BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Third Quarter Ended 30 September 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 third quarter ended 30 September 2009. The figures presented below have not been audited.

	Group			Group		
	3Q 2009 $000	**3Q 2008** $000	Increase/ (Decrease)	**YTD Sep 2009** $000	**YTD Sep 2008** $000	Increase/ (Decrease)
Revenue	64,105	54,656	17.3%	178,288	147,516	20.9%
Cost of sales	(29,141)	(24,940)	16.8%	(80,197)	(67,071)	19.6%
Gross profit	34,964	29,716	17.7%	98,091	80,445	21.9%
Other operating income	1,757	1,615	8.8%	6,488	5,314	22.1%
Distribution and selling expenses	(23,615)	(20,582)	14.7%	(66,860)	(55,912)	19.6%
Administrative expenses	(8,790)	(8,781)	0.1%	(25,599)	(22,314)	14.7%
Profit from operations	4,316	1,968	119.3%	12,120	7,533	60.9%
Interest income	30	52	-42.3%	89	111	-19.8%
Interest expense	(166)	(211)	-21.3%	(491)	(622)	-21.1%
Profit before tax and share of results of associates and joint ventures	4,180	1,809	131.1%	11,718	7,022	66.9%
Share of results of associates	-	(94)	-100.0%	(200)	(367)	-45.5%
Share of results of joint ventures	-	48	-100.0%	223	51	337.3%
Profit before tax	4,180	1,763	137.1%	11,741	6,706	75.1%
Tax expense	(1,322)	(1,035)	27.7%	(3,359)	(2,949)	13.9%
Profit after tax	2,858	728	292.6%	8,382	3,757	123.1%
Other comprehensive income/ (loss):						
Share-based compensation reserve	49	-	N.A.	81	-	N.A.
Fair value adjustment	747	1,924	-61.2%	287	1,924	-85.1%
Foreign currency translation	(307)	491	-162.5%	(295)	618	-147.7%
Other comprehensive income for the period, net of tax	489	2,415	-79.8%	73	2,542	-97.1%
Total comprehensive income for the period	3,347	3,143	6.5%	8,455	6,299	34.2%
Profit attributable to:						
Shareholders of the Company	**2,675**	**768**	248.3%	**7,799**	**3,411**	128.6%
Minority interests	183	(40)	N.M.	583	346	68.5%
	2,858	728	292.6%	8,382	3,757	123.1%
Total comprehensive income attributable to:						
Shareholders of the Company	**3,164**	**3,183**	-0.6%	**7,872**	**5,953**	32.2%
Minority interests	183	(40)	N.M.	583	346	68.5%
	3,347	3,143	6.5%	8,455	6,299	34.2%

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		
	3Q 2009 $000	**3Q 2008** $000	Increase/ (Decrease)	**YTD Sep 2009** $000	**YTD Sep 2008** $000	Increase/ (Decrease)
Depreciation and amortisation	3,938	3,480	13.2%	11,836	9,764	21.2%
Operating lease expenses	13,714	11,960	14.7%	37,806	32,701	15.6%
Personnel expenses	17,259	15,313	12.7%	49,972	40,485	23.4%
Impairment loss of plant and equipment	-	-	N.A.	336	-	N.A.
Plant and equipment written off	333	205	62.4%	630	296	112.8%
Loss/(gain) on disposal of plant and equipment	-	2	-100.0%	(11)	31	-135.5%
Intangible assets written off	-	-	N.A.	-	14	-100.0%
Loss on disposal of a subsidiary	-	-	N.A.	61	-	N.A.
Foreign exchange loss, net	252	(184)	N.M.	241	(13)	N.M
Government grant	-	(14)	N.M.	(722)	(761)	-5.1%

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

(B) Tax Expense

There were no under or over-provision of tax in respect of prior years in 3Q 2009 (3Q 2008: over-provision of $26,000).

In YTD September 2009, there was an under-provision of tax in respect of prior years of $2,000 (YTD Sep 2008: under-provision of $6,000).

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 Sep 2009	**31 Dec 2008**	**30 Sep 2009**	**31 Dec 2008**
	$000	$000	$000	$000
Non-current assets				
Property, plant and equipment	59,226	58,156	109	69
Intangible assets	9,170	9,205	-	-
Investment securities	1,781	1,494	-	-
Investment in subsidiaries	-	-	25,452	23,739
Investment in associates	-	200	-	-
Investment in joint ventures	436	222	-	-
Deferred tax assets	600	532	-	-
	71,213	69,809	25,561	23,808
Current assets				
Inventories	3,921	3,925	-	-
Trade receivables	4,903	4,761	-	-
Other receivables and deposits	17,772	17,884	37	9
Prepayments	3,489	2,558	29	24
Amount due from subsidiaries (non-trade)	-	-	6,590	7,853
Amount due from joint ventures (non-trade)	416	343	-	-
Fixed deposits	5,163	3,187	1,535	2,550
Cash on hand and at bank	50,464	44,690	2,337	3,909
	86,128	77,348	10,528	14,345
Current liabilities				
Trade payables	12,841	11,630	-	-
Other payables	31,697	34,898	224	149
Other liabilities	27,599	21,072	1,622	1,475
Provision for reinstatement cost	2,264	1,809	-	-
Amount due to subsidiaries (non-trade)	-	-	26	8
Amount due to joint ventures (non-trade)	96	99	-	-
Amount due to landlord (non-trade)	89	90	-	-
Finance lease obligations, secured	168	191	-	-
Loan from minority shareholders of subsidiaries	-	276	-	-
Short term loan, secured	4,347	4,855	-	-
Long-term loans, secured	3,281	4,844	-	-
Tax payable	3,084	3,102	46	45
	85,466	82,866	1,918	1,677
Net current assets/(liabilities)	**662**	**(5,518)**	**8,610**	**12,668**
Non-current liabilities				
Long-term loans, secured	6,463	6,407	-	-
Finance lease obligations, secured	292	430	-	-
Amount due to landlord (non-trade)	145	197	-	-
Deferred tax liabilities	1,084	1,124	-	-
	7,984	8,158	-	-
Net assets	63,891	56,133	34,171	36,476
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(283)	-	(283)	-
Accumulated profits	21,868	16,408	1,070	3,173
Translation reserve	250	545	-	-
Other reserves	2,622	2,254	81	-
	57,760	52,510	34,171	36,476
Minority interests	6,131	3,623	-	-
Total equity	63,891	56,133	34,171	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 30.09.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
7,796	-	9,890	276

Amount repayable after one year

As at 30.09.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
6,755	-	6,837	-

Details of any collateral

(1) As at 30 September 2009, the Group's term loans totalling approximately $14.1 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 September 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	
	3Q 2009	**3Q 2008**	**YTD Sep 2009**	**YTD Sep 2008**
	$000	$000	$000	$000
Cashflows from operating activities				
Profit before tax	4,180	1,763	11,741	6,706
Adjustments for:				
Share of results of associates	-	94	200	367
Share of results of joint ventures	-	(48)	(223)	(51)
Depreciation of property, plant and equipment	3,797	3,312	11,412	9,302
Amortisation of intangible assets	141	168	424	462
Loss on disposal of a subsidiary	-	-	61	-
Loss/(gain) on disposal of plant and equipment	-	2	(11)	31
Impairment loss of plant and equipment	-	-	336	-
Plant and equipment written off	333	205	630	296
Intangible assets written off	-	-	-	14
Share based payment expense	49	-	81	-
Interest expense	166	211	491	622
Interest income	(30)	(52)	(89)	(111)
Translation difference	354	(574)	219	(317)
Operating cash flow before working capital changes	8,990	5,081	25,272	17,321
(Increase)/ decrease in:				
Inventories	(416)	(2,160)	(284)	(2,892)
Trade receivables	(682)	(1,428)	(153)	(1,515)
Other receivables and deposits	2,842	(616)	307	(1,579)
Prepayments	(1,148)	(967)	(932)	(1,647)
Amount due from associates (non-trade)	-	-	-	7
Amount due from joint ventures (trade)	-	-	-	63
Amount due from joint ventures (non-trade)	(83)	206	(73)	161
Amount due from minority shareholders (non-trade)	-	(356)	-	(356)
Increase/ (decrease) in:		-		
Trade payables	1,157	2,011	1,384	2,455
Other payables and other liabilities	7,292	13,501	3,739	11,820
Amount due to associates (trade)	-	-	-	(5)
Amount due to associates (non-trade)	-	1	-	4
Amount due to joint ventures (non-trade)	(3)	9	(2)	2
Cash generated from operations	17,949	15,282	29,258	23,839
Tax paid	(1,416)	(903)	(3,494)	(2,858)
Net cash flow from operating activities	**16,533**	**14,379**	**25,764**	**20,981**
Cash flows from investing activities				
Interest income received	30	52	89	111
Purchase of property, plant and equipment	(8,713)	(10,267)	(14,686)	(18,707)
Proceeds from disposal of plant and equipment	11	24	34	100
Acquisition of intangible assets	(28)	(21)	(425)	(96)
Net cash flow from disposal of a subsidiary	-	-	125	-
Net cash flow used in investing activities	**(8,700)**	**(10,212)**	**(14,863)**	**(18,592)**

Cash flows from financing activities				
Increase in fixed deposits and cash at bank pledged	-	-	-	(2)
Interest expense paid	(160)	(205)	(473)	(604)
Dividends paid to shareholders of the Company	-	-	(2,339)	(1,292)
Net (repayment of)/proceeds from finance lease obligations	(40)	126	(161)	73
Proceeds from short-term loans	1,950	890	4,479	5,034
Repayment of short-term loans	(1,685)	(3,045)	(4,899)	(4,130)
Proceeds from long-term loans	3,162	2,503	3,708	6,485
Repayment of long-term loans	(2,423)	(869)	(5,099)	(2,903)
Purchase of treasury shares	-	-	(283)	-
Repayment of amount owing to landlord	(22)	(170)	(69)	(170)
Capital injection from minority shareholders of subsidiaries	861	-	1,941	850
Loan from minority shareholders of subsidiaries	-	-	44	150
Net cash flow from/(used in) financing activities	**1,643**	**(770)**	**(3,151)**	**3,491**
Net increase in cash and cash equivalents	9,476	3,397	7,750	5,880
Cash and cash equivalents at beginning of financial period	46,151	40,721	47,877	38,238
Cash and cash equivalents at end of financial period (Note A)	**55,627**	**44,118**	**55,627**	**44,118**

Note A: Cash and cash equivalents comprise:	**Group**	
	30 Sep 2009	**30 Sep 2008**
	$000	$000
Cash on hand and at bank	50,464	41,158
Fixed deposits	5,163	3,069
	55,627	44,227
Less: Fixed deposits pledged	-	(109)
Cash and cash equivalents	55,627	44,118

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 for the period	-	-	127	2,643	-	2,770	386	3,156
Dividend paid	-	-	-	(1,292)	-	(1,292)	-	(1,292)
Issuance of new shares to minority shareholders	-	-	-	-	-	-	850	850
Balance at 30 June 2008	**33,303**	**-**	**(86)**	**11,745**	**612**	**45,574**	**4,406**	**49,980**
Total comprehensive income/(loss) for the period	-	-	491	768	1,924	3,183	(40)	3,143
Balance at 30 September 2008	**33,303**	**-**	**405**	**12,513**	**2,536**	**48,757**	**4,366**	**53,123**
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	-	-	12	5,124	(428)	4,708	400	5,108
Dividend paid	-	-	-	(2,339)	-	(2,339)	-	(2,339)
Purchase of treasury shares	-	(283)	-	-	-	(283)	-	(283)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	1,257	1,257
Disposal of a subsidiary	-	-	-	-	-	-	(193)	(193)
Balance at 30 June 2009	**33,303**	**(283)**	**557**	**19,193**	**1,826**	**54,596**	**5,087**	**59,683**
Total comprehensive (loss)/income for the period	-	-	(307)	2,675	796	3,164	183	3,347
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	861	861
Balance at 30 September 2009	**33,303**	**(283)**	**250**	**21,868**	**2,622**	**57,760**	**6,131**	**63,891**

Company	Share capital $000	Treasury shares $000	Accumulated profits $000	Other reserves (Note B) $000	Total Equity $000
As at 1 January 2008	33,303	-	2,219	-	35,522
Total comprehensive income for the period	-	-	108	-	108
Dividend paid			(1,292)	-	(1,292)
Balance at 30 June 2008	**33,303**	**-**	**1,035**	**-**	**34,338**
Total comprehensive income for the period	-	-	252	-	252
Balance at 30 September 2008	**33,303**	**-**	**1,287**	**-**	**34,590**
As at 1 January 2009	33,303	-	3,173	-	36,476
Purchase of treasury shares	-	(283)	-	-	(283)
Total comprehensive income for the period	-	-	170	32	202
Dividend paid	-	-	(2,339)		(2,339)
Balance at 30 June 2009	**33,303**	**(283)**	**1,004**	**32**	**34,056**
Total comprehensive income for the period	-	-	66	49	115
Balance at 30 September 2009	**33,303**	**(283)**	**1,070**	**81**	**34,171**

Note B: Other reserves

	Group		Company	
	30 Sep 2009	**30 Sep 2008**	**30 Sep 2009**	**30 Sep 2008**
	$000	$000	$000	$000
Statutory reserve fund	1,076	612	-	-
Fair value adjustment reserve	1,465	1,924	-	-
Share based compensation reserve	81	-	81	-
	2,622	**2,536**	**81**	**-**

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 during the third quarter 2009. Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 30 September 2009 was 899,000 (30 Sep 2008: Nil).

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 September 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 thereon.

There were no movements in the number of treasury shares held during third quarter 2009. Total number of treasury shares held as at 30 September 2009 was 970,000 (31 December 2008: Nil).

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	
	3Q 2009	**3Q 2008**	**YTD Sep 2009**	**YTD Sep 2008**
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.14 cents	0.33 cents	3.33 cents	1.45 cents
Weighted average number of ordinary shares	233,941,034	234,911,034	234,156,590	234,911,034
(b) On a fully diluted basis	1.14 cents	0.33 cents	3.32 cents	1.45 cents
Adjusted weighted average number of ordinary shares	234,840,034	234,911,034	234,656,034	234,911,034

As at 30 September 2009, a total of 899,000 restricted shares have been granted conditionally under the "BreadTalk Restricted Share Grant Plan" while no share options have been 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 Sep 2009	**31 Dec 2008**	**30 Sep 2009**	**31 Dec 2008**
Net asset value per ordinary share based on issued share capital as at the end of period reported on	24.7 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 for the nine months ended 30 September 2009. Group revenue rose 20.9% to $178.3 million while profit before tax rose 75.1% to $11.7 million, underpinned by strong growth across all businesses. Despite the global ecomonic slowdown, the Group managed to record revenue growth and improve margins.

In 3Q 2009, Group revenue grew 17.3% to $64.1 million driven by growth across all business and geographical segments. Group operating profit soared 119.4% to $4.3 million in 3Q 2009 supported by strong growth from the bakery and restaurant businesses. Profit before tax for 3Q 2009 soared 137.1% to $4.2 million as profit before tax margin expanded to 6.5% (3Q08: 3.2%).

Share of results of joint ventures declined by $48,000 in 3Q 2009 compared to 3Q 2008 mainly due to higher operating expenses incurred by its Malaysian food court business.

Group effective tax rate for 3Q 2009 decreased to 31.6% compared to 58.7% in 3Q 2008 with the turning-around of certain loss-making subsidiaries. For the same reason, Group effective tax rate dropped to 28.6% in 9M 2009 compared to 44.0% in 9M 2008.

As a result, Group net profit attributable to shareholders rose 248.3% to $2.7 million in 3Q 2009. For the first 9 months of the year, Group net profit attributable to shareholders rose 128.6% to $7.8 million.

Earnings per share on fully diluted basis rose 245.5% to 1.14 cents for 3Q 2009 and 129.0% to 3.32 cents for 9M 2009.

(A) Segmental Analysis

Group revenue rose 17.3% and 20.9% to $64.1 million and $178.3 million respectively in 3Q 2009 and 9M 2009 underpinned by successful expansion drive across all business divisions.

	3Q 2009		3Q 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	28,359	44.2%	23,909	43.7%	4,450	18.6%
Franchise income	4,715	7.3%	3,600	6.6%	1,115	31.0%
Restaurant sales	10,098	15.8%	7,984	14.6%	2,114	26.5%
Foodcourt income	20,933	32.7%	19,163	35.1%	1,770	9.2%
	64,105	100.0%	54,656	100.0%	9,449	17.3%

	YTD Sep 2009		YTD Sep 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	78,958	44.3%	64,602	43.8%	14,356	22.2%
Franchise income	14,096	7.9%	10,547	7.1%	3,549	33.6%
Restaurant sales	27,642	15.5%	23,007	15.6%	4,635	20.1%
Foodcourt income	57,592	32.3%	49,360	33.5%	8,232	16.7%
	178,288	100.0%	147,516	100.0%	30,772	20.9%

Bakery

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

	Number of Bakery Outlets		
	30 Sep 2009	31 Dec 2008 *	30 Sep 2008 *
Singapore	49	42	41
Malaysia	12	12	9
Hong Kong	7	5	5
PRC	40	36	32
Thailand	4	3	3
	112	98	90

** 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 $4.5 million or 18.6% to $28.4 million in 3Q 2009 compared to 3Q 2008. Sales growth was spurred by expansion in Singapore (+7.3%), the PRC (+34.2%) and Hong Kong (+127.5%).

The Group's franchised bakery network:

	As At		
	30 Sep 2009	31 Dec 2008	30 Sep 2008
Indonesia	55	48	45
Philippines	16	15	14
Kuwait	6	7	7
UAE	-	4	4
Oman	1	1	-
India	6	7	7
Korea	3	1	1
PRC	74	58	53
Bahrain	1	-	-
	162	141	131

Franchise revenue grew $1.1 million or 31.0% to $4.7 million in 3Q 2009 mainly contributed by growth in royalty as well as raw material sales as the total number of franchised outlets increased by 31 to 162 outlets as of 30 September 2009 compared to a year ago.

In 3Q 2009, overall bakery segment registered an operating profit of $1.8 million, reversing an operating loss of $0.4 million recorded in 3Q 2008. The profit growth was driven by higher revenue from outlet and franchised operations, as well as lower raw material costs and improved operational efficiency. The larger factory in the PRC has commenced operation in 3Q 2009. In addition, operating profit was further boosted by smaller operating losses from the Hong Kong and Malaysia bakery operations.

In 9M 2009, total revenue from the bakery segment grew 23.8% to $93.1 million while operating profit jumped 348.3% to $4.8 million.

Restaurants

Revenue from restaurant business grew $2.1 million or 26.5% to $10.1 million in 3Q 2009 mainly attributable to the contribution from the new Din Tai Fung 6th outlet as well as steady growth of its existing outlets.

Operating profit grew $0.5 million to $0.9 million in 3Q 2009 mainly attributable to higher revenue achieved which more than offset the pre-operating cost of the new Ramen business of $0.4 million. Carl's Junior opened its first outlet in Shanghai in September 2009 to good response.

In 9M 2009, revenue from the restaurant segment rose $4.6 million or 20.1% to $27.6 million while operating profit grew $0.2 million or 9.6% to $2.7 million.

Food Courts

Number of food courts owned and operated by the Group:

	As At		
	30 Sep 2009	**31 Dec 2008**	**30 Sep 2008**
PRC	22	20	22
Hong Kong	5	5	4
Singapore	4	3	3
Malaysia	1	1	1
	32	29	30

Revenue from food court business grew $1.8 million or 9.2% to $20.9 million in 3Q 2009 mainly contributed by higher revenue achieved by Hong Kong food court operations as well as revenue contribution from the newly opened "Food Opera" at ION Orchard shopping mall in Singapore.

The food court business registered a lower operating profit of $1.5 million in 3Q 2009 compared to $1.7 million in 3Q 2008, mainly due to underperformance of the PRC food court operations which was affected by the temporary closure of its largest food court in Beijing. The Beijing food court will be upgraded and re-opened by year end. The Hong Kong food court operations turned around nicely in 3Q 2009 from a loss in 3Q 2008 while the Singapore food court operations recorded higher operating profit in 3Q 2009.

In 9M 2009, revenue from the food court segment rose $8.2 million or 16.7% to $57.6 million while operating profit rose $0.7 million or 18.9% to $4.3 million.

(B) Geographical Analysis

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

	3Q 2009		3Q 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	31,812	49.6%	27,940	51.1%	3,872	13.9%
PRC	20,823	32.5%	18,091	33.1%	2,732	15.1%
Hong Kong	7,834	12.2%	5,319	9.7%	2,515	47.3%
Rest of the world	3,636	5.7%	3,306	6.1%	330	10.0%
	64,105	100.0%	54,656	100.0%	9,449	17.3%

	9 Months 2009		9 Months 2008		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	84,216	47.2%	75,226	51.0%	8,990	12.0%
PRC	61,860	34.7%	50,496	34.2%	11,364	22.5%
Hong Kong	21,486	12.1%	12,078	8.2%	9,408	77.9%
Rest of the world	10,726	6.0%	9,716	6.6%	1,010	10.4%
	178,288	100.0%	147,516	100.0%	30,772	20.9%

The Group achieved broad-based revenue growth across all geographical segments in 3Q 2009. Revenue contribution from Hong Kong rose $2.5 million or 47.3% to $7.8 million in 3Q 2009 compared to $5.3 million in 3Q 2008 underpinned by growth from both the food court and bakery operations.

Revenue from the PRC rose $2.7 million or 15.1% to $20.8 million in 3Q 2009 mainly attributable to the bakery operations while revenue from Singapore grew $3.9 million or 13.9% to $31.8 million in 3Q 2009 underpinned by growth across all business segments.

(C) Balance Sheet

The Group financial position improved further with its strong financial performance and continued deleveraging of its balance sheet.

Current assets increased by $8.8 million primarily due to increase in fixed deposits and cash as a result of stronger free cash flow.

Other payables decreased by $3.2 million to $31.7 million as at 30 September 2009 mainly due to lower payables relating to capital expenditure as at 30 September 2009 following payments to suppliers.

Other liabilities increased $6.5 million to $27.6 million as at 30 September 2009 compared to $21.1 million as at 31 December 2008 mainly attributable to: (1) increase in deferred revenue arising from sale of prepaid cashcards by bakery operations in the PRC and (2) higher accruals for operating expenses. The increase in sale of prepaid cashcards injected further liquidity to the Group.

As a result, the Group's working capital improved significantly with its net current asset of $0.7 million compared to a net current liabilities $5.5 million as at 31 December 2008.

The Group's total borrowings decreased by $2.4 million to $14.6 million as at 30 September 2009 compared to $17.0 million as at 31 December 2008. The Group's gearing was reduced to 0.23 as at 30 September 2009 compared to 0.30 as at 31 December 2008.

(D) Cash Flow Statement

The group registered a strong operating cashflow of $16.5 million in 3Q 2009 compared to $14.4 million in 3Q 2008. Net cash flow used in investing activities amounted to $8.7 million in 3Q 2009 compared to $10.2 million in 3Q 2008. Meanwhile, a net cash flow of $1.6 million was generated from financing activities in 3Q 2009 compared to a net cash flow of $0.8 million used in 3Q 2008.

As as 30 September 2009, the Group's cash and cash equivalents rose $7.7 million to $55.6 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 vibrant PRC market remains a key driving force for growth. Food Republic in the PRC was affected by renovation delay but prospects look bright post-renovation. Expansion of the bakery business in the PRC will be well-supported by the new factories the Group has invested in both Shanghai and Beijing.

The various brands under the Group's portfolio are on steady growth path and the Ramen concept will be launched in Shanghai in 4Q 2009. The Group is on course to launch more outlets to extend its reach in high-traffic locations such as 313 Somerset, Singapore Integrated Resort and several good locations in the PRC and Hong Kong next year.

With the focused and cohesive implementation of its growth strategy and innovative brand concepts, the Group is well-positioned to capitalize on the market rebound as consumer sentiment turns positive.

The Group maintains a cautiously optimistic outlook for the year as the global economy shows signs of recovery.

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 third quarter ended 30 September 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 third quarter ended 30 September 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 November 2009