

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 2011

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

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (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 2011. The figures presented below have not been audited.

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	4Q 2011 \$000	4Q 2010 \$000		FY 2011 \$000	FY 2010 \$000	
Revenue	100,575	83,291	20.8%	365,904	302,888	20.8%
Cost of sales	<u>(45,391)</u>	<u>(37,652)</u>	20.6%	<u>(165,846)</u>	<u>(137,646)</u>	20.5%
Gross profit	55,184	45,639	20.9%	200,058	165,242	21.1%
Other operating income	3,306	6,582	-49.8%	7,875	14,188	-44.5%
Distribution and selling expenses	(39,190)	(34,057)	15.1%	(145,900)	(120,994)	20.6%
Administrative expenses	(13,108)	(10,955)	19.7%	(45,038)	(41,872)	7.6%
Profit from operations	<u>6,192</u>	<u>7,209</u>	-14.1%	<u>16,995</u>	<u>16,564</u>	2.6%
Interest income	243	201	20.9%	824	601	37.1%
Interest expense	(248)	(133)	86.5%	(785)	(635)	23.6%
Profit before tax and share of results of joint ventures	6,187	7,277	-15.0%	17,034	16,530	3.0%
Share of results of joint ventures	<u>(32)</u>	<u>(15)</u>	113.3%	<u>93</u>	<u>158</u>	-41.1%
Profit before tax	6,155	7,262	-15.2%	17,127	16,688	2.6%
Tax expense	<u>(1,743)</u>	<u>(2,045)</u>	-14.8%	<u>(5,370)</u>	<u>(5,520)</u>	-2.7%
Profit after tax	<u>4,412</u>	<u>5,217</u>	-15.4%	<u>11,757</u>	<u>11,168</u>	5.3%
Attributable to:						
Shareholders of the Company	3,936	5,385	-26.9%	11,592	11,266	2.9%
Non-controlling interests	<u>476</u>	<u>(168)</u>	N.M.	<u>165</u>	<u>(98)</u>	N.M.
	<u>4,412</u>	<u>5,217</u>	-15.4%	<u>11,757</u>	<u>11,168</u>	5.3%
Other comprehensive income:						
Net gain/(loss) on available-for-sale financial assets	195	(114)	N.M.	-	(574)	-100.0%
Foreign currency translation	<u>187</u>	<u>(179)</u>	N.M.	<u>911</u>	<u>(859)</u>	N.M.
Other comprehensive income for the period, net of tax	<u>382</u>	<u>(293)</u>	N.M.	<u>911</u>	<u>(1,433)</u>	N.M.
Total comprehensive income for the period	<u>4,794</u>	<u>4,924</u>	-2.6%	<u>12,668</u>	<u>9,735</u>	30.1%
Attributable to:						
Shareholders of the Company	4,318	5,092	-15.2%	12,503	9,833	27.2%
Non-controlling interests	<u>476</u>	<u>(168)</u>	N.M.	<u>165</u>	<u>(98)</u>	N.M.
	<u>4,794</u>	<u>4,924</u>	-2.6%	<u>12,668</u>	<u>9,735</u>	30.1%

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 2011	4Q 2010	Increase/ (Decrease)	FY2011	FY2010	Increase/ (Decrease)
	\$000	\$000		\$000	\$000	
Depreciation and amortisation	6,802	5,903	15.2%	24,362	21,598	12.8%
Operating lease expenses	20,993	17,586	19.4%	75,156	64,029	17.4%
Personnel expenses	27,468	22,239	23.5%	101,689	84,338	20.6%
Impairment loss of intangible assets	125	19	557.9%	125	19	557.9%
Property, plant and equipment written off (Note 1)	357	527	-32.3%	1,168	2,285	-48.9%
Loss/(gain) on disposal of property, plant and equipment (Note 2)	(101)	(4,355)	N.M.	32	(4,568)	N.M.
Impairment of property, plant and equipment	318	761	-58.2%	289	761	-62.0%
Impairment/(write back of impairment) of trade receivables	264	(5)	N.M.	253	(5)	N.M.
Impairment of other receivables	9	3	200.0%	64	3	N.M.
Impairment of amount due from an associate (non-trade)	-	-	N.A.	-	30	-100.0%
Write-off of inventories	-	23	-100.0%	-	23	-100.0%
Write-down of inventories	25	-	N.A.	25	-	N.A.
Loss from misappropriation of funds	-	-	N.A.	-	622	-100.0%
Foreign exchange (gain)/loss, net	28	115	-75.7%	8	368	N.M.
Government grant	(260)	(16)	N.M.	(840)	(1,004)	-16.3%

N.A. - Not applicable

N.M. - Not meaningful

Notes:

- (1) The property, plant and equipment were written off as a result of closure, relocation or upgrading of outlets.
(2) There was a gain on disposal of leasehold property in Shanghai of \$4.2 million in FY 2010.

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

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	\$000	\$000	\$000	\$000
Non-current assets				
Property, plant and equipment	88,898	73,306	7,222	5,766
Intangible assets	9,214	9,142	-	-
Investment securities	11,669	11,669	-	-
Investment in subsidiaries	-	-	40,476	39,166
Investment in associates	-	-	-	-
Investment in joint ventures	422	446	-	-
Other receivables	1,389	857	-	-
Deferred tax assets	2,120	1,898	30	12
	<u>113,712</u>	<u>97,318</u>	<u>47,728</u>	<u>44,944</u>

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	\$000	\$000	\$000	\$000
Current assets				
Inventories	7,397	6,114	-	-
Trade receivables	7,792	5,203	-	-
Other receivables and deposits	39,008	20,142	-	26
Prepayments	5,389	3,306	36	83
Tax recoverable	230	9	-	-
Amount due from subsidiaries (non-trade)	-	-	15,335	5,748
Amount due from joint ventures (non-trade)	1,297	506	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	420	455	-	-
Cash and cash equivalents	87,060	71,144	2,698	2,947
	<u>148,593</u>	<u>106,879</u>	<u>18,069</u>	<u>8,804</u>
Current liabilities				
Trade payables	22,896	18,114	-	-
Other payables	51,091	42,649	250	489
Other liabilities	40,978	32,387	2,115	1,845
Provision	5,871	3,536	-	-
Amount due to subsidiaries (non-trade)	-	-	7,394	8,762
Amount due to a joint venture (trade)	-	-	-	-
Amount due to joint ventures (non-trade)	395	140	-	-
Amount due to landlord (non-trade)	87	83	-	-
Finance lease obligations, secured	37	54	-	-
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loan	15,764	4,698	12,000	-
Current portion of long-term loans	8,396	6,232	-	-
Tax payable	5,623	4,402	-	80
	<u>151,338</u>	<u>112,495</u>	<u>21,759</u>	<u>11,176</u>
Net current liabilities	(2,745)	(5,616)	(3,690)	(2,372)
Non-current liabilities				
Long-term loans	15,156	8,117	3,989	3,989
Finance lease obligations, secured	-	37	-	-
Loan from minority shareholders of subsidiaries	882	-	-	-
Amount due to landlord (non-trade)	-	59	-	-
Other liabilities	7,185	5,759	-	-
Deferred tax liabilities	2,276	2,647	-	-
	<u>25,499</u>	<u>16,619</u>	<u>3,989</u>	<u>3,989</u>
Net assets	<u>85,468</u>	<u>75,083</u>	<u>40,049</u>	<u>38,583</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(609)	(199)	(609)	(199)
Accumulated profits	41,558	33,090	6,812	5,064
Translation reserve	189	(722)	-	-
Other reserves	3,529	3,090	543	415
	<u>77,970</u>	<u>68,562</u>	<u>40,049</u>	<u>38,583</u>
Non-controlling interests	<u>7,498</u>	<u>6,521</u>	<u>-</u>	<u>-</u>
Total equity	<u>85,468</u>	<u>75,083</u>	<u>40,049</u>	<u>38,583</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 31.12.2011	
Secured	Unsecured
\$000	\$000
37	24,360

As at 31.12.2010	
Secured	Unsecured
\$000	\$000
54	11,130

Amount repayable after one year

As at 31.12.2011	
Secured	Unsecured
\$000	\$000
3,989	12,049

As at 31.12.2010	
Secured	Unsecured
\$000	\$000
4,026	4,128

Details of any collateral

(1) As at 31 December 2011, a total amount of \$36.4 million of the Group's bank borrowings are unsecured 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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	4Q 2011	4Q 2010	FY2011	FY2010
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Profit before tax	6,155	7,262	17,127	16,688
Adjustments for:				
Share of results of joint ventures	32	15	(93)	(158)
Depreciation of property, plant and equipment	6,658	5,793	23,920	21,190
Amortisation of intangible assets	144	110	442	408
(Gain)/loss on disposal of property, plant and equipment	(101)	(4,355)	32	(4,568)
Impairment loss of intangible assets	125	-	125	19
Impairment loss of property, plant and equipment	318	761	289	761
Property, plant and equipment written off	357	527	1,168	2,285
Interest expense	248	133	785	635
Interest income	(243)	(201)	(824)	(601)
Write-off of inventories	-	23	-	23
Write-down of inventories	25	-	25	-
Impairment/(write back of impairment) of trade receivables	264	(5)	253	(5)
Impairment of other receivables	9	3	64	3
Impairment of amount due from an associate (non-trade)	-	-	-	30
Share based payment expenses	88	64	277	668
Unrealised exchange differences	(173)	(10)	(256)	563
Operating cash flow before working capital changes	13,906	10,120	43,334	37,941

	Group		Group	
	4Q 2011	4Q 2010	FY2011	FY2010
	\$000	\$000	\$000	\$000
(Increase)/decrease in:				
Inventories	(812)	(1,031)	(1,308)	(1,299)
Trade receivables	(252)	(139)	(2,842)	(1,330)
Other receivables and deposits	(3,425)	259	(6,616)	(179)
Prepayments	1,115	(116)	(2,083)	(983)
Increase/(decrease) in:				
Trade payables	5,035	1,912	4,782	4,070
Other payables and other liabilities	11,173	761	18,712	11,404
Amount due to a joint venture (trade)	(2)	-	-	-
Cash generated from operations	<u>26,738</u>	<u>11,766</u>	<u>53,979</u>	<u>49,624</u>
Tax paid	(913)	(902)	(4,933)	(4,152)
Net cash flow from operating activities	<u>25,825</u>	<u>10,864</u>	<u>49,046</u>	<u>45,472</u>
Cash flows from investing activities				
Interest income received	110	74	305	143
Purchase of property, plant and equipment	(17,311)	(2,516)	(37,209)	(36,485)
Proceeds from disposal of property, plant and equipment	42	8,545	177	9,082
Acquisition of intangible assets	(614)	(75)	(616)	(499)
Cash paid for reinstatement expenses	-	(61)	(126)	(61)
Amount due from an associate (non-trade)	-	-	-	(30)
Amount due from joint ventures (non-trade)	(149)	(77)	(291)	(37)
Amount due to joint ventures (non-trade)	54	48	255	35
Loan to a joint venture	-	-	(500)	-
Investment in a joint venture	-	-	(100)	-
Dividends received from a joint venture	-	-	200	-
Deposit for subscription of junior bonds	(12,000)	-	(12,000)	-
Subscription of junior bonds	-	-	-	(5,750)
Net cash flow (used in)/from investing activities	<u>(29,868)</u>	<u>5,938</u>	<u>(49,905)</u>	<u>(33,602)</u>
Cash flows from financing activities				
Interest paid	(242)	(127)	(761)	(611)
Dividends paid to shareholders of the Company	-	-	(2,813)	(2,342)
Dividends paid to minority shareholders of a subsidiary	-	-	(820)	(1,312)
Repayment of finance lease obligations	(14)	(154)	(54)	(298)
Proceeds from short-term loans	12,875	2,368	21,227	8,780
Repayment of short-term loans	(1,487)	(1,851)	(10,196)	(8,695)
Proceeds from long-term loans	4,509	98	15,764	8,828
Repayment of long-term loans	(1,699)	(1,250)	(6,625)	(4,837)
Purchase of treasury shares	(210)	-	(558)	(259)
Repayment of amount owing to landlord	(22)	(20)	(83)	(86)
Increase in cash at bank pledged	-	64	-	-
Capital injection from minority shareholders of subsidiaries	-	190	812	1,480
Loan from minority shareholders of subsidiaries	-	-	882	200
Net cash flow from/(used in) financing activities	<u>13,710</u>	<u>(682)</u>	<u>16,775</u>	<u>848</u>
Net increase in cash and cash equivalents	9,667	16,120	15,916	12,718
Cash and cash equivalents at beginning of financial period	77,393	55,024	71,144	58,426
Cash and cash equivalents at end of financial period	<u>87,060</u>	<u>71,144</u>	<u>87,060</u>	<u>71,144</u>

Note A: Cash and cash equivalents comprise:

	Group	
	31 Dec 2011	31 Dec 2010
	\$000	\$000
Cash on hand and at bank	79,765	70,360
Fixed deposits	<u>7,295</u>	<u>784</u>
	<u>87,060</u>	<u>71,144</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	Non-controlling interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2010	33,303	(283)	137	24,782	2,723	60,662	5,504	66,166
Profit for the period	-	-	-	5,881	-	5,881	70	5,951
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(460)	(460)	-	(460)
Foreign currency translation	-	-	(680)	-	-	(680)	-	(680)
Total other comprehensive income, net of tax	-	-	(680)	-	(460)	(1,140)	-	(1,140)
Total comprehensive income for the period	-	-	(680)	5,881	(460)	4,741	70	4,811
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	92	92	-	92
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)
Capital contribution from a minority shareholder	-	-	-	-	-	-	1,290	1,290
Total transactions with equity holders	-	84	-	(2,342)	260	(1,998)	1,290	(708)
Balance at 30 September 2010	33,303	(199)	(543)	28,321	2,523	63,405	6,864	70,269
Profit for the period	-	-	-	5,385	-	5,385	(168)	5,217
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(114)	(114)	-	(114)
Foreign currency translation	-	-	(179)	-	-	(179)	-	(179)
Total other comprehensive income, net of tax	-	-	(179)	-	(114)	(293)	-	(293)
Total comprehensive income for the period	-	-	(179)	5,385	(114)	5,092	(168)	4,924
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	65	65	-	65
Dividend payable	-	-	-	-	-	-	(820)	(820)
Capital contribution from a minority shareholder	-	-	-	-	-	-	645	645
Transfer to statutory reserve	-	-	-	(616)	616	-	-	-
Total transactions with equity holders	-	-	-	(616)	681	65	(175)	(110)
Balance at 31 December 2010	33,303	(199)	(722)	33,090	3,090	68,562	6,521	75,083

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 2011	33,303	(199)	(722)	33,090	3,090	68,562	6,521	75,083
Profit for the period	-	-	-	7,656	-	7,656	(311)	7,345
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(195)	(195)	-	(195)
Foreign currency translation	-	-	724	-	-	724	-	724
Total other comprehensive income, net of tax	-	-	724	-	(195)	529	-	529
Total comprehensive income for the period	-	-	724	7,656	(195)	8,185	(311)	7,874
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	188	188	-	188
Dividend paid	-	-	-	(2,813)	-	(2,813)	-	(2,813)
Purchase of treasury shares	-	(348)	-	-	-	(348)	-	(348)
Treasury shares transferred on vesting of restricted share grant	-	148	-	-	(148)	-	-	-
Capital contribution from minority shareholders	-	-	-	-	-	-	812	812
Total transactions with equity holders	-	(200)	-	(2,813)	40	(2,973)	812	(2,161)
Balance at 30 September 2011	33,303	(399)	2	37,933	2,935	73,774	7,022	80,796
Profit for the period	-	-	-	3,936	-	3,936	476	4,412
<u>Other comprehensive income</u>								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	195	195	-	195
Foreign currency translation	-	-	187	-	-	187	-	187
Total other comprehensive income, net of tax	-	-	187	-	195	382	-	382
Total comprehensive income for the period	-	-	187	3,936	195	4,318	476	4,794
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	88	88	-	88
Purchase of treasury shares	-	(210)	-	-	-	(210)	-	(210)
Transfer to statutory reserve	-	-	-	(311)	311	-	-	-
Total transactions with equity holders	-	(210)	-	(311)	399	(122)	-	(122)
Balance at 31 December 2011	33,303	(609)	189	41,558	3,529	77,970	7,498	85,468

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
Balance at 1 January 2010	33,303	(283)	4,253	90	37,363
Profit for the period	-	-	84	-	84
Total comprehensive income for the period	-	-	84	-	84
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	92	92
Dividend paid	-	-	(2,343)	-	(2,343)
Treasury shares transferred on vesting of restricted share grant	-	343	-	168	511
Purchase of treasury shares	-	(259)	-	-	(259)
Total transactions with equity holders	-	84	(2,343)	260	(1,999)
Balance at 30 September 2010	33,303	(199)	1,994	350	35,448
Profit for the period	-	-	3,070	-	3,070
Total comprehensive income for the period	-	-	3,070	-	3,070
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	65	65
Total transactions with equity holders	-	-	-	65	65
Balance at 31 December 2010	33,303	(199)	5,064	415	38,583

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
Balance at 1 January 2011	33,303	(199)	5,064	415	38,583
Profit for the period	-	-	175	-	175
Total comprehensive income for the period	-	-	175	-	175
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	188	188
Dividend paid	-	-	(2,813)	-	(2,813)
Treasury shares transferred on vesting of restricted share grant	-	148	-	(148)	-
Purchase of treasury shares	-	(348)	-	-	(348)
Total transactions with equity holders	-	(200)	(2,813)	40	(2,973)
Balance at 30 September 2011	33,303	(399)	2,426	455	35,785
Profit for the period	-	-	4,386	-	4,386
Total comprehensive income for the period	-	-	4,386	-	4,386
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	88	88
Purchase of treasury shares	-	(210)	-	-	(210)
Total transactions with equity holders	-	(210)	-	88	(122)
Balance at 31 December 2011	33,303	(609)	6,812	543	40,049

Note B: Other reserves

	Group		Company	
	31 Dec 2011 \$000	31 Dec 2010 \$000	31 Dec 2011 \$000	31 Dec 2010 \$000
Statutory reserve fund	2,382	2,071	-	-
Fair value adjustment reserve	604	604	-	-
Capital reserve	186	168	186	168
Share based compensation reserve	357	247	357	247
	3,529	3,090	543	415

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 2011.

There were a total of 1,237,690 treasury shares held as at 31 December 2011 (31 December 2010: 580,582).

Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 31 December 2011 was 1,233,336 (31 December 2010: 1,105,763).

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 2011, the Company's issued and paid up capital, excluding 1,237,690 (31 December 2010: 580,582) treasury shares held, comprises 280,655,548 (31 December 2010: 281,312,656) 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 2011	4Q 2010	FY2011	FY2010
Balance at beginning of financial period	792,690	580,582	580,582	970,000
Allotment of bonus shares	-	-	-	194,000
Purchase of treasury shares	445,000	-	1,090,000	500,000
Treasury shares transferred on vesting of restricted share grant	-	-	(432,892)	(1,083,418)
Balance at end of financial period	<u>1,237,690</u>	<u>580,582</u>	<u>1,237,690</u>	<u>580,582</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 2010, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2011.

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 2011. 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 2011	4Q 2010	FY2011	FY2010
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.40 cent	1.91 cent	4.12 cent	4.01 cent
Weighted average number of ordinary shares	280,655,548	281,312,656	281,197,676	281,052,253
(b) On a fully diluted basis	1.40 cent	1.91 cent	4.10 cent	3.99 cent
Adjusted weighted average number of ordinary shares	281,939,884	282,418,419	282,392,002	282,153,201

As at 31 December 2011, a total of 1,233,336 (31 December 2010: 1,105,763 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net asset value per ordinary share based on issued share capital as at the end of period/year	27.8 cents	24.4 cents	14.3 cents	13.7 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2011 is computed based on the total number of issued shares (excluding 1,237,690 treasury shares) of 280,655,548.

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

(A) Statement of Comprehensive Income

Excluding gain on disposal of property in FY2010 amounting to \$4.2 million, the Group's FY2011 profit after tax and attributable to shareholders of the company ("PATMI") jumped by 63.1% from \$7.1 million to \$11.6 million on the back of a 20.8% growth in revenue from \$302.9 million to \$365.9 million.

	Group		Increase/ decrease %
	FY2011 \$'000	FY2010 \$'000	
PATMI	11,592	11,266	2.9%
Less: Gain on sales of property in FY2010	-	(4,160)	-
PATMI (Excluding one time property gain)	11,592	7,106	63.1%

FY2011 operating profit excluding gain on disposal of property increased 37.0% from \$12.4 million to \$17.0 million mainly due to higher profit growth across all business segments.

Segments	FY2011	FY2010	Increase/decrease	
	\$'000	\$'000	\$'000	%
Bakery	8,562	4,948	3,614	73.0%
Food Court	4,712	4,424	288	6.5%
Restaurant	3,871	2,805	1,066	38.0%
Others	(150)	227	(377)	-166.1%
Operating profit (Excluding one time property gain)	16,995	12,404	4,591	37.0%
Gain from property	-	4,160	(4,160)	-100.0%
Operating profit	16,995	16,564	431	2.6%

Operating profit from bakery segment grew \$3.6 million which was due to higher profit contribution from the Singapore and Mainland China bakery units on the back of higher revenue as well as smaller losses from the Malaysia bakery unit.

The restaurant segment registered higher operating profit of \$3.9 million mainly attributable to profit contribution from the first Din Tai Fung outlet in Bangkok, Thailand, higher profit contribution from Din Tai Fung operations in Singapore and smaller losses from Ramen Play outlets in Mainland China and Singapore and Carl's Junior in Mainland China.

The food court segment registered higher operating profit mainly due to higher profit from Mainland China and Singapore food court units while offset by the start-up cost for new outlets in Thailand and Taiwan.

Interest income rose 37.1% to \$824,000 in FY2011 mainly attributable to higher interest income from banks on higher cash and cash equivalents as well as higher amortised interest income from junior bonds associated with the Katong Mall investment.

(B) Balance Sheet

Non-current assets increased by \$16.4 million or 16.8% to \$113.7 million as at 31 December 2011. The increase was mainly due to investment in property, plant and equipment of \$40.2 million while offset by depreciation and amortization charge for the year of \$24.4 million and asset write-off of \$1.2 million.

As at 31 December 2011, current assets increased by \$41.7 million to \$148.6 million mainly attributable to: (i) increase in cash and cash equivalents by \$15.9 million; and (ii) increase in trade and other receivables, deposits and prepayments by \$24.0 million which was in line with business expansion.

Trade and other payables increased by 26.4% and 19.8% to \$22.9 million and \$51.1 million respectively as at 31 December 2010 in tandem with business growth. Other liabilities rose 26.5% to \$41.0 million mainly due to increase in deferred revenue arising mainly from unutilized value on stored value cards.

As at 31 December 2011, the Group's net current liabilities narrowed to \$2.7 million compared to \$5.6 million as at 31 December 2010 mainly aided by strong operating cash flows generated for the year. Included in current liabilities are deposits from food court tenants and franchisees and stored value card deposits amounting to \$12.9 million and deferred revenue of \$14.5 million respectively. These current liabilities are not expected to result in significant cash outflow from the Group within the next 12 months. In addition, the Group has banking facilities available to supplement its position.

The Group's total borrowings increased by \$21.1 million to \$40.4 million as at 31 December 2011 compared to \$19.3 million as at 31 December 2010. The increase was mainly due to bank loans taken up to provide working capital and finance business expansion and offset by repayment of existing bank loans.

(C) Cash Flow Statement

The Group recorded strong operating cash flow of \$25.8 million in 4Q 2011. A net cash flow of \$29.9 million was used in investing activities mainly due to higher capital expenditure incurred and deposit placed for subscription of junior bonds. Meanwhile a net cash flow of \$13.7 million was generated from financing activities in 4Q 2011 mainly due to bank loans taken up to provide working capital and finance business expansion. Consequently, the Group's cash and cash equivalents increased by \$9.7 million in 4Q 2011 to \$87.1 million as at 31 December 2011.

For FY2011, a total operating cash flow of \$49.0 million was generated while a net cash flow of \$49.9 million was used in investing activities. Net cash flow of \$16.8 million was generated from financing activities.

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

Management is cognizant that uncertainties in the global economic outlook at least for the first half of 2012 may precipitate a slowdown of the growth momentum in the geographies where the Group operates. Cost pressures, particularly in rentals, wages and intermediate food items are also likely to remain keen in Singapore, Mainland China and Hong Kong. Nevertheless, the Group will continue to grow our revenue streams through an expanded footprint of brand outlets and enhance margins by rationalizing cost, improving operational efficiencies and tighter business metrics.

The Group is committed to improve profitability in key markets, especially Mainland China and Hong Kong. Going forward, Thailand is expected to be an additional growth engine in the South-east Asian space.

Barring any unforeseen circumstance, the Group expects to remain profitable for FY2012.

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 an ordinary dividend of 1.0 cents per share and a special dividend of 0.5 cents per share, subject to shareholders' approval at the AGM.

Name of Dividend (First and Final)	Ordinary	Special
Dividend Type	Cash	Cash
Dividend Amount per Ordinary Share	1.0 cent (tax exempt one-tier)	0.5 cent (tax exempt one-tier)

(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.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value (\$'000) of all IPTs during the financial year under review	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
(1) Monewell Enterprise - Purchase of Chinese New Year Cookies	75.3	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	221.4	
(3) Sky One Art Investment Pte Ltd - Purchase of furniture and fittings	194.3	

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

14. 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
FY2011	\$000	\$000	\$000	\$000	\$000	\$000
Revenue						
External sales	194,433	76,969	94,502	-	-	365,904
Inter-segment sales	304	-	1,394	-	(1,698)	-
Total revenue	194,737	76,969	95,896	-	(1,698)	365,904
Results						
Profit from operations	8,562	3,871	4,712	(150)	-	16,995
Interest income	239	11	55	519	-	824
Interest expense	(476)	(94)	(159)	(56)	-	(785)
Share of joint ventures' results	-	-	93	-	-	93
Segment profit	8,325	3,788	4,701	313	-	17,127
Tax expense						(5,370)
Profit after tax						11,757
Segment assets	90,899	55,590	104,673	35,715	(26,692)	260,185
Deferred tax assets						2,120
Total Assets						262,305
Segment liabilities	63,006	29,702	80,833	25,405	(30,008)	168,938
Tax payable						5,623
Deferred tax liabilities						2,276
Total liabilities						176,837
Investment in joint ventures	-	-	422	-	-	422
Additions to non-current assets	11,683	9,895	17,754	1,529	-	40,861
Depreciation & Amortisation	9,484	4,297	10,543	38	-	24,362
Other non-cash expenses	1,259	153	509	311	-	2,232
FY2010						
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue						
External sales	158,131	56,253	88,504	-	-	302,888
Inter-segment sales	448	-	2,160	-	(2,608)	-
Total revenue	158,579	56,253	90,664	-	(2,608)	302,888
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	8,998	2,805	4,244	641	-	16,688
Tax expense						(5,520)
Profit after tax						11,168
Segment assets	79,296	41,519	86,986	23,258	(28,760)	202,299
Deferred tax assets						1,898
Total Assets						204,197
Segment liabilities	53,006	20,727	64,422	15,108	(31,198)	122,065
Tax payable						4,402
Deferred tax liabilities						2,647
Total liabilities						129,114
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)

(b) By Geographical Segments

FY2011	Mainland					Elimination	Group
	Singapore	China	Hong Kong	Rest of World			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
External sales	191,237	117,573	35,204	21,890	-	-	365,904
Non-current assets ⁽³⁾	40,552	38,178	6,785	12,597	-	-	98,112
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

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 and intangible assets.

15. 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.

16. Breakdown of revenue and profit after tax

	Group		Increase
	2011	2010	
	\$000	\$000	
(a) Sales reported for first half year	169,333	138,293	22.4%
(b) Operating profit after tax before deducting minority interests reported for first half year	3,685	3,274	12.6%
(c) Sales reported for second half year	196,571	164,595	19.4%
(d) Operating profit after tax before deducting minority interests reported for second half year	8,072	7,894	2.3%

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

	FY2011		FY2010	
	Ordinary	Special	Ordinary	Special
Name of Dividend - First & Final (One-tier)				
Type of Dividend	Cash		Cash	
Dividend per share	1.0cents	0.5 cents	1.0cents	Nil
Total annual dividend (\$'000)	2,807	1,403	2,813	Nil

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Frankie Quek Swee Heng	45	Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder)	CEO China since 1 July 2010, responsible for Administration, Legal and R&D matters of BreadTalk in China	NA

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
24 February 2012