

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 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 year ended 31 December 2010. The figures presented below have not been audited.

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	4Q 2010 \$000	4Q 2009 \$000		FY2010 \$000	FY2009 \$000	
Revenue	83,291	68,205	22.1%	302,888	246,493	22.9%
Cost of sales	<u>(37,652)</u>	<u>(32,137)</u>	17.2%	<u>(137,646)</u>	<u>(112,334)</u>	22.5%
Gross profit	45,639	36,068	26.5%	165,242	134,159	23.2%
Other operating income	6,582	3,272	101.2%	14,188	9,760	45.4%
Distribution and selling expenses	<u>(34,057)</u>	<u>(26,608)</u>	28.0%	<u>(120,994)</u>	<u>(93,468)</u>	29.4%
Administrative expenses	<u>(10,955)</u>	<u>(8,599)</u>	27.4%	<u>(41,872)</u>	<u>(34,198)</u>	22.4%
Profit from operations	<u>7,209</u>	<u>4,133</u>	74.4%	<u>16,564</u>	<u>16,253</u>	1.9%
Interest income	201	55	265.5%	601	89	575.3%
Interest expense	<u>(133)</u>	<u>(156)</u>	-14.7%	<u>(635)</u>	<u>(592)</u>	7.3%
Profit before tax and share of results of associates and joint ventures	7,277	4,032	80.5%	16,530	15,750	5.0%
Share of results of associates	-	-	N.A.	-	(200)	100.0%
Share of results of joint ventures	<u>(15)</u>	<u>(158)</u>	-90.5%	<u>158</u>	<u>65</u>	143.1%
Profit before tax	7,262	3,874	87.5%	16,688	15,615	6.9%
Tax expense	<u>(2,045)</u>	<u>(616)</u>	232.0%	<u>(5,520)</u>	<u>(3,975)</u>	38.9%
Profit after tax	<u>5,217</u>	<u>3,258</u>	60.1%	<u>11,168</u>	<u>11,640</u>	-4.1%
Other comprehensive income/(loss):						
Share based compensation reserve	65	9	622.2%	157	90	74.4%
Net loss on available-for-sale financial assets	<u>(114)</u>	<u>(287)</u>	-60.3%	<u>(574)</u>	-	N.A.
Foreign currency translation	<u>(179)</u>	<u>(113)</u>	58.4%	<u>(859)</u>	<u>(408)</u>	110.5%
Other comprehensive loss for the period, net of tax	<u>(228)</u>	<u>(391)</u>	-41.7%	<u>(1,276)</u>	<u>(318)</u>	301.3%
Total comprehensive income for the period	<u>4,989</u>	<u>2,867</u>	74.0%	<u>9,892</u>	<u>11,322</u>	-12.6%
Profit attributable to:						
Shareholders of the Company	<u>5,385</u>	<u>3,293</u>	63.5%	<u>11,266</u>	<u>11,092</u>	1.6%
Non-controlling interest	<u>(168)</u>	<u>(35)</u>	380.0%	<u>(98)</u>	<u>548</u>	-117.9%
	<u>5,217</u>	<u>3,258</u>	60.1%	<u>11,168</u>	<u>11,640</u>	-4.1%
Total comprehensive income attributable to:						
Shareholders of the Company	<u>5,157</u>	<u>2,902</u>	77.7%	<u>9,990</u>	<u>10,774</u>	-7.3%
Non-controlling interest	<u>(168)</u>	<u>(35)</u>	380.0%	<u>(98)</u>	<u>548</u>	-117.9%
	<u>4,989</u>	<u>2,867</u>	74.0%	<u>9,892</u>	<u>11,322</u>	-12.6%

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 2010 \$000	4Q 2009 \$000	Increase/ (Decrease)	FY2010 \$000	FY2009 \$000	Increase/ (Decrease)
Depreciation and amortisation	5,903	4,603	28.2%	21,598	16,701	29.3%
Operating lease expenses	17,586	14,762	19.1%	64,029	52,568	21.8%
Personnel expenses	22,239	18,652	19.2%	84,338	68,624	22.9%
Impairment loss of property, plant and equipment	761	83	816.9%	761	419	81.6%
Impairment loss of intangible assets	-	-	N.A.	19	-	N.A.
Property, plant and equipment written off (Note 1)	527	67	686.6%	2,285	435	425.3%
(Gain)/loss on disposal of property, plant and equipment	(4,355)	2	N.M.	(4,568)	(9)	N.M.
Bad debts written off	-	577	-100.0%	-	577	-100.0%
(Write back)/impairment of loans and receivables						
- trade receivables	(5)	86	-105.8%	(5)	86	-105.8%
- other receivables	3	298	-99.0%	3	298	-99.0%
Impairment of amount due from an associate (non-trade)	-	-	N.A.	30	-	N.A.
Write-down of inventories	-	10	-100.0%	-	10	-100.0%
Write-off of inventories	23	13	76.9%	23	13	76.9%
Loss on disposal of a subsidiary	-	-	N.A.	-	61	-100.0%
Loss from misappropriation of funds	-	-	N.A.	622	-	N.A.
Foreign exchange loss/(gain), net	115	(63)	-282.5%	368	178	106.7%
Government grant	(16)	(482)	-96.7%	(1,004)	(1,204)	-16.6%

N.A. – Not applicable

N.M. – Not meaningful

Note 1: The property, plant and property written off was as a result of closure, relocation or upgrading of outlets.

(B) Tax Expense

The tax expense for 4Q10 includes an over-provision of \$130,000 in respect of prior years (4Q09: under-provision of \$19,000). In FY2010, there was an over-provision of tax in respect of prior years of \$118,000 (FY2009: under-provision of \$21,000).

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	
	31.12.2010 \$000	31.12.2009 \$000	31.12.2010 \$000	31.12.2009 \$000
Non-current assets				
Property, plant and equipment	73,306	64,352	5,766	101
Intangible assets	9,142	9,097	-	-
Investment securities	12,127	1,494	-	-
Investment in subsidiaries	-	-	39,166	26,522
Investment in associates	-	-	-	-
Investment in joint ventures	446	284	-	-
Other receivables	399	839	-	-
Prepayments	-	685	-	685
Deferred tax assets	1,898	872	12	-
	<u>97,318</u>	<u>77,623</u>	<u>44,944</u>	<u>27,308</u>

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	\$000	\$000	\$000	\$000
Current assets				
Inventories	6,114	4,838	-	-
Trade receivables	5,203	3,868	-	-
Other receivables and deposits	20,142	24,526	26	321
Prepayments	3,306	2,323	83	23
Tax recoverable	9	12	-	-
Amount due from subsidiaries (non-trade)	-	-	5,748	10,738
Amount due from joint ventures (non-trade)	506	469	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	455	-	-	-
Cash and cash equivalents	71,144	58,426	2,947	3,020
	<u>106,879</u>	<u>94,462</u>	<u>8,804</u>	<u>14,102</u>
Current liabilities				
Trade payables	18,114	14,044	-	-
Other payables	42,649	37,919	489	224
Other liabilities	38,146	29,817	1,845	1,764
Provision for reinstatement costs	3,536	3,061	-	-
Amount due to subsidiaries (non-trade)	-	-	8,762	2,027
Amount due to joint ventures (non-trade)	140	105	-	-
Amount due to landlord (non-trade)	83	88	-	-
Finance lease obligations, secured	54	173	-	-
Loan from minority shareholders of subsidiaries	200	-	-	-
Short term loan, secured	4,698	4,959	-	-
Current portion of long-term loans, secured	6,232	3,815	-	-
Tax payable	4,402	3,216	80	32
	<u>118,254</u>	<u>97,197</u>	<u>11,176</u>	<u>4,047</u>
Net current (liabilities)/assets	(11,375)	(2,735)	(2,372)	10,055
Non-current liabilities				
Long-term loans, secured	8,117	6,968	3,989	-
Finance lease obligations, secured	37	216	-	-
Amount due to landlord (non-trade)	59	127	-	-
Deferred tax liabilities	2,647	1,411	-	-
	<u>10,860</u>	<u>8,722</u>	<u>3,989</u>	<u>-</u>
Net assets	<u>75,083</u>	<u>66,166</u>	<u>38,583</u>	<u>37,363</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(199)	(283)	(199)	(283)
Accumulated profits	33,090	24,782	5,064	4,253
Translation reserve	(722)	137	-	-
Other reserves	3,090	2,723	415	90
	<u>68,562</u>	<u>60,662</u>	<u>38,583</u>	<u>37,363</u>
Non-controlling interest	6,521	5,504	-	-
Total equity	<u>75,083</u>	<u>66,166</u>	<u>38,583</u>	<u>37,363</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 31.12.2010	
Secured	Unsecured
\$000	\$000
10,984	200

As at 31.12.2009	
Secured	Unsecured
\$000	\$000
8,947	-

Amount repayable after one year

As at 31.12.2010	
Secured	Unsecured
\$000	\$000
8,154	-

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

Details of any collateral

(1) As at 31 December 2010, a total amount of \$15.1 million of the Group's bank borrowings are secured by corporate guarantees issued by the Company while another bank loan of \$4.0 million taken up 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		Group	
	4Q 2010 \$000	4Q 2009 \$000	FY2010 \$000	FY2009 \$000
Cash flows from operating activities				
Profit before tax	7,262	3,874	16,688	15,615
Adjustments for:				
Share of results of associates	-	-	-	200
Share of results of joint ventures	15	158	(158)	(65)
Depreciation of property, plant and equipment	5,793	4,504	21,190	16,178
Amortisation of intangible assets	110	99	408	523
Loss on disposal of a subsidiary	-	-	-	61
(Gain)/loss on disposal of property, plant and equipment	(4,355)	2	(4,568)	(9)
Impairment loss of property, plant and equipment	761	83	761	419
Impairment loss of intangible assets	-	-	19	-
Property, plant and equipment written off	527	67	2,285	435
Interest expense	133	156	635	592
Interest income	(201)	(55)	(601)	(89)
Reversal of write-down of inventories	-	10	-	10
Write-off of inventories	23	13	23	13
(Write back)/impairment of trade receivables	(5)	86	(5)	86
Impairment of other receivables	3	298	3	298
Bad debts written off	-	577	-	577
Impairment of amount due from an associate (non-trade)	-	-	30	-
Share based payment expenses	64	9	668	90
Translation difference	(10)	125	563	344
Operating cash flow before working capital changes	10,120	10,006	37,941	35,278

	Group		Group	
	4Q 2010	4Q 2009	FY2010	FY2009
	\$000	\$000	\$000	\$000
(Increase)/decrease in:				
Inventories	(1,031)	(940)	(1,299)	(1,224)
Trade receivables	484	905	(1,330)	752
Other receivables and deposits	(362)	(2,890)	(179)	(2,583)
Prepayments	(116)	1,166	(983)	234
Amount due from an associate (non-trade)	-	-	(30)	-
Amount due from joint ventures (non-trade)	(77)	(53)	(37)	(126)
Increase in:				
Trade payables	1,912	1,204	4,070	2,588
Other payables and other liabilities	5,376	6,595	5,630	10,334
Amount due to joint ventures (non-trade)	48	8	35	6
Cash generated from operations	<u>16,354</u>	<u>16,001</u>	<u>43,818</u>	<u>45,259</u>
Tax paid	(902)	(451)	(4,152)	(3,945)
Net cash flow from operating activities	<u>15,452</u>	<u>15,550</u>	<u>39,666</u>	<u>41,314</u>
Cash flows from investing activities				
Interest income received	74	55	143	89
Purchase of property, plant and equipment	(5,882)	(9,433)	(30,772)	(24,119)
Proceeds from disposal of property, plant and equipment	8,545	94	9,082	128
Acquisition of intangible assets	(75)	(24)	(499)	(449)
Subscription of junior bonds	-	(5,000)	(5,750)	(5,000)
Advance payment for land premium	-	(685)	-	(685)
Net cash flow from disposal of a subsidiary	-	-	-	125
Net cash flow from/(used in) investing activities	<u>2,662</u>	<u>(14,993)</u>	<u>(27,796)</u>	<u>(29,911)</u>
Cash flows from financing activities				
Interest paid	(127)	(150)	(611)	(568)
Dividends paid to shareholders of the Company	-	-	(2,342)	(2,339)
Dividends paid to minority shareholders of a subsidiary	(1,312)	-	(1,312)	-
Repayment of finance lease obligations	(154)	(71)	(298)	(232)
Proceeds from short-term loans	2,368	5,305	8,780	9,784
Repayment of short-term loans	(1,851)	(4,641)	(8,695)	(9,540)
Proceeds from long-term loans	98	2,189	8,828	5,897
Repayment of long-term loans	(1,250)	(1,088)	(4,837)	(6,187)
Purchase of treasury shares	-	-	(259)	(283)
Repayment of amount owing to landlord	(20)	(22)	(86)	(91)
Decrease in cash at bank pledged	64	-	-	-
Capital injection from minority shareholders of subsidiaries	190	720	1,480	2,661
Loan from minority shareholders of subsidiaries	-	-	200	44
Net cash flow (used in)/from financing activities	<u>(1,994)</u>	<u>2,242</u>	<u>848</u>	<u>(854)</u>
Net increase in cash and cash equivalents	16,120	2,799	12,718	10,549
Cash and cash equivalents at beginning of financial period	55,024	55,627	58,426	47,877
Cash and cash equivalents at end of financial period	<u>71,144</u>	<u>58,426</u>	<u>71,144</u>	<u>58,426</u>

Note A: Cash and cash equivalents comprise:

	Group	
	31 Dec 2010	31 Dec 2009
	\$000	\$000
Cash on hand and at bank	70,360	57,699
Fixed deposits	784	727
	<u>71,144</u>	<u>58,426</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

Group	Attributable to Shareholders of the Company					Total \$000	Non- controlling interests \$000	Total equity \$000
	Share capital \$000	Treasury shares \$000	Translation reserve \$000	Accumulated profits \$000	Other reserves (Note B) \$000			
Balance at 1 January 2009	33,303	-	545	16,408	2,254	52,510	3,623	56,133
Profit after tax	-	-	-	7,799	-	7,799	583	8,382
Other comprehensive (loss)/income for the period	-	-	(295)	-	368	73	-	73
Total comprehensive (loss)/income 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
Profit/(loss) after tax	-	-	-	3,293	-	3,293	(35)	3,258
Other comprehensive loss for the period	-	-	(113)	-	(278)	(391)	-	(391)
Total comprehensive (loss)/income for the period	-	-	(113)	3,293	(278)	2,902	(35)	2,867
Dividend payable	-	-	-	-	-	-	(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

Attributable to Shareholders of the Company

Group	Share capital \$000	Treasury shares \$000	Translation reserve \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000	Non-controlling interests \$000	Total equity \$000
Balance at 1 January 2010	33,303	(283)	137	24,782	2,723	60,662	5,504	66,166
Profit after tax	-	-	-	5,881	-	5,881	70	5,951
Other comprehensive loss for the period	-	-	(680)	-	(368)	(1,048)	-	(1,048)
Total comprehensive (loss)/income for the period	-	-	(680)	5,881	(368)	4,833	70	4,903
Dividend paid	-	-	-	(2,342)	-	(2,342)	-	(2,342)
Treasury shares transferred on vesting of restricted share grant	-	343	-	-	168	511	-	511
Purchase of treasury shares	-	(259)	-	-	-	(259)	-	(259)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	1,290	1,290
Balance at 30 September 2010	33,303	(199)	(543)	28,321	2,523	63,405	6,864	70,269
Profit/(loss) after tax	-	-	-	5,385	-	5,385	(168)	5,217
Other comprehensive loss for the period	-	-	(179)	-	(49)	(228)	-	(228)
Total comprehensive (loss)/income for the period	-	-	(179)	5,385	(49)	5,157	(168)	4,989
Dividend payable	-	-	-	-	-	-	(820)	(820)
Issuance of new shares to a minority shareholder	-	-	-	-	-	-	645	645
Transfer to statutory reserve	-	-	-	(616)	616	-	-	-
Balance at 31 December 2010	33,303	(199)	(722)	33,090	3,090	68,562	6,521	75,083

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2009	33,303	-	3,173	-	36,476
Profit after tax	-	-	236	-	236
Other comprehensive income for the period	-	-	-	81	81
Total comprehensive income for the period	-	-	236	81	317
Purchase of treasury shares	-	(283)	-	-	(283)
Dividend paid	-	-	(2,339)	-	(2,339)
Balance at 30 September 2009	33,303	(283)	1,070	81	34,171
Profit after tax	-	-	3,183	-	3,183
Other comprehensive income for the period	-	-	-	9	9
Total comprehensive income for the period	-	-	3,183	9	3,192
Balance at 31 December 2009	33,303	(283)	4,253	90	37,363
As at 1 January 2010	33,303	(283)	4,253	90	37,363
Profit after tax	-	-	83	-	83
Other comprehensive income for the period	-	-	-	92	92
Total comprehensive income for the period	-	-	83	92	175
Dividend paid	-	-	(2,342)	-	(2,342)
Treasury shares transferred on vesting of restricted share grant	-	343	-	168	511
Purchase of treasury shares	-	(259)	-	-	(259)
Balance at 30 September 2010	33,303	(199)	1,994	350	35,448
Profit after tax	-	-	3,070	-	3,070
Other comprehensive income for the period	-	-	-	65	65
Total comprehensive income for the period	-	-	3,070	65	3,135
Balance at 31 December 2010	33,303	(199)	5,064	415	38,583

Note B: Other reserves

	Group		Company	
	31 Dec 2010 \$000	31 Dec 2009 \$000	31 Dec 2010 \$000	31 Dec 2009 \$000
Statutory reserve fund	2,071	1,455	-	-
Fair value adjustment reserve	604	1,178	-	-
Capital reserve	168	-	168	-
Share based compensation reserve	247	90	247	90
	<u>3,090</u>	<u>2,723</u>	<u>415</u>	<u>90</u>

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 in 4Q 2010.

There were a total of 580,582 treasury shares held as at 31 December 2010 (31 December 2009: 970,000).

Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 31 December 2010 was 1,105,763 (31 December 2009: 899,000).

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 December 2010, the Company's issued and paid up capital, excluding 580,582 (31 December 2009: 970,000) treasury shares held, comprises 281,312,656 (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.

	Number of Treasury Shares			
	4Q 2010	4Q2009	FY2010	FY2009
Balance at beginning of financial period	580,582	970,000	970,000	-
Allotment of bonus shares	-	-	194,000	-
Purchase of treasury shares	-	-	500,000	970,000
Treasury shares transferred on vesting of restricted share grant	-	-	(1,083,418)	-
Balance at end of financial period	<u>580,582</u>	<u>970,000</u>	<u>580,582</u>	<u>970,000</u>

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, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2010.

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		Group	
	4Q 2010	4Q 2009 Restated	FY2010	FY2009 Restated
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.91 cent	1.17 cent	4.01 cent	3.95 cent
Weighted average number of ordinary shares	281,312,656	280,729,238	281,052,253	280,923,238
(b) On a fully diluted basis	1.91 cent	1.17 cent	3.99 cent	3.94 cent
Adjusted weighted average number of ordinary shares	282,418,419	281,808,038	282,153,201	281,642,438

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 have been computed taking into account the bonus share issue. The earnings per share (basic and fully diluted basis) for 4Q 2009 and FY2009 have also been restated.

As at 31 December 2010, a total of 1,105,763 (31 December 2009: 1,078,800 [after restated for bonus shares]) 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	
	31.12.2010	31.12.2009 Restated	31.12.2010	31.12.2009 Restated
Net asset value per ordinary share based on issued share capital as at the end of year reported on	<u>24.4 cents</u>	<u>21.6 cents</u>	<u>13.7 cents</u>	<u>13.3 cents</u>

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2010 is computed based on the total number of issued shares (excluding 580,582 treasury shares) of 281,312,656. The comparative figures as at 31 December 2009 has been restated taking into account the Company's bonus share issue on 30 March 2010.

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 registered a 22.1% growth in revenue to \$83.3 million in 4Q 2010 compared to \$68.2 million in 4Q 2009 underpinned by growth across all business segments. In FY2010, group revenue rose 22.9% to \$302.9 million compared to \$246.5 million in FY2009.

In 4Q 2010, group operating profit rose \$3.1 million or 74.4% to \$7.2 million compared to \$4.1 million recorded in 4Q 2009 mainly attributable to gain on disposal of a leasehold property in Shanghai of \$4.2 million. Excluding the gain on property disposal, group operating profit for 4Q 2010 was lower at \$3.0 million compared to \$4.1 million in 4Q 2009 mainly due to lower profit contribution from the PRC bakery unit and start-up cost for new Din Tai Fung Thailand and food court in Shenzhen.

FY2010 Group operating profit increased 1.9% to \$16.6 million as the \$4.2 million gain on property disposal more than offset the lower profit contribution from the PRC and Singapore bakery units, asset write-off at the PRC food court unit, losses from Carl's Junior, Ramen Play and the Malaysian bakery unit.

Interest income rose 265.5% to \$201,000 in 4Q 2010 mainly attributable to amortised interest income on the investment in junior bonds.

Share of losses from joint ventures in 4Q 2010 was marginal at \$15,000 compared to \$158,000 in same period last year mainly due to higher sales achieved and lower operating expenses incurred by its Malaysian food court business.

Group effective tax rate for FY2010 was higher at 33.1% compared to 25.5% in FY2009 mainly due to losses incurred by certain subsidiaries where group tax relief could not be applied and expiry of the tax concession enjoyed by a subsidiary in the PRC.

Overall, group net profit attributable to shareholders rose 63.5% to \$5.4 million in 4Q 2010, up from \$3.3 million in 4Q 2009. For FY2010, the Group recorded a net profit of \$11.3 million, up 1.6% compared to \$11.1 million in FY2009.

Earnings per share (EPS) on a fully diluted basis rose 63.2% to 1.91 cents in 4Q 2010 compared to 1.17 cents in 4Q 2009 while EPS on a fully diluted basis for FY2010 rose 1.3% to 3.99 cents compared to 3.94 cents in FY2009. Net asset value per share rose 13.0% to 24.4 cents as at 31 December 2010 compared to 21.6 cents as at 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 22.1% to \$83.3 million in 4Q 2010 underpinned by continued expansion across all business divisions.

	4Q 2010		4Q 2009		<u>Increase</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	37,328	44.8%	31,446	46.1%	5,882	18.7%
Franchise income	5,647	6.8%	4,872	7.1%	775	15.9%
Restaurant sales	17,404	20.9%	11,318	16.6%	6,086	53.8%
Foodcourt income	22,912	27.5%	20,569	30.2%	2,343	11.4%
	<u>83,291</u>	<u>100.0%</u>	<u>68,205</u>	<u>100.0%</u>	<u>15,086</u>	<u>22.1%</u>

	FY2010		FY2009		<u>Increase</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Bakery sales	137,019	45.2%	110,404	44.8%	26,615	24.1%
Franchise income	21,112	7.0%	18,968	7.7%	2,144	11.3%
Restaurant sales	56,253	18.6%	38,960	15.8%	17,293	44.4%
Foodcourt income	88,504	29.2%	78,161	31.7%	10,343	13.2%
	<u>302,888</u>	<u>100.0%</u>	<u>246,493</u>	<u>100.0%</u>	<u>56,395</u>	<u>22.9%</u>

Bakery

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

	31-Dec-10	30-Sep-10	31-Dec-09
Singapore	67	60	52
Malaysia	14	13	12
Hong Kong	13	11	9
PRC	55	52	42
Thailand	8	6	4
	<u>157</u>	<u>142</u>	<u>119</u>

Bakery sales rose 18.7% to \$37.3 million in 4Q 2010, largely driven by outlet expansion and partly contributed by higher same store sales in Singapore, Hong Kong and the PRC.

The Group's franchised bakery network:

	31-Dec-10	30-Sep-10	31-Dec-09
Indonesia	68	62	56
Philippines	17	16	16
Kuwait	6	6	6
Oman	1	1	1
India	6	6	6
Korea	6	5	3
PRC	129	111	92
Vietnam	2	1	-
Bahrain	3	4	2
	<u>238</u>	<u>212</u>	<u>182</u>

Franchise revenue grew 15.9% to \$5.6 million in 4Q 2010 mainly attributable to continued growth in royalty fee income in tandem with expanding franchise network.

Overall, the bakery segment registered higher operating profit of \$5.9 million in 4Q 2010 compared to \$3.1 million in 4Q 2009 mainly attributable to the gain on disposal of the leasehold property in Shanghai of \$4.2 million while offset by lower profit contribution from the PRC bakery unit. The PRC bakery unit was affected by higher food cost, wage inflation to a larger extent compared to other markets.

For FY2010, the bakery segment registered 22.2% growth in revenue to \$158.1 million while operating profit rose 15.3% to \$9.1 million in FY2010. The \$4.2 million gain from Shanghai property disposal more than offset the lower profit contribution from the PRC and Singapore bakery units. While the PRC bakery unit was weighed down by higher food cost and personnel cost, the Singapore bakery unit was able to contain the raw material cost inflation but incurred higher staff cost with lower job credits. The bakery segment was also impacted by a loss on misappropriation of funds at the Malaysian bakery unit reported earlier.

Restaurants

The number of restaurants owned and operated by the Group:

	31-Dec-10	30-Sep-10	31-Dec-09
Din Tai Fung	10	8	7
Carl's Junior	3	3	1
Ramen Play	8	6	1
	<u>21</u>	<u>17</u>	<u>9</u>

Revenue from the restaurant business grew 53.8% to \$17.4 million in 4Q 2010, up from \$11.3 million in 4Q 2009. The growth was mainly attributable to revenue contribution from new Din Tai Fung, Ramen Play and Carl's Junior outlets added.

Restaurant business registered higher operating profit of \$0.6 million in 4Q 2010 compared to an operating profit of \$0.4 million in 4Q 2009 mainly attributable to higher profit contribution from Din Tai Fung operations in Singapore offset by start-up cost incurred for the first Din Tai Fung restaurant in Bangkok, Thailand.

In FY2010, revenue from the restaurant segment rose 44.4% to \$56.3 million. However, operating profit fell \$0.3 million or 8.8% to \$2.8 million compared to FY2009 mainly due to losses from Carl's Junior and newly started Ramen Play business, start-up cost incurred for the first Din Tai Fung restaurant in Bangkok, Thailand and lower job credit in FY2010.

Food Courts

Number of food courts owned and operated by the Group:

	31-Dec-10	30-Sep-10	31-Dec-09
PRC	20	19	22
Hong Kong	5	5	5
Singapore	6	5	5
Malaysia	1	1	1
	<u>32</u>	<u>30</u>	<u>33</u>

Food court revenue grew \$2.3 million or 11.4% to \$22.9 million in 4Q 2010 mainly attributable to revenue contribution from food courts in Singapore. Hong Kong food court operations recorded healthy revenue growth in 4Q 2010 but mitigated by strengthening of the Singapore dollars against the Hong Kong dollar.

Operating profit from the food court business rose \$0.1 million or 17.5% to \$0.7 million in 4Q 2010 compared to 4Q 2009 mainly attributable to higher profit contribution from Singapore food court operations while offset by start-up cost for food court business in Shenzhen.

In FY2010, revenue from the food court segment rose \$10.3 million or 13.2% to \$88.5 million while operating profit dipped 9.4% to \$4.4 million mainly due to assets write-off at the PRC food court unit. This was cushioned by higher profit from the Hong Kong food court operations on the back of higher revenue.

(B) Geographical Analysis

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

	4Q 2010		4Q 2009		<u>Increase/(decrease)</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	44,420	53.3%	33,658	49.4%	10,762	32.0%
PRC	26,252	31.5%	23,759	34.8%	2,493	10.5%
Hong Kong	8,897	10.7%	7,686	11.3%	1,211	15.8%
Rest of the world	3,722	4.5%	3,102	4.5%	620	20.0%
	<u>83,291</u>	<u>100.0%</u>	<u>68,205</u>	<u>100.0%</u>	<u>15,086</u>	<u>22.1%</u>

	FY2010		FY2009		<u>Increase/(decrease)</u>	
	\$000	% Contribution	\$000	% Contribution	\$000	
Singapore	157,503	52.0%	117,874	47.9%	39,629	33.6%
PRC	97,755	32.3%	85,619	34.7%	12,136	14.2%
Hong Kong	33,457	11.0%	29,172	11.8%	4,285	14.7%
Rest of the world	14,173	4.7%	13,828	5.6%	345	2.5%
	<u>302,888</u>	<u>100.0%</u>	<u>246,493</u>	<u>100.0%</u>	<u>56,395</u>	<u>22.9%</u>

The Group achieved broad-based revenue growth across all geographical segments in 4Q 2010. Revenue contribution from Singapore led the growth in 4Q 2010 with robust outlet expansion for bakery, food court and restaurant segments.

The PRC segment, contributing 31.5% to group revenue in 4Q 2010, registered 10.5% growth in revenue to \$26.3 million mainly contributed by bakery segment as well as Carl's Junior and Ramen Play businesses. PRC growth was lower due to food court closures and slower self-owned bakery roll-out compared to Singapore. Revenue contribution from Hong Kong rose 15.8% to \$8.9 million in 4Q 2010 contributed by both the bakery and food court operations, partially offset by impact of a weaker Hong Kong dollar against the Singapore dollar in 4Q 2010.

(C) Balance Sheet

Non-current assets rose \$19.7 million or 25.4% to \$97.3 million as at 31 December 2010. The increase was mainly attributable to: (i) increase in property, plant and equipments of \$9.0 million arising from outlet expansion/upgrading and acquisition of the leasehold land from Jurong Town Corporation to be used for development of manufacturing facilities and office space in Singapore; and (ii) increase in investment securities by \$10.6 million comprising mainly investment in a retail property trust through the subscription of junior bonds.

As at 31 December 2010, current assets increased by \$12.4 million to \$106.9 million mainly attributable to: (i) increase in cash and cash equivalents by \$12.7 million; and (ii) increase in trade receivables and deposits in line with business expansion while offset by the reclassification of deposits of \$5.0 million paid for the subscription of junior bonds to investment securities in FY2010.

Trade payables and other payables increased by 29.0% and 12.5% to \$18.1 million and \$42.6 million respectively as at 31 December 2010 in tandem with business growth. Other liabilities rose 27.9% to \$38.1 million mainly due to higher bonus and rental accrual as well as increase in deferred revenue arising mainly from cash vouchers sold but not yet redeemed.

As at 31 December 2010, the Group's net current liabilities increased to \$11.4 million compared to \$2.7 million as at 31 December 2009 mainly due to the use of cash to finance outlet expansion and a \$10.8 million retail property trust investment. Included in current liabilities are deposits from food court tenants and franchisees and stored value card deposits amounted to \$12.5 million and deferred revenue of \$9.9 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 \$3.2 million to \$19.3 million as at 31 December 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 while offset by repayment of existing bank loans. The Group's gearing stood at 0.26 as at 31 December 2010 compared to 0.24 as at 31 December 2009.

(D) Cash Flow Statement

The Group recorded strong operating cash flow of \$15.5 million in 4Q 2010 marginally lower compared to \$15.6 million in 4Q 2009. A net cash flow of \$2.7 million was generated from investing activities compared to a net cash flow used in 4Q 2009 of \$15.0 million mainly resulting from lower capital expenditure incurred while boosted by a \$8.2 million net cash proceeds from the sale of the leasehold property in Shanghai and absence of cash deposit paid for subscription of junior bonds in 4Q 2010 (4Q 2009: \$5.0 million). Meanwhile, net cash flow used in financing activities in 4Q 2010 amounted to \$2.0 million which was mainly attributable to net repayment of bank borrowings.

For FY2010, a total operating cash flow of \$39.7 million was generated while a net cash flow of \$27.8 million was used in investing activities. Overall, the Group's cash and cash equivalents increased by \$12.7 million in FY2010 to \$71.1 million as at 31 December 2010.

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

Outlet expansion for bakeries, restaurants and food courts are on track as the group extends its reach into existing markets and penetrates fresh territories. The enlarged distribution network forms a solid platform for future growth.

We are mindful of inflationary pressures on food items. To address this we will shorten the supply chain by going directly to the source, develop strategic suppliers and bulk source globally.

The PRC food court operation will be revitalized with the entry of Food Republic into Hangzhou and Shenzhen. In 2011, preparations are underway for expansion into Guangzhou and Taiwan. We will continuously review our existing retail portfolio to achieve better margins.

The Group's senior management bench was considerably deepened with the appointment of three veteran divisional CEOs to helm the bakery, restaurant and food court divisions. They will sharpen our strategic focus and add deliberation and precision to our executional effectiveness.

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 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**

	Bakery⁽¹⁾	Restaurant	Food court	Others⁽²⁾	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000
FY2010						
Revenue						
External sales	158,131	56,253	88,504	\$000	\$000	302,888
Inter-segment sales	448	-	2,160	-	(2,608)	-
Total revenue	<u>158,579</u>	<u>56,253</u>	<u>90,664</u>	<u>-</u>	<u>(2,608)</u>	<u>302,888</u>
Results						
Profit from operations	9,108	2,805	4,424	227	-	16,564
Interest income	104	2	37	458	-	601
Interest expense	(214)	(2)	(375)	(44)	-	(635)
Share of joint ventures' results	-	-	158	-	-	158
Segment profit	<u>8,998</u>	<u>2,805</u>	<u>4,244</u>	<u>641</u>	<u>-</u>	<u>16,688</u>
Tax expense						<u>(5,520)</u>
Profit after tax						<u>11,168</u>
Segment assets	79,296	41,519	86,986	23,258	(28,760)	202,299
Deferred tax assets						<u>1,898</u>
Total Assets						<u>204,197</u>
Segment liabilities	53,006	20,727	64,422	15,108	(31,198)	122,065
Tax payable						<u>4,402</u>
Deferred tax liabilities						<u>2,647</u>
Total liabilities						<u>129,114</u>
Investment in joint ventures	-	-	446	-	-	446
Additions to non-current assets	12,450	10,571	11,623	5,708	-	40,352
Depreciation & Amortisation	8,235	2,857	10,463	43	-	21,598
Other non-cash expenses	(3,844)	(65)	2,458	668	-	(783)
FY 2009						
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>

	Bakery ⁽¹⁾ \$000	Restaurant \$000	Food court \$000	Others ⁽²⁾ \$000	Elimination \$000	Group \$000
FY 2009						
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/(loss)	7,572	3,071	4,756	216	-	15,615
Tax expense						(3,975)
Profit after tax						11,640
Segment assets	64,209	32,457	82,006	13,425	(20,884)	171,213
Deferred tax assets						872
Total Assets						172,085
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						105,919
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

(b) By Geographical Segments

	Singapore \$000	PRC \$000	Hong Kong \$000	Rest of World \$000	Elimination \$000	Group \$000
FY2010						
External sales	157,503	97,755	33,457	14,173	-	302,888
Non-current assets ⁽³⁾	38,619	33,408	7,879	2,542	-	82,448
FY2009						
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

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		
	2010 \$000	2009 \$000	Increase
(a) Sales reported for first half year	138,293	114,183	21.1%
(b) Operating profit after tax before deducting minority interests reported for first half year	3,274	5,524	-40.7%
(c) Sales reported for second half year	164,595	132,310	24.4%
(d) Operating profit after tax before deducting minority interests reported for second half year	7,894	6,116	29.1%

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

	FY2010	FY2009
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)	2,813	2,342

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
24 February 2011