

## BREADTALK GROUP LIMITED

### Financial Statement and Dividend Announcement For The Second Quarter and Half Year Ended 30 June 2013

#### 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 second quarter and half-year ended 30 June 2013. The figures presented below have not been audited.

	Group			Group		
	2Q 2013 \$000	2Q 2012 \$000	Increase/ (Decrease)	1H 2013 \$000	1H 2012 \$000	Increase/ (Decrease)
Revenue	126,548	104,806	20.7%	246,826	210,907	17.0%
Cost of sales	<u>(58,884)</u>	<u>(47,719)</u>	23.4%	<u>(114,008)</u>	<u>(96,199)</u>	18.5%
Gross profit	67,664	57,087	18.5%	132,818	114,708	15.8%
Other income	2,182	2,624	-16.8%	3,740	4,941	-24.3%
Interest income	584	73	700.0%	1,000	402	148.8%
Distribution and selling expenses	(52,068)	(42,128)	23.6%	(102,349)	(85,323)	20.0%
Administrative expenses	(14,022)	(13,159)	6.6%	(26,963)	(27,455)	-1.8%
Interest expense	<u>(715)</u>	<u>(258)</u>	177.1%	<u>(1,228)</u>	<u>(475)</u>	158.5%
Profit before tax and share of results of joint ventures	3,625	4,239	-14.5%	7,018	6,798	3.2%
Share of results of associates	385	-	N.A.	385	-	N.A.
Share of results of joint ventures	<u>236</u>	<u>213</u>	10.8%	<u>472</u>	<u>333</u>	41.7%
Profit before tax	4,246	4,452	-4.6%	7,875	7,131	10.4%
Taxation	<u>(1,027)</u>	<u>(1,300)</u>	-21.0%	<u>(2,602)</u>	<u>(2,634)</u>	-1.2%
Profit after tax	<u>3,219</u>	<u>3,152</u>	2.1%	<u>5,273</u>	<u>4,497</u>	17.3%
Attributable to:						
<b>Shareholders of the Company</b>	<b>3,038</b>	<b>3,016</b>	0.7%	<b>4,655</b>	<b>4,423</b>	5.2%
Non-controlling interests	<u>181</u>	<u>136</u>	33.1%	<u>618</u>	<u>74</u>	735.1%
	<u>3,219</u>	<u>3,152</u>	2.1%	<u>5,273</u>	<u>4,497</u>	17.3%
<b>Other comprehensive income:</b>						
Net gain/(loss) on available-for-sale financial assets	150	92	63.0%	172	(104)	N.M.
Foreign currency translation	<u>746</u>	<u>291</u>	156.4%	<u>1,073</u>	<u>(210)</u>	N.M.
Other comprehensive income for the period, net of tax	<u>896</u>	<u>383</u>	133.9%	<u>1,245</u>	<u>(314)</u>	N.M.
Total comprehensive income for the period	<u>4,115</u>	<u>3,535</u>	16.4%	<u>6,518</u>	<u>4,183</u>	55.8%
Attributable to:						
<b>Shareholders of the Company</b>	<b>3,934</b>	<b>3,399</b>	15.7%	<b>5,900</b>	<b>4,109</b>	43.6%
Non-controlling interests	<u>181</u>	<u>136</u>	33.1%	<u>618</u>	<u>74</u>	735.1%
	<u>4,115</u>	<u>3,535</u>	16.4%	<u>6,518</u>	<u>4,183</u>	55.8%

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

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

	Group			Group		
	2Q 2013 \$000	2Q 2012 \$000	Increase/ (Decrease)	1H 2013 \$000	1H 2012 \$000	Increase/ (Decrease)
Depreciation and amortisation	10,383	7,754	33.9%	19,546	15,076	29.6%
Operating lease expenses	24,270	20,344	19.3%	50,138	42,410	18.2%
Personnel expenses	34,033	27,114	25.5%	68,115	57,974	17.5%
Property, plant and equipment written off (Note 1)	74	174	-57.5%	195	299	-34.8%
Impairment loss on property, plant and equipment	1,058	54	N.M.	948	54	N.M.
Gain/(Loss) on disposal of property, plant and equipment	(467)	(57)	N.M.	(459)	(21)	N.M.
Impairment of franchise rights	41	-	N.M.	41	-	N.M.
Impairment of loan and receivables						
- trade receivables	76	33	130.3%	107	33	224.2%
- other receivables	(2)	28	N.M.	(1)	48	N.M.
Inventories written off	-	17	N.M.	-	17	N.M.
Foreign exchange (gain)/loss, net	(108)	114	N.M.	(478)	324	N.M.
Government grant	-	(385)	N.M.	(90)	(636)	-85.8%

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.

**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	
	30.06.2013 \$000	31.12.2012 \$000	30.06.2013 \$000	31.12.2012 \$000
<b>Non-current assets</b>				
Property, plant and equipment	189,917	157,408	58,270	44,286
Intangible assets	8,383	8,531	-	-
Investment securities	60,075	45,883	-	-
Investment in subsidiaries	-	-	23,824	23,785
Investment in associates	1,660	900	-	-
Investment in joint ventures	3,598	3,125	-	-
Other receivables	1,382	1,880	-	-
Fixed deposit	10,563	9,988	-	-
Deferred tax assets	2,747	2,575	67	67
	<u>278,325</u>	<u>230,290</u>	<u>82,161</u>	<u>68,138</u>

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2013</b>	<b>31.12.2012</b>	<b>30.06.2013</b>	<b>31.12.2012</b>
	\$000	\$000	\$000	\$000
<b>Current assets</b>				
Inventories	9,835	9,492	-	-
Trade and other receivables	48,561	43,618	901	1,025
Prepayments	6,871	6,324	25	41
Tax recoverable	383	377	-	-
Amount due from subsidiaries (non-trade)	-	-	18,320	31,261
Amount due from joint ventures (trade)	318	283	-	-
Amount due from joint ventures (non-trade)	867	1,369	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	418	411	-	-
Cash and cash equivalents	74,444	64,245	14,949	431
	<u>141,697</u>	<u>126,119</u>	<u>34,195</u>	<u>32,758</u>
<b>Current liabilities</b>				
Trade and other payables	95,658	90,957	5,679	4,445
Other liabilities	52,061	52,477	3,722	7,588
Provision	8,427	7,977	-	-
Amount due to subsidiaries (non-trade)	-	-	39,861	16,695
Amount due to a joint venture (trade)	1,957	1,847	-	-
Amount due to joint ventures (non-trade)	324	364	-	-
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	23,191	7,896	-	-
Current portion of long-term loans	50,707	37,910	41,691	25,863
Tax payable	5,650	6,438	-	-
	<u>238,175</u>	<u>206,066</u>	<u>90,953</u>	<u>54,591</u>
<b>Net current liabilities</b>	<b>(96,478)</b>	<b>(79,947)</b>	<b>(56,758)</b>	<b>(21,833)</b>
<b>Non-current liabilities</b>				
Long-term loans	75,732	50,613	-	18,000
Other liabilities	8,229	6,191	-	-
Deferred tax liabilities	2,554	2,514	-	-
	<u>86,515</u>	<u>59,318</u>	<u>-</u>	<u>18,000</u>
Net assets	<u>95,332</u>	<u>91,025</u>	<u>25,403</u>	<u>28,305</u>
<b>Share capital and reserves</b>				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(187)	(406)	(187)	(406)
Accumulated profits	49,962	47,559	(8,069)	(5,127)
Other reserves	3,161	2,094	356	535
	<u>86,239</u>	<u>82,550</u>	<u>25,403</u>	<u>28,305</u>
Non-controlling interests	9,093	8,475	-	-
Total equity	<u>95,332</u>	<u>91,025</u>	<u>25,403</u>	<u>28,305</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 30.06.2013		
Secured		Unsecured
\$000		\$000
44,024		30,074

As at 31.12.2012		
Secured		Unsecured
\$000		\$000
29,033		16,973

### Amount repayable after one year

As at 30.06.2013		
Secured		Unsecured
\$000		\$000
43,901		31,831

As at 31.12.2012		
Secured		Unsecured
\$000		\$000
14,098		36,515

### Details of any collateral

- (1) As at 30 June 2013, a total amount of \$61.9 million of the Group's bank borrowings are unsecured.
- (2) The remaining bank loans are secured by the following:
  - a closed legal mortgage in favour of the bank over the property at Private Lot A0135906 at Plot 1A, Tai Seng Street in Paya Lebar Industrial Estate; and
  - certain investment securities.

## 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	
	2Q 2013	2Q 2012	1H 2013	1H 2012
	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
Profit before tax	4,246	4,452	7,875	7,131
Adjustments for:				
Amortisation of intangible assets	193	129	315	265
Depreciation of property, plant and equipment	10,190	7,625	19,231	14,811
Impairment of trade receivables	76	33	107	33
Impairment of other receivables	(2)	28	(1)	48
Interest expense	714	258	1,228	475
Interest income	(584)	(73)	(1,000)	(402)
Inventories written off	-	17	-	17
Loss on disposal of property, plant and equipment	(467)	(57)	(459)	(21)
Property, plant and equipment written off	74	174	195	299
Impairment loss on property, plant and equipment	1,058	54	948	54
Impairment loss on franchise rights	41	-	41	-
Share based payment expenses	50	53	40	140
Share of results of associates	(385)	-	(385)	-
Share of results of joint ventures	(236)	(213)	(472)	(333)
Translation difference	(544)	(93)	(1,103)	248
Operating cash flow before working capital changes	<u>14,424</u>	<u>12,387</u>	<u>26,560</u>	<u>22,765</u>

**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	
	2Q 2013	2Q 2012	1H 2013	1H 2012
	\$000	\$000	\$000	\$000
(Increase)/decrease in:				
Inventories	(275)	(1,679)	(342)	(1,171)
Trade and other receivables	(5,569)	(5,229)	(5,785)	(2,557)
Prepayments	1,221	463	(547)	(1,248)
Amount due from joint ventures (trade)	(106)	(6)	(36)	(6)
Increase/(decrease) in:				
Trade and other payables	3,168	(1,232)	8,482	(8,205)
Other liabilities	5,005	-	4,481	-
Amount due to a joint venture (trade)	480	942	109	1,395
Cash generated from operations	<u>18,348</u>	<u>5,646</u>	<u>32,922</u>	<u>10,973</u>
Tax paid	(3,047)	(2,914)	(3,506)	(3,113)
<b>Net cash flow from operating activities</b>	<b><u>15,301</u></b>	<b><u>2,732</u></b>	<b><u>29,416</u></b>	<b><u>7,860</u></b>
<b>Cash flows from investing activities</b>				
Interest income received	583	50	1,504	148
Purchase of property, plant and equipment	(29,282)	(11,717)	(54,774)	(25,285)
Proceeds from disposal of property, plant and equipment	-	198	17	318
Additions to intangible assets	(57)	-	(137)	(54)
Cash paid for reinstatement expenses	(129)	(82)	(156)	(100)
Amount due from joint ventures (non-trade)	19	1,701	502	104
Amount due to joint ventures (non-trade)	(17)	(175)	(41)	(80)
Investment in a joint venture	-	-	-	(2,310)
Investment in an associate	(375)	-	(375)	-
Purchase of investment securities	(8,920)	-	(14,020)	-
Partial redemption of junior bonds	-	-	-	3,526
Subscription of junior bonds	-	-	-	(6,000)
<b>Net cash flow used in investing activities</b>	<b><u>(38,178)</u></b>	<b><u>(10,025)</u></b>	<b><u>(67,480)</u></b>	<b><u>(29,733)</u></b>
<b>Cash flows from financing activities</b>				
Interest paid	(714)	(258)	(1,228)	(475)
Dividends paid to shareholders of the Company	(2,252)	(4,219)	(2,252)	(4,219)
Dividends paid to minority shareholders of a subsidiary	-	-	(984)	-
Repayment of finance lease obligations	-	(14)	-	(28)
Proceeds from short-term loans	15,909	693	16,919	4,341
Repayment of short-term loans	(490)	(648)	(1,687)	(4,669)
Proceeds from long-term loans	46,547	7,514	59,122	9,803
Repayment of long-term loans	(21,057)	(362)	(21,613)	(2,611)
Repayment of amount owing to landlord	-	(22)	(14)	(43)
Purchase of treasury shares	-	(96)	-	(96)
<b>Net cash flow from financing activities</b>	<b><u>37,943</u></b>	<b><u>2,588</u></b>	<b><u>48,263</u></b>	<b><u>2,003</u></b>
Net increase/(decrease) in cash and cash equivalents	15,066	(4,705)	10,199	(19,870)
Cash and cash equivalents at beginning of financial period	59,378	71,895	64,245	87,060
<b>Cash and cash equivalents at end of financial period</b>	<b><u>74,444</u></b>	<b><u>67,190</u></b>	<b><u>74,444</u></b>	<b><u>67,190</u></b>

**Note A: Cash and cash equivalents comprise:**

	Group	
	30 June 2013	30 June 2012
	\$000	\$000
Cash on hand and at bank	74,438	59,361
Short term fixed deposits	6	7,829
	<u>74,444</u>	<u>67,190</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			
<b>Balance at 1 January 2012</b>	<b>33,303</b>	<b>(609)</b>	<b>189</b>	<b>41,558</b>	<b>3,529</b>	<b>77,970</b>	<b>7,498</b>	<b>85,468</b>
Profit for the period	-	-	-	1,407	-	1,407	(62)	1,345
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(196)	(196)	-	(196)
Foreign currency translation	-	-	(501)	-	-	(501)	-	(501)
Total other comprehensive income, net of tax	-	-	(501)	-	(196)	(697)	-	(697)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(501)</b>	<b>1,407</b>	<b>(196)</b>	<b>710</b>	<b>(62)</b>	<b>648</b>
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	87	87	-	87
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>87</b>	<b>-</b>	<b>87</b>
<b>Balance at 31 March 2012</b>	<b>33,303</b>	<b>(609)</b>	<b>(312)</b>	<b>42,965</b>	<b>3,420</b>	<b>78,767</b>	<b>7,436</b>	<b>86,203</b>
Profit for the period	-	-	-	3,016	-	3,016	136	3,152
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	92	92	-	92
Foreign currency translation	-	-	291	-	-	291	-	291
Total other comprehensive income, net of tax	-	-	291	-	92	383	-	383
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>3,016</b>	<b>92</b>	<b>3,399</b>	<b>136</b>	<b>3,535</b>
<u>Transactions with equity holders</u>								
Share-based payments	-	-	-	-	53	53	-	53
Dividends paid	-	-	-	(4,219)	-	(4,219)	-	(4,219)
Purchase of treasury shares	-	(96)	-	-	-	(96)	-	(96)
Treasury shares transferred on vesting of restricted share grant	-	299	-	-	(299)	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>203</b>	<b>-</b>	<b>(4,219)</b>	<b>(246)</b>	<b>(4,262)</b>	<b>-</b>	<b>(4,262)</b>
<b>Balance at 30 June 2012</b>	<b>33,303</b>	<b>(406)</b>	<b>(21)</b>	<b>41,762</b>	<b>3,266</b>	<b>77,904</b>	<b>7,572</b>	<b>85,476</b>

**Attributable to Shareholders of the Company**

<b>Group</b>	<b>Share capital \$000</b>	<b>Treasury shares \$000</b>	<b>Translation reserve \$000</b>	<b>Accumulated profits \$000</b>	<b>Other reserves (Note B) \$000</b>	<b>Total \$000</b>	<b>Non-controlling interests \$000</b>	<b>Total equity \$000</b>
<b>Balance at 1 January 2013</b>	<b>33,303</b>	<b>(406)</b>	<b>(755)</b>	<b>47,559</b>	<b>2,849</b>	<b>82,550</b>	<b>8,475</b>	<b>91,025</b>
Profit for the period	-	-	-	1,617	-	1,617	437	2,054
<u>Other comprehensive income</u>								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	22	22	-	22
Foreign currency translation	-	-	327	-	-	327	-	327
Total other comprehensive income, net of tax	-	-	327	-	22	349	-	349
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>1,617</b>	<b>22</b>	<b>1,966</b>	<b>437</b>	<b>2,403</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	(10)	(10)	-	(10)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>	<b>-</b>	<b>(10)</b>
<b>Balance at 31 March 2013</b>	<b>33,303</b>	<b>(406)</b>	<b>(428)</b>	<b>49,176</b>	<b>2,861</b>	<b>84,506</b>	<b>8,912</b>	<b>93,418</b>
Profit for the period	-	-	-	3,038	-	3,038	181	3,219
<u>Other comprehensive income</u>								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	150	150	-	150
Foreign currency translation	-	-	748	-	-	748	-	748
Total other comprehensive income, net of tax	-	-	748	-	150	898	-	898
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>748</b>	<b>3,038</b>	<b>150</b>	<b>3,936</b>	<b>181</b>	<b>4,117</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	49	49	-	49
Dividends paid	-	-	-	(2,252)	-	(2,252)	-	(2,252)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Treasury shares transferred on vesting of restricted share grant	-	219	-	-	(219)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>219</b>	<b>-</b>	<b>(2,252)</b>	<b>(170)</b>	<b>(2,203)</b>	<b>-</b>	<b>(2,203)</b>
<b>Balance at 30 June 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>320</b>	<b>49,962</b>	<b>2,841</b>	<b>86,239</b>	<b>9,093</b>	<b>95,332</b>

<b>Company</b>	<b>Share capital \$000</b>	<b>Treasury shares \$000</b>	<b>Accumulated profits \$000</b>	<b>Other reserves (Note B) \$000</b>	<b>Total \$000</b>
<b>Balance at 1 January 2012</b>	<b>33,303</b>	<b>(609)</b>	<b>6,812</b>	<b>543</b>	<b>40,049</b>
Profit for the period	-	-	43	-	43
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>43</b>
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	87	87
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>87</b>
<b>Balance at 31 March 2012</b>	<b>33,303</b>	<b>(609)</b>	<b>6,855</b>	<b>630</b>	<b>40,179</b>
Profit for the period	-	-	96	-	96
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>96</b>
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	53	53
Dividends paid	-	-	(4,219)	-	(4,219)
Treasury shares transferred on vesting of restricted share grant	-	(96)	-	-	(96)
Purchase of treasury shares	-	299	-	(299)	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>203</b>	<b>(4,219)</b>	<b>(246)</b>	<b>(4,262)</b>
<b>Balance at 30 June 2012</b>	<b>33,303</b>	<b>(406)</b>	<b>2,732</b>	<b>384</b>	<b>36,013</b>

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
<b>As at 1 January 2013</b>	<b>33,303</b>	<b>(406)</b>	<b>(5,127)</b>	<b>535</b>	<b>28,305</b>
Loss for the period	-	-	(50)	-	(50)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(50)</b>	<b>-</b>	<b>(50)</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	(9)	(9)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>(9)</b>
<b>Balance at 31 March 2013</b>	<b>33,303</b>	<b>(406)</b>	<b>(5,177)</b>	<b>526</b>	<b>28,246</b>
Loss for the period	-	-	(640)	-	(640)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(640)</b>	<b>-</b>	<b>(640)</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	49	49
Dividends paid	-	-	(2,252)	-	(2,252)
Treasury shares transferred on vesting of restricted share grant	-	219	-	(219)	-
Share-based payments	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>219</b>	<b>(2,252)</b>	<b>(170)</b>	<b>(2,203)</b>
<b>Balance at 30 June 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>(8,069)</b>	<b>356</b>	<b>25,403</b>

**Note B: Other reserves**

	Group		Company	
	30 June 2013 \$000	30 June 2012 \$000	30 June 2013 \$000	30 June 2012 \$000
Statutory reserve fund	2,757	2,382	-	-
Fair value adjustment reserve	385	500	-	-
Capital reserve	175	156	175	156
Share based compensation reserve	181	228	181	228
Premium on acquisition of non-controlling interests	(657)	-	-	-
	<b>2,841</b>	<b>3,266</b>	<b>356</b>	<b>384</b>

**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 2Q 2013.

There were a total of 381,624 treasury shares held as at 30 June 2013 (30 June 2012: 829,614).

Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 30 June 2013 was 1,015,060 (30 June 2012: 1,345,260).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2013, the Company's issued and paid up capital, excluding 381,624 (31 December 2012: 829,614) treasury shares held, comprises 281,511,614 (31 December 2012: 281,063,624) 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			
	2Q 2013	2Q 2012	1H 2013	1H 2012
Balance at beginning and end of financial period	829,614	1,237,690	829,614	1,237,690
Purchase of treasury shares	-	200,000	-	200,000
Treasury shares transferred on vesting of restricted share grant	(447,990)	(608,076)	(447,990)	(608,076)
Balance at end of financial period	<u>381,624</u>	<u>829,614</u>	<u>381,624</u>	<u>829,614</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 2012, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2013.

**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 2013. 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	
	2Q 2013	2Q 2012	1H 2013	1H 2012
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.08 cents	1.07 cents	1.66 cents	1.57 cents
Weighted average number of ordinary shares	281,362,284	280,927,599	281,212,954	280,791,573
(b) On a fully diluted basis	1.08 cents	1.07 cents	1.65 cents	1.57 cents
Adjusted weighted average number of ordinary shares	282,487,411	282,235,551	282,448,147	282,062,217

As at 30 June 2013 was 1,015,060 (30 June 2012: 1,345,260) 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	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Net asset value per ordinary share based on issued share capital as at the end of period	30.6 cents	29.4 cents	9.0 cents	10.1 cents

Note: The net asset value per ordinary share of the Group and the Company as at 30 June 2013 is computed based on the total number of issued shares (excluding 381,624 treasury shares) of 281,511,614.

**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**

1H 2013 Group revenue grew 17.0% from \$210.9 million recorded in 1H 2012 to \$246.8 million in 1H 2013. Profit after tax and attributable to shareholders ("PATMI") for the same period improved 5.2% from \$4.4 million to \$4.7 million. PATMI for 1H 2013 included an impairment loss on property plant and equipment of \$1.0 million arising from the closure of 3 non-performing Carl's Junior stores in Shanghai which is part of a restructuring exercise for this business. Excluding this impact, PATMI would have improved 27.6% from \$4.4 million to \$5.6 million.

Bakery Division revenue and bottom-line improved by 14.4% and 36.0% respectively, mainly due to higher gross profit margin achieved. Revenue grew across all markets while the improvement in PATMI from Singapore, Mainland China and Thailand helped to defray lower earnings in other markets.

Food Atrium Division achieved higher profitability in 1H 2013 on the back of a 25.7% revenue growth. All markets except Taiwan contributed to the improved profit margin, boosted with stronger profit contributions from Mainland China, Hong Kong, while Singapore performed better after business normalized following the completion of renovation and upgrading works at two major malls carried out by landlords last year.

Despite a 14.0% growth in revenue, the Restaurant Division's PATMI reduced by 88.7%. The decline was caused by a \$1.0 million impairment loss on property and equipment aforesaid, incurred by Carl's Junior. Din Tai Fung Singapore and Thailand continued to show positive growth while Ramen Play was being repositioned and fine-tuned.

Interest income rose 148.8% from \$0.4 million to \$1.0 million mainly from higher returns from the Group's investment in investment securities and also maximising return on its cash with the banks. This was offset by an increase in interest expense of \$0.8 million due to a higher loan quantum to finance the Group's newly completed property.

Earnings per share (EPS) on a fully diluted basis for 1H 2013 rose 5.1% to 1.65 cents compared to 1.57 cents in 1H 2012.

Net asset value per share was higher at 30.6 cents as at 30 June 2013 compared to 29.4cents as at 31 December 2012.

Number of outlets including franchise under the Group:

	<b>30-Jun-13</b>	<b>31-Dec-12</b>	<b>Net increase</b>
Bakery	657	609	7.9%
Food Atrium	52	47	10.6%
Restaurant	37	30	23.3%
	<u>746</u>	<u>686</u>	<u>8.7%</u>

#### **(B) Balance Sheet**

Non-current assets increased by \$48.0 million or 20.9% from \$230.3 million to \$278.3 million as at 30 June 2013 mainly due to:

- (i) investment in property, plant and equipment of \$54.8 million net off depreciation and amortisation charges for 1H 2013 of \$19.5 million; and
- (ii) increase in investment securities of \$14.0 million from equity participation investment in Perennial Tongzhou Holdings Pte Ltd.

Current assets increased by \$15.6 million from \$126.1 million to \$141.7 million as at 30 June 2013 which was attributed to:

- (i) increase in cash and cash equivalents of \$10.2 million mainly due to drawdown of loans; and
- (ii) increase in deposits by \$3.5 million due to outlet expansion.

Current liabilities increased by \$32.1 million or 15.6% from \$206.1 million to \$238.2 million as at 30 June 2013 mainly due to additional financing taken up to fund the Group's investment in outlet expansion as well as construction of IHQ.

Non-current liabilities increased 46.0% or \$27.2 million as at 30 June 2013 as the Group drew down more long term financing to fund its investment in outlet expansion and investment in securities.

#### **(C) Cash Flow Statement**

The Group generated operating cash flow of \$29.4 million in 1H 2013 and raised additional financing of \$48.2 million to support the \$67.5 million used in investing activities. This resulted in an increase in its cash and cash equivalent by \$10.2 million to \$74.4 million as at 30 June 2013.

#### **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**

Despite the uncertainties in the global economy, the Group has continued to drive growth across its extensive network in Singapore, Mainland China, Malaysia, Hong Kong and Thailand.

Notwithstanding a slower pace of economic growth, the Group is of the view that this may not necessarily lead to a drastic curb on consumers' lifestyle and entertainment activities. Our concept-driven F&B businesses, in particular, would continue to appeal to consumers.

Mainland China remains our core overseas market, and we are committed to our expansion plans for our bakeries, food courts and restaurants.

Throughout the Group, we will continue to look at ways to boost efficiency and productivity through cost rationalisation, streamlining of work processes and technology. This is particularly relevant to markets like Singapore where tighter foreign labour restrictions, rising rentals and food costs prevail.

Barring any unforeseen circumstances, the Group expects to be profitable for the rest of FY2013.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	First Interim
Dividend Type	Cash
Dividend Amount per Ordinary Share	0.5 Singapore 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.

Name of Dividend	First Interim
Dividend Type	Cash
Dividend Amount per Ordinary Share	0.5 Singapore cent (tax exempt one-tier)

**(c) Date payable**

6 September 2013

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of BreadTalk Group Limited (the "Company") will be closed at 5.00 p.m. on 21 August 2013 for the purpose of determining the entitlements of the Company's shareholders ("Shareholders") to an interim tax exempt (one-tier) dividend of S\$0.005 cent per share (the "Interim Dividend") in respect of the financial year ending 31 December 2013 and for the preparation of dividend warrants.

For avoidance of doubts, in the case where the registered Shareholders is The Central Depository (Pte) Limited ("CDP"), the dividend warrants shall be issued to the CDP and credited to the depositors securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with CDP as at 5.00 p.m. (Singapore time) on 21 August 2013. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 21 August 2013 will be registered to determine entitlements to the Interim Dividend.

Payment of the Interim Dividend will be on 6 September 2013.

**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	85.3	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Xia Yi Tiao F&B - Food court rental income/miscellaneous charges	90.5	
(3) Kung Fu Kitchen - Food court rental income/miscellaneous charges	108.5	

**14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

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 half-year ended 30 June 2013 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  
12 August 2013