

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 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 year ended 31 December 2009. The figures presented below have not been audited.

	Group			Group		
	4Q 2009 \$000	4Q 2008 \$000	Increase/ (Decrease)	FY2009 \$000	FY2008 \$000	Increase/ (Decrease)
Revenue	68,205	64,733	5.4%	246,493	212,249	16.1%
Cost of sales	<u>(32,137)</u>	<u>(29,732)</u>	8.1%	<u>(112,334)</u>	<u>(96,803)</u>	16.0%
Gross profit	36,068	35,001	3.0%	134,159	115,446	16.2%
Other operating income	3,272	2,470	32.5%	9,760	7,784	25.4%
Distribution and selling expenses	<u>(26,608)</u>	<u>(22,030)</u>	20.8%	<u>(93,468)</u>	<u>(77,942)</u>	19.9%
Administrative expenses	<u>(8,599)</u>	<u>(9,747)</u>	-11.8%	<u>(34,198)</u>	<u>(32,061)</u>	6.7%
Profit from operations	<u>4,133</u>	<u>5,694</u>	-27.4%	<u>16,253</u>	<u>13,227</u>	22.9%
Interest income	55	56	-1.8%	89	167	-46.7%
Interest expense	<u>(156)</u>	<u>(229)</u>	-31.9%	<u>(592)</u>	<u>(851)</u>	-30.4%
Profit before tax and share of results of associates and joint ventures	<u>4,032</u>	<u>5,521</u>	-27.0%	<u>15,750</u>	<u>12,543</u>	25.6%
Share of results of associates	-	(129)	-100.0%	(200)	(496)	-59.7%
Share of results of joint ventures	<u>(158)</u>	<u>(97)</u>	62.9%	<u>65</u>	<u>(46)</u>	N.M.
Profit before tax	3,874	5,295	-26.8%	15,615	12,001	30.1%
Tax expense	<u>(616)</u>	<u>(694)</u>	-11.2%	<u>(3,975)</u>	<u>(3,643)</u>	9.1%
Profit after tax	<u><u>3,258</u></u>	<u><u>4,601</u></u>	-29.2%	<u><u>11,640</u></u>	<u><u>8,358</u></u>	39.3%
Other comprehensive income/(loss):						
Share-based compensation reserve	9	-	N.A.	90	-	N.A.
Fair value adjustment	(287)	(746)	-61.5%	-	1,178	-100.0%
Foreign currency translation	<u>(113)</u>	<u>140</u>	-180.7%	<u>(408)</u>	<u>758</u>	-153.8%
Other comprehensive (loss)/income for the period, net of tax	<u>(391)</u>	<u>(606)</u>	-35.5%	<u>(318)</u>	<u>1,936</u>	-116.4%
Total comprehensive income for the period	<u><u>2,867</u></u>	<u><u>3,995</u></u>	-28.2%	<u><u>11,322</u></u>	<u><u>10,294</u></u>	10.0%
Profit attributable to:						
Shareholders of the Company	<u><u>3,293</u></u>	<u><u>4,359</u></u>	-24.5%	<u><u>11,092</u></u>	<u><u>7,770</u></u>	42.8%
Minority interests	<u>(35)</u>	<u>242</u>	-114.5%	<u>548</u>	<u>588</u>	-6.8%
	<u><u>3,258</u></u>	<u><u>4,601</u></u>	-29.2%	<u><u>11,640</u></u>	<u><u>8,358</u></u>	39.3%
Total comprehensive income attributable to:						
Shareholders of the Company	<u><u>2,902</u></u>	<u><u>3,753</u></u>	-22.7%	<u><u>10,774</u></u>	<u><u>9,706</u></u>	11.0%
Minority interests	<u>(35)</u>	<u>242</u>	-114.5%	<u>548</u>	<u>588</u>	-6.8%
	<u><u>2,867</u></u>	<u><u>3,995</u></u>	-28.2%	<u><u>11,322</u></u>	<u><u>10,294</u></u>	10.0%

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		
	4Q 2009 \$000	4Q 2008 \$000	Increase/ (Decrease)	FY2009 \$000	FY2008 \$000	Increase/ (Decrease)
Depreciation and amortisation	4,603	3,958	16.3%	16,701	13,729	21.6%
Operating lease expenses	14,762	11,869	24.4%	52,568	46,078	14.1%
Personnel expenses	18,652	16,792	11.1%	68,624	57,277	19.8%
Impairment loss of plant and equipment	83	465	-82.2%	419	465	-9.9%
Plant and equipment written off	67	503	-86.7%	435	799	-45.6%
Loss/(gain) on disposal of plant and equipment	2	(12)	-116.7%	(9)	19	-147.4%
Intangible assets written off	-	-	N.A.	-	7	-100.0%
Bad debts written off	577	-	N.A.	577	-	N.A.
Impairment/(write back) of loans and receivables						
- trade receivables	86	(10)	N.M.	86	(10)	N.M.
- other receivables	298	13	2192.3%	298	13	2192.3%
- amount due from associates (non-trade)	-	(107)	-100.0%	-	(107)	-100.0%
Write-down of inventories	10	-	N.A.	10	-	N.A.
Write-off of inventories	13	-	N.A.	13	-	N.A.
Loss on disposal of a subsidiary	-	-	N.A.	61	-	N.A.
Foreign exchange (gain)/loss, net	(63)	39	N.M.	178	26	N.M.
Government grant	<u>(482)</u>	<u>(14)</u>	N.M.	<u>(1,204)</u>	<u>(775)</u>	55.4%

N.A. - Not applicable

N.M. - Not meaningful

(B) Tax Expense

There was an under-provision of tax in respect of prior years of \$269,000 in 4Q 2009 (4Q 2008: over-provision of \$275,000).

In FY2009, there was an under-provision of tax in respect of prior years of \$271,000 (FY2008: over-provision of \$269,000).

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	
	31 Dec 2009 \$000	31 Dec 2008 \$000	31 Dec 2009 \$000	31 Dec 2008 \$000
Non-current assets				
Property, plant and equipment	64,352	58,156	101	69
Intangible assets	9,097	9,205	-	-
Investment securities	1,494	1,494	-	-
Investment in subsidiaries	-	-	26,522	23,739
Investment in associates	-	200	-	-
Investment in joint ventures	284	222	-	-
Other receivables	839	-	-	-
Prepayments	685	-	685	-
Deferred tax assets	872	532	-	-
	<u>77,623</u>	<u>69,809</u>	<u>27,308</u>	<u>23,808</u>
Current assets				
Inventories	4,838	3,925	-	-
Trade receivables	3,868	4,761	-	-
Other receivables and deposits	24,526	17,884	321	9
Prepayments	2,323	2,558	23	24
Tax recoverable	12	-	-	-
Amount due from subsidiaries (non-trade)	-	-	10,738	7,853
Amount due from joint ventures (non-trade)	469	343	-	-
Fixed deposits	727	3,187	-	2,550
Cash on hand and at bank	57,699	44,690	3,020	3,909
	<u>94,462</u>	<u>77,348</u>	<u>14,102</u>	<u>14,345</u>
Current liabilities				
Trade payables	14,044	11,630	-	-
Other payables	37,919	34,898	224	149
Other liabilities	29,817	21,072	1,764	1,475
Provision for reinstatement costs	3,061	1,809	-	-
Amount due to subsidiaries (non-trade)	-	-	2,027	8
Amount due to joint ventures (non-trade)	105	99	-	-
Amount due to landlord (non-trade)	88	90	-	-
Finance lease obligations, secured	173	191	-	-
Loan from minority shareholders of subsidiaries	-	276	-	-
Short term loan, secured	4,959	4,855	-	-
Long-term loans, secured	3,815	4,844	-	-
Tax payable	3,216	3,102	32	45
	<u>97,197</u>	<u>82,866</u>	<u>4,047</u>	<u>1,677</u>
Net current assets/(liabilities)	(2,735)	(5,518)	10,055	12,668
Non-current liabilities				
Long-term loans, secured	6,968	6,407	-	-
Finance lease obligations, secured	216	430	-	-
Amount due to landlord (non-trade)	127	197	-	-
Deferred tax liabilities	1,411	1,124	-	-
	<u>8,722</u>	<u>8,158</u>	<u>-</u>	<u>-</u>
Net assets	66,166	56,133	37,363	36,476
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(283)	-	(283)	-
Accumulated profits	24,782	16,408	4,253	3,173
Translation reserve	137	545	-	-
Other reserves	2,723	2,254	90	-
	<u>60,662</u>	<u>52,510</u>	<u>37,363</u>	<u>36,476</u>
Minority interests	5,504	3,623	-	-
Total equity	<u>66,166</u>	<u>56,133</u>	<u>37,363</u>	<u>36,476</u>

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

Amount repayable in one year or less, or on demand

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
8,947	-	9,890	276

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
7,184	-	6,837	-

Details of any collateral

(1) As at 31 December 2009, the Group's term loans totalling approximately \$15.7 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.

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	
	4Q 2009	4Q 2008	FY2009	FY2008
	\$000	\$000	\$000	\$000
Cashflows from operating activities				
Profit before tax	3,874	5,295	15,615	12,001
Adjustments for:				
Share of results of associates	-	129	200	496
Share of results of joint ventures	158	97	(65)	46
Depreciation of property, plant and equipment	4,504	3,845	16,178	13,147
Amortisation of intangible assets	99	113	523	582
Loss on disposal of a subsidiary	-	-	61	-
Loss/(gain) on disposal of plant and equipment	2	(12)	(9)	19
Loss on liquidation of an associate	-	32	-	32
Impairment loss of plant and equipment	83	465	419	465
Impairment of investment in associate	-	385	-	385
Impairment of other receivables	298	13	298	13
Write back of impairment of amount due from associates (non-trade)	-	(107)	-	(107)
Impairment/(write back) of trade receivables	86	(10)	86	(10)
Bad debts written off	577	-	577	-
Write-down of inventories	10	-	10	-
Write-off of inventories	13	-	13	-
Plant and equipment written off	67	503	435	799
Intangible assets written off	-	-	-	7
Share based payment expense	9	-	90	-
Interest expense	156	229	592	851
Interest income	(55)	(56)	(89)	(167)
Unrealised foreign exchange gain	-	(57)	-	(57)
Translation difference	125	(109)	344	(426)
Operating cash flow before working capital changes	10,006	10,755	35,278	28,076
(Increase)/decrease in:				
Inventories	(940)	1,473	(1,224)	(1,419)
Trade receivables	905	(209)	752	(1,724)
Other receivables and deposits	(2,890)	(3,252)	(2,583)	(4,831)
Prepayments	1,166	887	234	(760)
Amount due from associates (non-trade)	-	107	-	114
Amount due from joint ventures (trade)	-	1	-	64
Amount due from joint ventures (non-trade)	(53)	(267)	(126)	(106)
Amount due from minority shareholders (non-trade)	-	356	-	-
Increase/(decrease) in:				
Trade payables	1,204	314	2,588	2,769
Other payables and other liabilities	7,907	2,029	11,646	13,849
Amount due to associates (trade)	-	-	-	(5)
Amount due to associates (non-trade)	-	(4)	-	-
Amount due to joint ventures (non-trade)	8	86	6	88
Cash generated from operations	17,313	12,276	46,571	36,115
Tax paid	(451)	(514)	(3,945)	(3,372)
Net cash flow from operating activities	16,862	11,762	42,626	32,743
Cash flows from investing activities				
Interest income received	55	56	89	167
Purchase of property, plant and equipment	(9,433)	(6,896)	(24,119)	(25,603)
Proceeds from disposal of plant and equipment	94	35	128	135
Acquisition of intangible assets	(24)	(33)	(449)	(129)
Advance payment for land premium	(685)	-	(685)	-
Deposits for investment in Junior Bonds	(5,000)	-	(5,000)	-
Net cash flow from disposal of a subsidiary	-	-	125	-
Net cash flow used in investing activities	(14,993)	(6,838)	(29,911)	(25,430)

Cash flows from financing activities

Increase in fixed deposits and cash at bank pledged	-	109	-	107
Interest expense paid	(150)	(222)	(568)	(826)
Dividends paid to shareholders of the Company	-	-	(2,339)	(1,292)
Dividends paid to minority shareholders	(1,312)	(985)	(1,312)	(985)
Repayment of finance lease obligations	(71)	(339)	(232)	(266)
Proceeds from short-term loans	5,305	1,960	9,784	6,994
Repayment of short-term loans	(4,641)	(1,397)	(9,540)	(5,527)
Proceeds from long-term loans	2,189	1,046	5,897	7,531
Repayment of long-term loans	(1,088)	(1,311)	(6,187)	(4,214)
Purchase of treasury shares	-	-	(283)	-
Repayment of amount owing to landlord	(22)	(26)	(91)	(196)
Capital injection from minority shareholders of subsidiaries	720	-	2,661	850
Loan from minority shareholders of subsidiaries	-	-	44	150
Net cash flow from/(used in) financing activities	930	(1,165)	(2,166)	2,326
Net increase in cash and cash equivalents	2,799	3,759	10,549	9,639
Cash and cash equivalents at beginning of financial period	55,627	44,118	47,877	38,238
Cash and cash equivalents at end of financial period (Note A)	58,426	47,877	58,426	47,877

Note A: Cash and cash equivalents comprise:

	Group	
	31 Dec 2009	31 Dec 2008
	\$000	\$000
Cash on hand and at bank	57,699	44,690
Fixed deposits	727	3,187
Cash and cash equivalents	<u>58,426</u>	<u>47,877</u>

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

Group	Share capital	Treasury shares	Translation reserve	Accumulated profits	Other reserves (Note B)	Total	Minority interests	Total equity
	\$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	-	-	618	3,411	1,924	5,953	346	6,299
Dividend paid	-	-	-	(1,292)	-	(1,292)	-	(1,292)
Issuance of new shares to minority shareholders	-	-	-	-	-	-	850	850
Balance at 30 September 2008	33,303	-	405	12,513	2,536	48,757	4,366	53,123
Total comprehensive income/(loss) for the period	-	-	140	4,359	(746)	3,753	242	3,995
Dividend paid	-	-	-	-	-	-	(985)	(985)
Transfer to statutory reserve	-	-	-	(464)	464	-	-	-
Balance at 31 December 2008	33,303	-	545	16,408	2,254	52,510	3,623	56,133
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	-	-	(295)	7,799	368	7,872	583	8,455
Dividend paid	-	-	-	(2,339)	-	(2,339)	-	(2,339)
Purchase of treasury shares	-	(283)	-	-	-	(283)	-	(283)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	2,118	2,118
Disposal of a subsidiary	-	-	-	-	-	-	(193)	(193)
Balance at 30 September 2009	33,303	(283)	250	21,868	2,622	57,760	6,131	63,891
Total comprehensive (loss)/income for the period	-	-	(113)	3,293	(278)	2,902	(35)	2,867
Dividend paid	-	-	-	-	-	-	(1,312)	(1,312)
Issuance of new shares to minority shareholders	-	-	-	-	-	-	720	720
Transfer to statutory reserve	-	-	-	(379)	379	-	-	-
Balance at 31 December 2009	33,303	(283)	137	24,782	2,723	60,662	5,504	66,166

Company	Share capital	Treasury shares	Accumulated profits	Other reserves	Total Equity
	\$000	\$000	\$000	(Note B) \$000	\$000
As at 1 January 2008	33,303	-	2,219	-	35,522
Total comprehensive income for the period	-	-	360	-	360
Dividend paid	-	-	(1,292)	-	(1,292)
Balance at 30 September 2008	33,303	-	1,287	-	34,590
Total comprehensive income for the period	-	-	1,886	-	1,886
Balance at 31 December 2008	33,303	-	3,173	-	36,476
As at 1 January 2009	33,303	-	3,173	-	36,476
Purchase of treasury shares	-	(283)	-	-	(283)
Total comprehensive income for the period	-	-	236	81	317
Dividend paid	-	-	(2,339)	-	(2,339)
Balance at 30 September 2009	33,303	(283)	1,070	81	34,171
Total comprehensive income for the period	-	-	3,183	9	3,192
Balance at 31 December 2009	33,303	(283)	4,253	90	37,363

Note B: Other reserves

	Group		Company	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	\$000	\$000	\$000	\$000
Statutory reserve fund	1,455	1,076	-	-
Fair value adjustment reserve	1,178	1,178	-	-
Share based compensation reserve	90	-	90	-
	2,723	2,254	90	-

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 fourth quarter 2009. Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 31 December 2009 was 899,000 (31 December 2008: Nil). There were a total of 970,000 treasury shares held as at 31 December 2009 (At as 31 December 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 31 December 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 fourth quarter 2009. Total number of treasury shares held as at 31 December 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	
	4Q 2009	4Q 2008	FY2009	FY2008
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.41 cents	1.86 cents	4.74 cents	3.31 cents
Weighted average number of ordinary shares	233,941,034	234,911,034	234,102,701	234,911,034
(b) On a fully diluted basis	1.40 cents	1.86 cents	4.73 cents	3.31 cents
Adjusted weighted average number of ordinary shares	234,840,034	234,911,034	234,702,034	234,911,034

As at 31 December 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	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Net asset value per ordinary share based on issued share capital as at the end of period reported on	25.9 cents	22.4 cents	16.0 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 full year ended 31 December 2009 amidst global economic slowdown. Group revenue for FY2009 rose 16.1% to \$246.5 million supported by growth across all business segments while net profit attributable to shareholders soared 42.8% to \$11.1 million, underpinned by strong growth from the bakery and restaurant segments.

In 4Q 2009, Group revenue rose 5.4% to \$68.2 million, supported by growth across all business segments led by the restaurant segment. Carls' Junior and Ramen Play restaurants in the PRC commenced operations in September and November 2009 respectively. The Group re-opened its newly renovated largest food court in Beijing in November 2009 and launched several concepts at Somerset 313 in Singapore in December 2009.

In 4Q 2009, Group operating profit fell 27.4% to \$4.1 million mainly due to: (i) underperformance of the food court operations in the PRC; (ii) start-up cost of Carls' Junior and Ramen Play of \$1.1 million; and (iii) bad debts writeoff and impairment of receivables totalling \$1.0 million. Nonetheless, the restaurant segment (excluding start-up cost) recorded healthy operating profit growth in tandem with revenue growth.

No further losses from associates were taken up in 4Q 2009 as the cost of investment in Out of the Box Pte Ltd had been fully eroded.

Share of results of joint ventures declined by \$61,000 in 4Q 2009 as compared to 4Q 2008 mainly due to higher operating expenses incurred by its Malaysian food court business.

Group net profit attributable to shareholders fell 24.5% to \$3.3 million in 4Q 2009 while earnings per share on fully diluted basis for 4Q 2009 fell 24.7% to 1.40 cents.

For FY2009, the Group net profit rose 42.8% to an all time high at \$11.1 million while earnings per share on fully diluted basis rose 42.9% to 4.73 cents. For the 9th year in a row, the Group maintained its double digit revenue growth year on year. During FY2009, it secured several good sites at prime locations, successfully implemented an ERP system, improved operational efficiencies and turn around the Hong Kong operations. New brands were successfully launched and franchise royalty base grew year on year.

Group effective tax rate for FY2009 decreased to 25.5% compared to 30.4% in FY2008 with the turn around of certain loss-making subsidiaries and the one per cent reduction in Singapore corporate tax rate to 17% in FY2009.

Notwithstanding the start up loss and pockets of performance weakness, collectively the Group performance has shown resilience with its larger earnings base and geographical markets. As a result, net margin improved to 4.5% (FY08:3.7%).

(A) Segmental Analysis

Group revenue rose 5.4% and 16.1% to \$68.2 million and \$246.5 million respectively in 4Q 2009 and FY2009 underpinned by successful expansion drive across all business divisions.

	4Q 2009		4Q 2008		Increase/ (Decrease)	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	31,446	46.1%	30,270	46.8%	1,176	3.9%
Franchise income	4,872	7.1%	5,445	8.4%	(573)	-10.5%
Restaurant sales	11,318	16.6%	9,166	14.1%	2,152	23.5%
Foodcourt income	20,569	30.2%	19,852	30.7%	717	3.6%
	<u>68,205</u>	<u>100.0%</u>	<u>64,733</u>	<u>100.0%</u>	<u>3,472</u>	<u>5.4%</u>

	FY2009		FY2008		Increase	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	110,404	44.8%	94,872	44.7%	15,532	16.4%
Franchise income	18,968	7.7%	15,992	7.5%	2,976	18.6%
Restaurant sales	38,960	15.8%	32,173	15.2%	6,787	21.1%
Foodcourt income	78,161	31.7%	69,212	32.6%	8,949	12.9%
	<u>246,493</u>	<u>100.0%</u>	<u>212,249</u>	<u>100.0%</u>	<u>34,244</u>	<u>16.1%</u>

Bakery

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

	Number of Bakery Outlets		
	31 Dec 2009	30 Sep 2009	31 Dec 2008
Singapore	52	49	42 *
Malaysia	12	12	12
Hong Kong	9	7	5
PRC	42	40	36
Thailand	4	4	3
	<u>119</u>	<u>112</u>	<u>98</u>

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

Bakery sales, the largest revenue contributor, grew \$1.2 million or 3.9% to \$31.4 million in 4Q 2009 compared to 4Q 2008. Sales growth was spurred by expansion in Singapore (+10.3%) and Hong Kong (+63.4%), offset by deconsolidation of bakery sales from J Co. Donut a year ago.

The Group's franchised bakery network:

	As At		
	31 Dec 2009	30 Sep 2009	31 Dec 2008
Indonesia	56	55	48
Philippines	16	16	15
Kuwait	6	6	7
UAE	-	-	4
Oman	1	1	1
India	6	6	7
Korea	3	3	1
PRC	92	74	58
Bahrain	2	1	-
	<u>182</u>	<u>162</u>	<u>141</u>

Franchise revenue, which tend to be lumpy declined by \$0.6 million or 10.5% to \$4.9 million in 4Q 2009 mainly due to higher master franchise fee recorded in 4Q 2008. This is however cushioned by a healthy royalty fee income growth as the total number of franchised outlets increased by 41 to 182 outlets as of 31 December 2009 compared to a year ago.

In 4Q 2009, overall bakery segment registered an operating profit of \$3.1 million, marginally lower compared to \$3.2 million recorded in 4Q 2008 mainly due to lower master franchise fee received in the quarter.

In FY2009, total revenue from the bakery segment grew 16.7% to \$129.4 million while operating profit surged 83.2% to \$7.9 million.

Restaurants

Revenue from restaurant business grew \$2.2 million or 23.5% to \$11.3 million in 4Q 2009 mainly contributed by: (i) two additional Din Tai Fung outlets at Jurong Point and Somerset 313 shopping malls opened in December 2008 and December 2009 respectively; and (ii) 1st Carl's Junior outlet in Shanghai opened since September 2009.

Despite higher revenue in 4Q 2009, the restaurant segment registered a lower operating profit of \$0.4 million in 4Q 2009 compared to \$0.6 million in 4Q 2008. The profit decline was mainly due to start-up losses from the Carl's Junior and Ramen Play restaurant business, cushioned by profit growth from Din Tai Fung restaurants and absence of fixed asset impairment charge recorded in 4Q 2008.

In FY2009, revenue from the restaurant segment rose \$6.8 million or 21.1% to \$39.0 million while operating profit grew 2.1% to \$3.1 million.

Food Courts

Number of food courts owned and operated by the Group:

	As At			
	31 Dec 2009	30 Sep 2009	31 Dec 2008	
PRC	22	22	20	
Hong Kong	5	5	5	
Singapore	5	4	3	
Malaysia	1	1	1	
	<u>33</u>	<u>32</u>	<u>29</u>	

Revenue from food court business grew \$0.7 million or 3.6% to \$20.6 million in 4Q 2009 mainly contributed by the newly opened food atriums at ION Orchard and Somerset 313 in Singapore. Meanwhile, the PRC food court operations were partly affected by the temporary closure of its largest food court in Beijing for upgrading, which had since re-opened in November 2009.

Operating profit from the food court business fell 77.3% to \$0.6 million in 4Q 2009 compared to \$2.5 million in 4Q 2008 mainly due to underperformance of the PRC food court operations. Singapore food court operations recorded lower operating profit in 4Q 2009 mainly affected by the start up loss of the newly opened food court at Somerset 313, Singapore. Meanwhile, the Hong Kong food court operations recorded higher operating profit in 4Q 2009 with the absence of start-up cost relating to new outlet opening in 4Q 2009.

In FY2009, revenue from the food court segment grew \$8.9 million or 12.9% to \$78.2 million but operating profit fell \$1.2 million or 20.0% to \$4.9 million as a result of some food courts in the PRC did not perform up to expectation. Hong Kong food court operations turned around and contributed to the segment growth in FY2009 compared to a loss in FY2008.

(B) Geographical Analysis

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

	4Q 2009		4Q 2008		Increase / (Decrease)	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	33,658	49.4%	28,720	44.4%	4,938	17.2%
PRC	23,759	34.8%	24,764	38.2%	(1,005)	-4.1%
Hong Kong	7,686	11.3%	6,903	10.7%	783	11.3%
Rest of the world	3,102	4.5%	4,346	6.7%	(1,244)	-28.6%
	<u>68,205</u>	<u>100.0%</u>	<u>64,733</u>	<u>100.0%</u>	<u>3,472</u>	<u>5.4%</u>

	FY2009		FY2008		Increase / (Decrease)	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	117,874	47.9%	103,946	49.0%	13,928	13.4%
PRC	85,619	34.7%	75,260	35.5%	10,359	13.8%
Hong Kong	29,172	11.8%	18,981	8.9%	10,191	53.7%
Rest of the world	13,828	5.6%	14,062	6.6%	(234)	-1.7%
	<u>246,493</u>	<u>100.0%</u>	<u>212,249</u>	<u>100.0%</u>	<u>34,244</u>	<u>16.1%</u>

Revenue from Singapore grew \$4.9 million or 17.2% to \$33.7 million underpinned by growth from the restaurant and food court operation while revenue from Hong Kong rose 11.3% to \$7.7 million contributed by both bakery and food court segments.

Meanwhile, PRC food court operations underperformed in 4Q 2009 resulting in a 4.1% dip in revenue from the PRC. Revenue from the rest of the world fell 28.6% to \$3.1 million in 4Q 2009 mainly due to absence of master franchise fee and lower raw materials sales to franchisees from this region.

(C) Balance Sheet

The Group financial position improved in FY2009 with its strong financial performance and its net current liabilities narrowed to \$2.7 million as at 31 December 2009 compared to \$5.5 million as at 31 December 2008. As at 31 December 2009, the current liabilities included food court tenants' deposits and stored value card deposits of \$8.5 million and deferred revenue of \$8.2 million which, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months.

Non-current assets rose \$7.8 million or 11.2% to \$77.6 million as at 31 December 2009. The increase was mainly attributable to: (i) increase in property, plant and equipments of \$6.2 million arising from outlet and factory expansion; (ii) other receivables of \$0.8 million relating to food court renovation cost recoverable from tenants due after 12 months; and (iii) long term prepayment of \$0.7 million which comprised advance payment of land premium for the lease of land from Jurong Town Corporation. The land is intended for the development of manufacturing facilities in Singapore.

As at 31 December 2009, current assets increased by \$17.1 million mainly due to: (i) increase in deposits by \$7.1 million, mainly attributable to a \$5.0 million deposits for investment in a retail property trust as well as increase in landlord security deposits in line with business expansion; (ii) increase in cash and cash equivalents by \$10.5 million arising from strong operating cash flow.

Trade payables, other payables and other liabilities as at 31 December 2009 also increased compared to 31 December 2008 in tandem with the group's business expansion.

The Group's total borrowings decreased by \$0.9 million to \$16.1 million as at 31 December 2009 compared to \$17.0 million as at 31 December 2008. The Group's gearing was reduced to 0.24 as at 31 December 2009 compared to 0.30 as at 31 December 2008.

(D) Cash Flow Statement

The group registered higher operating cash flow of \$16.9 million in 4Q 2009 compared to \$11.8 million in 4Q 2008 mainly due to higher working capital generated from operations. Net cash flow used in investing activities amounted to \$15.0 million in 4Q 2009 comprising mainly investment in outlet expansion and deposits for investment in a retail property trust. Meanwhile, a net cash flow of \$0.9 million was generated from financing activities in 4Q 2009 compared to a net cash flow of \$1.2 million used in 4Q 2008. Consequently, Group's cash and cash equivalents rose \$2.8 million in 4Q 2009 to \$58.4 million, up from \$55.6 million at end of 3Q 2009.

Group operating cash flow rose \$9.9 million to \$42.6 million in FY2009 compared to FY2008 in tandem with higher operating profit achieved. Net cash flow used in investing activities in FY2009 increased by \$4.5 million to \$29.9 million mainly attributable to deposits for investment in a retail property trust. Overall, Group's cash and cash equivalents rose \$10.5 million in FY2009 to \$58.4 million as at 31 December 2009.

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 strong set of results for FY 2009 was achieved amidst challenging business conditions brought about by the global economic slowdown. Collectively, the Group has demonstrated resilience in the face of adversity.

For 2010, the Group is forging ahead on an enlarged earnings base in terms of brands and markets. We expect to reap economies of scale as the Group achieves greater reach in brand offerings and market penetration. To sustain future growth, our "Go Deep Strategy" will increase depth in key markets and strengthen existing brands.

FY2010 will see contributions from two new brands, Ramen Play and Carl's Junior. Outlets will open in Singapore and the PRC progressively, gathering momentum in the second half of 2010. We hope to replicate the success of Din Tai Fung in Singapore, when we launch Din Tai Fung's first outlet in Thailand in 1H2010.

We are excited by the numerous opportunities offered by two brand new Singapore Integrated Resorts opening in 2010. They will serve as platforms for brand innovation, variation and extension.

The Group will continue to invest in talent and business infrastructure as we position to ride the economic recovery momentum. We remain optimistic of prospects in 2010.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes. The Board of Directors have proposed a first and final one-tier dividend of 1.0 cents per ordinary share, subject to shareholders' approval at the AGM.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

(c) Date payable

Dividend payout date will be announced in due course.

(d) Books closure date

Book closure date will be announced in due course.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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

(a) By Business Segments

<u>FY2009</u>	Bakery ⁽¹⁾	Restaurant	Food court	Others ⁽²⁾	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue						
External sales	129,372	38,960	78,161	-	-	246,493
Inter-segment sales	282	-	1,853	-	(2,135)	-
Total revenue	<u>129,654</u>	<u>38,960</u>	<u>80,014</u>	<u>-</u>	<u>(2,135)</u>	<u>246,493</u>
Results						
Profit from operations	7,902	3,075	4,882	394	-	16,253
Interest income	47	4	30	22	(14)	89
Interest expense	(377)	(8)	(221)	-	14	(592)
Share of associates' results	-	-	-	(200)	-	(200)
Share of joint ventures' results	-	-	65	-	-	65
Segment profit	<u>7,572</u>	<u>3,071</u>	<u>4,756</u>	<u>216</u>	<u>-</u>	<u>15,615</u>
Tax expense						<u>(3,975)</u>
Profit after tax						<u>11,640</u>
Segment assets	64,209	32,457	82,006	13,425	(20,884)	171,213
Deferred tax assets						872
Total Assets						<u>172,085</u>
Segment liabilities	42,504	16,216	60,139	4,031	(21,598)	101,292
Tax payable						3,216
Deferred tax liabilities						1,411
Total liabilities						<u>105,919</u>
Investment in joint ventures	-	-	284	-	-	284
Additions to non-current assets	8,235	4,206	13,337	754	-	26,532
Depreciation & Amortisation	6,034	1,955	8,675	37	-	16,701
Other non-cash expenses	500	422	968	90	-	1,980

FY2008	Bakery⁽¹⁾	Restaurant	Food court	Others⁽²⁾	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue						
External sales	110,864	32,173	69,212	-	-	212,249
Inter-segment sales	225	-	1,361	-	(1,586)	-
Total revenue	<u>111,089</u>	<u>32,173</u>	<u>70,573</u>	<u>-</u>	<u>(1,586)</u>	<u>212,249</u>
Results						
Profit from operations	4,313	3,011	6,106	(201)	(2)	13,227
Interest income	54	2	70	70	(29)	167
Interest expense	(415)	(2)	(466)	-	32	(851)
Share of associates' results	(61)	-	-	(435)	-	(496)
Share of joint ventures' results	-	-	(46)	-	-	(46)
Segment profit/(loss)	<u>3,891</u>	<u>3,011</u>	<u>5,664</u>	<u>(566)</u>	<u>1</u>	<u>12,001</u>
Tax expense						<u>(3,643)</u>
Profit after tax						<u>8,358</u>
Segment assets	53,710	19,544	74,468	14,589	(15,686)	146,625
Deferred tax assets						<u>532</u>
Total Assets						<u>147,157</u>
Segment liabilities	36,974	8,757	55,115	1,638	(15,686)	86,798
Tax payable						<u>3,102</u>
Deferred tax liabilities						<u>1,124</u>
Total liabilities						<u>91,024</u>
Investment in associates	-	-	200	-	-	200
Investment in joint ventures	-	-	222	-	-	222
Additions to non-current assets	13,674	1,658	10,923	75	-	26,330
Depreciation & Amortisation	4,966	2,115	6,627	21	-	13,729
Other non-cash expenses	221	434	859	32	-	1,546

(b) By Geographical Segments

FY2009	Singapore	PRC	Hong Kong	Rest of World	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000
External sales	117,874	85,619	29,172	13,828	-	246,493
Non-current assets ⁽³⁾	26,961	34,412	10,960	1,801	-	74,134
FY2008						
External sales	103,946	75,260	18,981	14,062	-	212,249
Non-current assets ⁽³⁾	19,736	32,833	12,662	2,130	-	67,361

Note:

(1) The Group's Bakery segment comprises bakery operations directly owned and operated by the Group, as well as that through franchising.

(2) The "Others" segment pertains to investment holding activities and Out Of The Box Pte Ltd, a 30.0% owned associated company which is engaged in the business of marketing and distribution of canned drinks under the "Anything" and "Whatever" trademarks.

(3) Non-current assets information presented above consist of property, plant and equipment, intangible assets and prepayments.

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

Please refer to section 8 for details.

15. Breakdown of revenue and profit after tax

	Group		Increase
	2009	2008	
	\$000	\$000	
(a) Sales reported for first half year	114,183	92,860	23.0%
(b) Operating profit after tax before deducting minority interests reported for first half year	5,524	3,029	82.4%
(c) Sales reported for second half year	132,310	119,389	10.8%
(d) Operating profit after tax before deducting minority interests reported for second half year	6,116	5,329	14.8%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2009	FY2008
Name of Dividend	First & Final (One-tier)	First & Final (One- tier)
Type of Dividend	Cash	Cash
Dividend per share	1.0 cents	1.0 cents
Total annual dividend (\$'000)	2,339	2,349

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
25 February 2010