BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The First Quarter Ended 31 March 2010

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 first quarter ended 31 March 2010. The figures presented below have not been audited.

	Group		
	1Q 2010	**1Q 2009**	Increase/
	$000	$000	(Decrease)
Revenue	67,050	57,201	17.2%
Cost of sales	(31,506)	(26,040)	21.0%
Gross profit	35,544	31,161	14.1%
Other operating income	2,153	1,821	18.2%
Distribution and selling expenses	(26,711)	(21,544)	24.0%
Administrative expenses	(9,363)	(8,185)	14.4%
Profit from operations	1,623	3,253	-50.1%
Interest income	100	30	233.3%
Interest expense	(162)	(171)	-5.3%
Profit before tax and share of results of associates and joint ventures	1,561	3,112	-49.8%
Share of results of associates	-	(200)	100.0%
Share of results of joint ventures	88	108	-18.5%
Profit before tax	1,649	3,020	-45.4%
Tax expense	(865)	(843)	2.6%
Profit after tax	784	2,177	-64.0%
Other comprehensive income/(loss):			
Share based compensation reserve	61	-	N.A.
Net loss on available-for-sale financial assets	(460)	(575)	-20.0%
Foreign currency translation	(51)	590	-108.6%
Other comprehensive (loss)/income for the period, net of tax	(450)	15	-3100.0%
Total comprehensive income for the period	334	2,192	-84.8%
Profit attributable to:			
Shareholders of the Company	**755**	**2,079**	-63.7%
Non-controlling interest	29	98	-70.4%
	784	2,177	-64.0%
Total comprehensive income attributable to:			
Shareholders of the Company	**305**	**2,094**	-85.4%
Non-controlling interest	29	98	-70.4%
	334	2,192	-84.8%

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

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

	Group		
	1Q 2010	**1Q 2009**	Increase/
	$000	$000	(Decrease)
Depreciation and amortisation	4,877	3,868	26.1%
Operating lease expenses	15,208	12,247	24.2%
Personnel expenses	18,839	16,065	17.3%
Impairment loss of property, plant and equipment	-	336	-100.0%
Property, plant and equipment written off	596	111	436.9%
Loss/(gain) on disposal of plant and equipment	6	(10)	-160.0%
Write-off of inventories	10	-	N.A.
Loss on disposal of a subsidiary	-	61	-100.0%
Foreign exchange gain, net	(39)	(372)	N.M.
Government grant	(154)	-	N.A.

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

(B) Tax Expense

The tax expense of $0.9 million for 1Q10 was net of an over-provision of $9,000 in respect of prior years (1Q09: over-provision of $24,000)

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	
	31.03.2010	**31.12.2009**	**31.03.2010**	**31.12.2009**
	$000	$000	$000	$000
Non-current assets				
Property, plant and equipment	69,489	64,352	5,309	101
Intangible assets	9,228	9,097	-	-
Investment securities	11,784	1,494	-	-
Investment in subsidiaries	-	-	26,548	26,522
Investment in associates	-	-	-	-
Investment in joint ventures	387	284	-	-
Other receivables	734	839	-	-
Prepayments	-	685	-	685
Deferred tax assets	989	872	-	-
	92,611	77,623	31,857	27,308
Current assets				
Inventories	4,616	4,838	-	-
Trade receivables	3,700	3,868	-	-
Other receivables and deposits	20,289	24,526	215	321
Prepayments	2,038	2,323	25	23
Tax recoverable	5	12	-	-
Amount due from subsidiaries (non-trade)	-	-	13,726	10,738
Amount due from joint ventures (non-trade)	287	469	-	-
Cash and cash equivalents	49,475	58,426	6,375	3,020
	80,410	94,462	20,341	14,102
Current liabilities				
Trade payables	14,319	14,044	-	-
Other payables	34,019	37,919	168	224
Other liabilities	27,666	29,817	1,793	1,764
Provision for reinstatement costs	3,128	3,061	-	-
Amount due to subsidiaries (non-trade)	-	-	8,776	2,027
Amount due to joint ventures (non-trade)	96	105	-	-
Amount due to landlord (non-trade)	87	88	-	-
Finance lease obligations, secured	167	173	-	-
Loan from minority shareholders of subsidiaries	-	-	-	-
Short term loan, secured	4,936	4,959	-	-
Current portion of long-term loans, secured	4,555	3,815	-	-
Tax payable	3,860	3,216	46	32
	92,833	97,197	10,783	4,047
Net current (liabilities)/ assets	**(12,423)**	**(2,735)**	**9,558**	**10,055**
Non-current liabilities				
Long-term loans, secured	12,005	6,968	3,989	-
Finance lease obligations, secured	179	216	-	-
Amount due to landlord (non-trade)	110	127	-	-
Deferred tax liabilities	1,394	1,411	-	-
	13,688	8,722	3,989	-
Net assets	66,500	66,166	37,426	37,363
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(283)	(283)	(283)	(283)
Accumulated profits	25,537	24,782	4,255	4,253
Translation reserve	86	137	-	-
Other reserves	2,324	2,723	151	90
	60,967	60,662	37,426	37,363
Non-controlling interest	5,533	5,504	-	-
Total equity	66,500	66,166	37,426	37,363

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

Amount repayable in one year or less, or on demand

As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
9,658	-	8,947	-

Amount repayable after one year

As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
12,184	-	7,184	-

Details of any collateral

(1) As at 31 March 2010, the Group's bank borrowings amounted to $17.5 million are secured by corporate guarantees issued by the Company while another bank loan of $4.0 million taken out by the Company is secured by a charge over the leasehold land the Company acquired which had a net book value of $5.1 million.

(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	
	1Q 2010	**1Q 2009**
	$000	$000
Cashflows from operating activities		
Profit before tax	1,649	3,020
Adjustments for:		
Share of results of associates	-	200
Share of results of joint ventures	(88)	(108)
Depreciation of property, plant and equipment	4,780	3,728
Amortisation of intangible assets	97	140
Loss on disposal of a subsidiary	-	61
Loss/(gain) on disposal of property, plant and equipment	6	(10)
Impairment loss of property, plant and equipment	-	336
Property, plant and equipment written off	596	111
Interest expense	162	171
Interest income	(100)	(30)
Write-off of inventories	10	-
Share based payment expenses	61	-
Translation difference	23	(805)
Operating cash flow before working capital changes	7,196	6,814
(Increase)/decrease in:		
Inventories	212	70
Trade receivables	168	383
Other receivables and deposits	(578)	(651)
Prepayments	287	(260)
Amount due from joint ventures (non-trade)	181	(25)
Increase/(decrease) in:		
Trade payables	275	20
Other payables and other liabilities	(6,053)	(5,442)
Amount due to joint ventures (non-trade)	(9)	5
Cash generated from operations	1,679	914
Tax (paid)/refund	(350)	45
Net cash flow from operating activities	**1,329**	**959**
Cash flows from investing activities		
Interest income received	18	30
Purchase of property, plant and equipment	(10,148)	(2,339)
Proceeds from disposal of property, plant and equipment	259	16
Acquisition of intangible assets	(227)	(9)
Subscription of junior bonds	(5,750)	-
Net cash flow from disposal of a subsidiary	-	125
Net cash flow used in investing activities	**(15,848)**	**(2,177)**

Cash flows from financing activities		
Interest expense paid	(155)	(165)
Repayment of proceeds from finance lease obligations	(43)	(58)
Proceeds from short-term loans	1,989	390
Repayment of short-term loans	(1,989)	(1,767)
Proceeds of long-term loans	6,989	543
Repayment of long-term loans	(1,201)	(1,254)
Purchase of treasury shares	-	(283)
Amount owing to landlord	(22)	(24)
Increase in cash at bank pledged	(66)	-
Loan from minority shareholders of subsidiaries	-	44
Net cash flow from/(used in) financing activities	**5,502**	**(2,574)**
Net decrease in cash and cash equivalents	(9,017)	(3,792)
Cash and cash equivalents at beginning of year	58,426	47,877
Cash and cash equivalents at end of period	**49,409**	**44,085**

Note A: Cash and cash equivalents comprise:	**Group**	
	31 Mar 2010	**31 Mar 2009**
	$000	$000
Cash on hand and at bank	48,920	40,786
Fixed deposits	555	3,299
	49,475	44,085
Less: Cash at bank pledged	(66)	-
Cash and cash equivalents	49,409	44,085

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**	**Non-controlling interests**	**Total equity**
Group	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 January 2009	33,303	-	545	16,408	2,254	52,510	3,623	56,133
Profit after tax	-	-	-	2,079	-	2,079	98	2,177
Other comprehensive income/(loss) for the period	-	-	590	-	(575)	15	-	15
Total comprehsive 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**
Balance at 1 January 2010	33,303	(283)	137	24,782	2,723	60,662	5,504	66,166
Profit after tax	-	-	-	755	-	755	29	784
Other comprehensive loss for the period	-	-	(51)	-	(399)	(450)	-	(450)
Total comprehensive (loss)/income for the period	-	-	(51)	755	(399)	305	29	334
Balance at 31 March 2010	**33,303**	**(283)**	**86**	**25,537**	**2,324**	**60,967**	**5,533**	**66,500**

	Share capital	**Treasury shares**	**Accumulated profits**	**Other reserves (Note B)**	**Total**
Company	$000	$000	$000	$000	$000
As at 1 January 2009	33,303	-	3,173	-	36,476
Profit after tax	-	-	199	-	199
Total comprehensive income for the period	-	-	199	-	199
Purchase of treasury shares	-	(283)	-	-	(283)
Balance at 31 March 2009	**33,303**	**(283)**	**3,372**	**-**	**36,392**
As at 1 January 2010	33,303	(283)	4,253	90	37,363
Profit after tax	-	-	2	-	2
Other comprehensive income for the period	-	-	-	61	61
Total comprehensive income for the period	-	-	2	61	63
Balance at 31 March 2010	**33,303**	**(283)**	**4,255**	**151**	**37,426**

Note B: Other reserves

	Group		Company	
	31 Mar 2010	**31 Mar 2009**	**31 Mar 2010**	**31 Mar 2009**
	$000	$000	$000	$000
Statutory reserve fund	1,455	1,076	-	-
Fair value adjustment reserve	718	603	-	-
Share based compensation reserve	151	-	151	-
	2,324	**1,679**	**151**	-

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.

On 30 March 2010, the Company issued a total of 46,982,204 new ordinary shares, being bonus share issue on the basis of one bonus share for every five existing ordinary shares. These bonus shares were officially listed and quoted on the Singapore Exchange Securities Trading Limited on 5 April 2010.

Having adjusted for the Company's bonus share issue on 30 March 2010, total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 31 March 2010 was 1,078,800 (31 December 2009: 899,000).

There were a total of 1,164,000 treasury shares held as at 31 March 2010 (31 March 2009: 970,000).

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 March 2010, the Company's issued and paid up capital, excluding 1,164,000 (31 December 2009: 970,000) treasury shares held, comprises 280,729,238 (31 December 2009: 233,941,034) 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.

A total of 194,000 bonus shares were alloted to the treasury shares in connection to the Company's bonus share issue on 30 March 2010. Consequently, total number of treasury shares held as at 31 March 2010 increased to 1,164,000 (31 December 2009: 970,000).

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 2009.

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 Group and the Company have adopted the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2010. The adoption of the new and revised FRS did not result in any material impact on the Group's and the Company's financial statements.

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	
	1Q 2010	1Q 2009
Earnings per ordinary share for the period:		Restated
(a) Based on weighted average number of ordinary shares in issue	0.27 cent	0.74 cent
Weighted average number of ordinary shares	280,729,238	281,505,238
(b) On a fully diluted basis	0.27 cent	0.74 cent
Adjusted weighted average number of ordinary shares	281,808,038	281,505,238

On 30 March 2010, the Company issued a total of 46,982,204 bonus shares on the basis of one bonus share for every five existing ordinary shares. Accordingly, the weighted average number of ordinary shares and the adjusted weighted average number of ordinary shares for both 1Q 2010 and 1Q 2009 have been computed taking into account the bonus share issue. The earnings per share (basic and fully diluted basis) for 1Q 2009 have also been restated.

As at 31 March 2010, an adjusted total of 1,078,800 (31 March 2009: Nil) 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 total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31.03.2010	31.12.2009 Restated	31.03.2010	31.12.2009 Restated
Net asset value per ordinary share based on issued share capital as at the end of period reported on	21.7 cents	21.6 cents	13.3 cents	13.3 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 March 2010 is computed based on the total number of issued shares (excluding 1,164,000 treasury shares) of 280,729,238 after the Company's bonus share issue on 30 March 2010. The comparative figures as at 31 December 2009 has also been restated taking into account the bonus share issue.

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 revenue growth for the first quarter ended 31 March 2010 across all business segments. Group revenue rose 17.2% to $67.1 million in 1Q 2010. However, net profit attributable to shareholders for 1Q 2010 was lower at $0.8 million mainly affected by the PRC food court operations as well as Carl's Junior and Ramen Play businesses which are still at the start-up stage.

Group operating profit fell 50.1% to $1.6 million in 1Q 2010 mainly due to underperformance of the food court operations, higher depreciation and asset write-off following the closure of two food courts and the upgrading of another in the PRC. This is part of an effort to streamline and improve the performance of the PRC food court operations. Start up losses from the Carl's Junior and Ramen Play businesses also weighed down the group's results for 1Q 2010. These were cushioned by higher profit contribution from the PRC bakery operations as well as the Hong Kong food court operations. The bakery operations in Malaysia and Hong Kong also improved with narrowing operating loss in 1Q 2010.

Interest income increased by 233.3% to $0.1 million in 1Q 2010 mainly attributable to amortised interest income on the investment in junior bonds.

The group's effective tax rate was higher at 52.5% in 1Q 2010 compared to 27.9% in 1Q 2009 mainly to due losses incurred by certain subsidiaries where group tax relief could not be applied as well as expiry of the tax concession enjoyed by a subsidiary in the PRC.

Group net profit attributable to the shareholders fell 63.7% to $0.8 million in 1Q 2010 while earnings per share on a fully diluted basis fell 63.5% to 0.27 cents compared to 0.74 cents in 1Q 2009. Net asset value per share rose marginally to 21.7 cents as at 31 March 2010 compared to 21.6 cents as of 31 December 2009. The earnings per share and net asset value per share figures are computed based on the Company's enlarged share capital following the issue of 46,982,204 new bonus shares on 30 March 2010.

(A) Segmental Analysis

Group revenue rose 17.2% to $67.1 million in 1Q 2010 underpinned by continued expansion across all business divisions.

	1Q 2010		1Q 2009		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	29,380	43.8%	25,359	44.4%	4,021	15.9%
Franchise income	4,921	7.3%	4,199	7.3%	722	17.2%
Restaurant sales	11,321	16.9%	8,751	15.3%	2,570	29.4%
Foodcourt income	21,428	32.0%	18,892	33.0%	2,536	13.4%
	67,050	100.0%	57,201	100.0%	9,849	17.2%

Bakery

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

	As At		
	31-Mar-10	**31-Dec-09**	**31-Mar-09**
Singapore	54	52	43
Malaysia	12	12	12
Hong Kong	9	9	6
PRC	43	42	37
Thailand	4	4	3
	122	119	101

Bakery sales, the largest revenue contributor, rose 15.9% to $29.4 million in 1Q 2010, driven by strong sales growth from Singapore (+25.5%) and Hong Kong (+103.4%). Sales growth in these markets had largely been driven by higher same store sales and outlet expansion.

The Group's franchised bakery network:

	As At		
	31-Mar-10	**31-Dec-09**	**31-Mar-09**
Indonesia	57	56	50
Philippines	17	16	15
Kuwait	7	6	7
UAE	-	-	-
Oman	1	1	1
India	8	6	7
Korea	3	3	2
PRC	96	92	62
Bahrain	3	2	1
	192	182	145

Franchise revenue grew 17.2% to $4.9 million in 1Q 2010, mainly attributable to growth in royalty and raw materials sales as the total number of franchised outlets increased by 47 to 192 outlets as of March 2010 compared to a year ago.

Overall bakery segment registered 33.3% growth in operating profit to $1.3 million in 1Q 2010 compared to 1Q 2009. The profit growth was mainly boosted by higher franchise profit and better performance of the bakery unit in Beijing as well as government grant recognised. In addtion, improved performance from bakery operations in Malaysia and Hong Kong with narrowing operating loss in 1Q 2010 also contributed to the profit growth.

Restaurants

The number of restaurants owned and operated by the Group:

	As At		
	31-Mar-10	**31-Dec-09**	**31-Mar-09**
Din Tai Fung	7	7	6
Carl's Junior	1	1	-
Ramen Play	3	1	-
	11	9	6

Revenue from the restaurant business grew 29.4% to $11.3 million in 1Q 2010, up from $8.8 million in 1Q 2009. This was mainly attributable to revenue contribution from new outlets added as well as higher same store sales achieved for the existing Din Tai Fung restaurants.

Restaurant business registered a lower operating profit $0.4 million in 1Q 2010 compared to $0.6 million in 1Q 2009 mainly due to the Carl's Junior and Ramen Play brands which had yet to breakeven, cushioned by the absence of one-off asset impairment loss for Station Kitchen recorded in 1Q 2009.

Food Courts

Number of food courts owned and operated by the Group:

	As At		
	31-Mar-10	**31-Dec-09**	**31-Mar-09**
PRC	20	22	22
Hong Kong	5	5	5
Singapore	5	5	3
Malaysia	1	1	1
	31	33	31

Food court revenue grew $2.5 million or 13.4% to $21.4 million in 1Q 2010 mainly attributable to revenue contribution from food courts at ION Orchard and Somerset 313 in Singapore which were opened in July 2009 and December 2009 respectively, offset by lower revenue recorded by the PRC food court operations in 1Q 2010.

Food court business recorded an operating loss of $0.1 million in 1Q 2010 compared to an operating profit of $1.3 million in 1Q 2009, mainly due to underperformance of the PRC food court operations and asset write-off. In an effort to streamline and improve the performance of the PRC food court operations, the Group upgraded one food court and closed two other non-performing ones. Hong Kong food court operations recorded higher operating profit in 1Q 2010 mainly arising from higher revenue recorded by existing outlets.

(B) Geographical Analysis

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

	1Q 2010		1Q 2009		Increase/(decrease)	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	33,572	50.1%	25,506	44.6%	8,066	31.6%
PRC	22,365	33.3%	21,850	38.2%	515	2.4%
Hong Kong	7,814	11.7%	6,461	11.3%	1,353	20.9%
Rest of the world	3,299	4.9%	3,384	5.9%	(85)	-2.5%
	67,050	100.0%	57,201	100.0%	9,849	17.2%

The Group achieved broad-based revenue growth across all geographical segments in 1Q 2010 except rest of the world segment where revenue dipped marginally by 2.5% mainly due to lower sales of raw materials to franchisees. Revenue contribution from Singapore grew $8.1 million or 31.6% to $33.6 million in 1Q 2010 supported by revenue growth across all business segments.

Revenue contribution from Hong Kong rose 20.9% to $7.8 million in 1Q 2010 contributed by both the bakery and food court operations, offset by impact of a weaker Hong Kong dollar against the Singapore dollar in 1Q 2010. The PRC segment recorded 2.4% growth in revenue mainly contributed by bakery segment while impacted by weaker Chinese yuan against the Singapore dollar.

(C) Balance Sheet

Non-current assets rose $15.0 million or 19.3% to $92.6 million as at 31 March 2010. The increase was mainly attributable to: (i) increase in property, plant and equipments of $5.1 million arising from acquisition of the leasehold land from Jurong Town Corporation to be used for development of manufacturing facilities and office space in Singapore as well as outlet expansion/upgrading;and (ii) increase in investment securities by $10.3 million comprising mainly investment in a retail property trust through the subscription of junior bonds amounted to $10.8 million.

As at 31 March 2010, current assets decreased by $14.1 million to $80.4 million mainly due to: (i) reduction in cash and cash equivalents by $9.0 million mainly resulting from cash utilised for investments and expansion; and (ii) reclassification of deposits of $5.0 million paid for the subscription of junior bonds to investment securities.

Current liabilities decreased by $4.4 million to $92.8 million as at 31 March 2010 compared to $97.2 million as at 31 December 2009. The decrease was mainly due to lower payables relating to capital expenditure as at 31 March 2010 following payments to suppliers as well as payment of bonus for FY2009 made in 1Q 2010.

As at 31 March 2010, the Group's net current liabilities increased to $12.4 million compared to $2.7 million as at 31 December 2009. The increase was due to the use of cash to finance a $10.8 million retail property trust investment as well as outlet expansion. Included in current liabilities are food court tenants' deposits and stored value card deposits of $8.8 million and deferred revenue of $8.1 million. Deferred revenue comprises mainly unutilised value on stored value cards, unredeemed cash vouchers sold and unearned deferred franchise fees received. These current liabilities, because of their nature, are not expected to result in significant cash outflow from the Group within the next 12 months. In addition, the Group has unutilised banking facilities available for future use.

The Group's total borrowings increased by $5.7 million to $21.8 million as at 31 March 2010 compared to $16.1 million as at 31 December 2009. The increase was mainly due to bank loans taken up to finance the acquisition of the leasehold land as well as the Group's business expansion. The Group's gearing stood at 0.33 as at 31 March 2010 compared to 0.24 as at 31 December 2009.

(D) Cash Flow Statement

Despite lower operating profit, the Group recorded higher operating cash flow of $1.3 million in 1Q 2010 compared to $1.0 million in 1Q 2009 after adding back non-cash items such as depreciation and asset write-off. Net cash flow used in investing activities amounted to $15.8 million in 1Q 2010 mainly attributable to: (a) the acquisition of leasehold land from Jurong Town Corporation; (b) outlet additions and upgrading; and (c) balance payment for the retail property trust investment of $5.8 million. Meanwhile, net cash flow from financing activities of $5.5 million was generated with new bank loans raised to fund the group's investing activities.

Consequently, the Group's cash and cash equivalents decreased by $9.0 million to $49.4 million as at 31 March 2010 compared to $58.4 millon 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 quarters ahead will see further manoeuvres to refresh our operations. Two recent additions to top management - the Group Managing Director and CEO Bakery Division bring to the table considerable breath and depth of management talent. All group wide businesses will be streamlined into 2 divisions - Bakery Division and Restaurant & Food Atrium Division to facilitate more focused and strategic growth.

The retail portfolio in the PRC will be reviewed with additions of new outlets and relocations of others. PRC food court management will also be restructured. With these adjustments, our food court operations in the PRC will be further improved.

Efforts to roll out two new brands Ramen Play and Carl's Junior will pan out as outlets will open progressively in Singapore and the PRC. Din Tai Fung's first outlet in Thailand will also be launched.

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 first quarter ended 31 March 2010 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 first quarter ended 31 March 2010 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 May 2010