grew $4.2 million or 19.8% to $25.2 million in 2Q 2009 compared to 2Q 2008. Sales growth was spurred by expansion in Singapore (+19.2%), the PRC (+29.0%) and Hong Kong (+232.0%).

The Group's franchised bakery network:

	As At		
	30 Jun 2009	31 Dec 2008	30 Jun 2008
Indonesia	51	48	44
Philippines	15	15	12
Kuwait	7	7	7
UAE	-	4	4
Oman	1	1	-
India	6	7	4
Korea	2	1	1
PRC	71	58	48
Bahrain	1	-	-
	154	141	120

Franchise revenue grew $1.8 million or 53.3% to $5.2 million in 2Q 2009 mainly contributed by growth in franchise fee, royalty as well as raw material sales as the total number of franchised outlets increased by 34 to 154 outlets as of 30 June 2009 compared to a year ago.

In 2Q 2009, overall bakery segment registered an operating profit of $2.0 million, marginally lower compared to $2.1 million recorded in 2Q 2008 mainly due to (1) Singapore bakery operations recorded higher sales but lower operating profit mainly due to higher bonus provision in 2Q 2009 in light of better results achieved in 1H 2009; (2) smaller operating loss from the Hong Kong bakery operations; (3) bakery operations in PRC recorded lower operating profit due to the challenging business environment; and (4) de-consolidation of the loss-making J Co. Donut business following its disposal effective 1 January 2009.

In 1H 2009, total revenue from the bakery segment grew $12.3 million or 25.9% to $60.0 million compared to $47.6 million in 1H 2008 while operating profit doubled to $2.9 million compared to 1H 2008.

Restaurants

Revenue from restaurant business grew $1.1 million or 13.8% to $8.8 million in 2Q 2009, up from $7.7 million in 2Q 2008 mainly boosted by contribution from the sixth Din Tai Fung restaurant at Jurong Point Shopping Mall opened in December 2008. The Din Tai Fung flagship outlet at Paragon Shopping Mall was upgraded in May 2009 following its lease renewal.

Restaurant business registered a lower operating profit of $1.1 million in 2Q 2009 compared to $1.4 million in 2Q 2008 mainly due to pre-operating cost of Carl's Junior business of $0.3 million.

In 1H 2009, revenue from the restaurant segment rose $2.5 million or 16.8% to $17.5 million compared to $15.0 million in 1H 2008 while operating profit reached $1.8 million, $0.3 million lower compared to $2.1 million recorded in 1H 2008.

Food Courts

Number of food courts owned and operated by the Group:

	As At		
	30 Jun 2009	**31 Dec 2008**	**30 Jun 2008**
PRC	22	20	20
Hong Kong	5	5	3
Singapore	3	3	3
Malaysia	1	1	1
	31	29	27

Revenue from food court business grew $2.2 million or 13.9% to $17.8 million in 2Q 2009 compared to $15.6 million in 2Q 2008, mainly contributed by higher revenue from Hong Kong food court operations (+70.5%).

The food court business registered a marginally lower operating profit of $1.5 million in 2Q 2009 compared to $1.6 million in 2Q 2008, mainly due to lower profit recorded by the PRC food court operations which was affected by the temporary closure of a food court in Beijing in 2Q 2009. The Hong Kong food court operations turned around nicely in 2Q 2009 from a loss in 2Q 2008 where the performance was impacted by the delay in the opening of new food courts.

In 1H 2009, revenue from the food court segment rose $6.5 million or 21.4% to $36.7 million compared to $30.2 million in 1H 2008 while operating profit from the food court business rose $0.8 million to $2.8 million compared to $2.0 million in 1H 2008.

(B) Geographical Analysis

Breakdown of the Group's revenue by geographical segments is summarised below:

	2Q 2009		**2Q 2008**		**Increase**	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	26,898	47.2%	24,711	51.8%	2,187	8.9%
PRC	19,187	33.7%	16,097	33.7%	3,090	19.2%
Hong Kong	7,191	12.6%	3,597	7.5%	3,594	99.9%
Rest of the world	3,706	6.5%	3,364	7.0%	342	10.2%
	56,982	100.0%	47,769	100.0%	9,213	19.3%

	1H 2009		**1H 2008**		**Increase**	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	52,404	45.9%	47,286	50.9%	5,118	10.8%
PRC	41,037	35.9%	32,405	34.9%	8,632	26.6%
Hong Kong	13,652	12.0%	6,759	7.3%	6,893	102.0%
Rest of the world	7,090	6.2%	6,410	6.9%	680	10.6%
	114,183	100.0%	92,860	100.0%	21,323	23.0%

The Group achieved broad-based revenue growth across all geographical segments in 2Q 2009. Revenue contribution from the Hong Kong doubled to $7.2 million in 2Q 2009 compared to $3.6 million in 2Q 2008 underpinned by growth from both the food court and bakery operations.

Revenue from the PRC rose $3.1 million or 19.2% to $19.2 million in 2Q 2009 mainly attributable to the bakery operations while revenue from Singapore grew $2.2 million or 8.9% to $26.9 million in 2Q 2009 mainly contributed by bakery and restaurant operations.

(C) Balance Sheet

The Group adopted a cautious approach towards investment and working capital management by deploying its cash towards reducing its payables and borrowings.

As a result, other payables decreased by $6.1 million to $28.8 million as at 30 June 2009 compared to $34.9 million as at 31 December 2008 mainly due to lower payables relating to capital expenditure as at 30 June 2009 following payments to suppliers.

The Group's total borrowings decreased by $3.1 million to $13.9 million as at 30 June 2009 compared to $17.0 million as at 31 December 2008. The Group's gearing stood at 0.23 as at 30 June 2009 compared to 0.30 as at 31 December 2008.

Other receivables and deposits rose $2.7 million or 15.3% to $20.6 million as at 30 June 2009 compared to $17.9 million as at 31 December 2008 mainly attributes to increase in security deposits for leased premises in line with the Group's business expansion.

As at 30 June 2009, the Group's net current liabilities position narrowed to $0.2 million compared to $5.5 million as at 31 December 2008. The improvement was mainly attributable to strong cash flow generated from operations. As at 30 June 2009, the current liabilities included food court tenants' deposits and stored value card deposits of $8.5 million and deferred revenue of $6.3 million which, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months.

(D) Cash Flow Statement

The group registered a strong operating cashflow of $8.3 million in 2Q 2009 compared to $6.0 million in 2Q 2008. Net cash flow used in investing activities amounted to $4.0 million in 2Q 2009 compared to $4.3 million. Meanwhile, a net cash flow of $2.2 million was used in financing activities in 2Q 2009 compared to a net cash flow of $1.8 million generated from financing activities mainly due to net repayment of loans and higher dividend payment in repect of FY2008 made in 2Q 2009 compared to 2Q 2008.

As as 30 June 2009, the Group's cash and cash equivalents stood at $46.2 million, a decrease of $1.7 million compared to $47.9 million as at 31 December 2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results
Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is on track in launching the Carl's Junior brand in the PRC and a new Japanese ramen concept called "Ramen Play" in both Singapore and the PRC in the second half of the year. Meanwhile, the Group has secured its first site for a Din Tai Fung restaurant in Bangkok, Thailand which is expected to open in 2010.

Trail blazing ahead of competition, the Group will sharpen its focus on innovating brand concepts to enhance customers' dining experience. The recently opened "Tea Loft", "Bread Society" bakery and "Food Opera" food atrium at the ION Orchard, recognize customers' discerning tastes for quality dining options.

To support its growth in the PRC, the Group has invested in new factories for its bakery business in both Shanghai and Beijing.

The Group is cautiously optimistic about its prospects for the rest of the year as its expansion gathers pace amidst signs of improvement in the global economy.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable
Not applicable

(d) Books closure date
Not applicable

12. If no dividend has been declared/recommended, a statement to that effect
No interim dividend for the second quarter ended 30 June 2009 has been recommended.

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

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

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable

15. Breakdown of revenue and profit after tax
Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year
Not applicable

17. Negative Assurance on Interim Financial Statements

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the financial results for the second quarter and half year ended 30 Jun 2009 of the Group and the Company to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
13 August 2009