

**BREADTALK GROUP LIMITED**

**Financial Statement and Dividend Announcement For The Third Quarter and Period Ended 30 September 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 third quarter and period ended 30 September 2013. The figures presented below have not been audited.

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3Q 2013 \$000	3Q 2012 \$000		YTD Sep 2013 \$000	YTD Sep 2012 \$000	
Revenue	142,617	116,689	22.2%	389,443	327,596	18.9%
Cost of sales	(68,819)	(55,607)	23.8%	(182,827)	(151,806)	20.4%
Gross profit	73,798	61,082	20.8%	206,616	175,790	17.5%
Other income	3,075	3,516	-12.5%	6,815	8,457	-19.4%
Interest income	201	189	6.3%	1,201	591	103.2%
Distribution and selling expenses	(51,969)	(45,521)	14.2%	(154,318)	(130,844)	17.9%
Administrative expenses	(18,483)	(13,872)	33.2%	(45,446)	(41,327)	10.0%
Interest expense	(628)	(443)	41.8%	(1,856)	(918)	102.2%
Profit before tax and share of results of joint ventures	5,994	4,951	21.1%	13,012	11,749	10.7%
Share of results of associates	182	-	N.A.	567	-	N.A.
Share of results of joint ventures	(5)	118	-104.2%	467	451	3.5%
Profit before tax	6,171	5,069	21.7%	14,046	12,200	15.1%
Taxation	(2,258)	(1,191)	89.6%	(4,861)	(3,825)	27.1%
Profit after tax	3,913	3,878	0.9%	9,185	8,375	9.7%
Attributable to:						
<b>Shareholders of the Company</b>	<b>3,390</b>	<b>3,388</b>	0.1%	<b>8,044</b>	<b>7,811</b>	3.0%
Non-controlling interests	523	490	6.7%	1,141	564	102.3%
	3,913	3,878	0.9%	9,185	8,375	9.7%
<b>Other comprehensive income:</b>						
Net gain/(loss) on available-for-sale financial assets	(207)	(276)	-25.0%	(34)	(380)	-91.1%
Foreign currency translation	(35)	(701)	N.M.	1,038	(911)	N.M.
Other comprehensive income for the period, net of tax	(242)	(977)	N.M.	1,004	(1,291)	N.M.
Total comprehensive income for the period	3,671	2,901	26.5%	10,189	7,084	43.8%
Attributable to:						
<b>Shareholders of the Company</b>	<b>3,148</b>	<b>2,411</b>	30.6%	<b>9,048</b>	<b>6,520</b>	38.8%
Non-controlling interests	523	490	6.7%	1,141	564	102.3%
	3,671	2,901	26.5%	10,189	7,084	43.8%

**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		
	3Q 2013 \$000	3Q 2012 \$000	Increase/ (Decrease)	YTD Sep 2013 \$000	YTD Sep 2012 \$000	Increase/ (Decrease)
Depreciation and amortisation	9,391	8,139	15.4%	28,937	23,215	24.6%
Operating lease expenses	36,579	24,240	50.9%	86,717	66,650	30.1%
Personnel expenses	39,526	33,471	18.1%	107,641	91,445	17.7%
Property, plant and equipment written off (Note 1)	198	67	195.5%	393	366	7.4%
Impairment loss on property, plant and equipment	(487)	-	N.A.	461	54	753.7%
Gain/(Loss) on disposal of property, plant and equipment	1,006	10	N.M.	547	(11)	N.M.
Impairment of franchise rights	1	-	N.M.	42	-	N.M.
Impairment of loan and receivables	-	(33)	-100.0%	107	-	N.M.
- trade receivables	-	(33)	-100.0%	107	-	N.M.
- other receivables	1	(1)	-200.0%	-	47	-100.0%
Inventories written off	-	3	-100.0%	-	20	N.M.
Foreign exchange (gain)/loss, net	149	292	-49.0%	(329)	616	N.M.
Waiver of loans by minority shareholders of	-	(882)	-100.0%	-	(882)	-100.0%

**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	
	30.09.2013 \$000	31.12.2012 \$000	30.09.2013 \$000	31.12.2012 \$000
<b>Non-current assets</b>				
Property, plant and equipment	218,650	157,408	74,007	44,286
Intangible assets	8,348	8,531	-	-
Investment securities	59,868	46,005	-	-
Investment in subsidiaries	-	-	23,840	23,785
Investment in associates	4,904	900	-	-
Investment in joint ventures	3,696	3,125	-	-
Other receivables	1,301	1,758	-	-
Fixed deposit	10,533	9,988	-	-
Deferred tax assets	2,739	2,575	67	67
	<u>310,039</u>	<u>230,290</u>	<u>97,914</u>	<u>68,138</u>

	Group		Company	
	30.09.2013 \$000	31.12.2012 \$000	30.09.2013 \$000	31.12.2012 \$000
<b>Current assets</b>				
Inventories	10,771	9,492	-	-
Trade and other receivables	47,554	43,618	1,565	1,025
Prepayments	7,039	6,324	48	41
Tax recoverable	277	377	-	-
Amount due from subsidiaries (non-trade)	-	-	13,233	31,261
Amount due from joint ventures (trade)	6	283	-	-
Amount due from joint ventures (non-trade)	1,247	1,369	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	409	411	-	-
Cash and cash equivalents	68,551	64,245	9,575	431
	<u>135,854</u>	<u>126,119</u>	<u>24,421</u>	<u>32,758</u>
<b>Current liabilities</b>				
Trade and other payables	96,926	90,957	3,007	4,445
Other liabilities	60,825	52,477	5,229	7,588
Provision	8,911	7,977	-	-
Amount due to subsidiaries (non-trade)	-	-	31,771	16,695
Amount due to an associate (non-trade)	1	-	-	-
Amount due to a joint venture (trade)	1,895	1,847	-	-
Amount due to joint ventures (non-trade)	334	364	-	-
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	37,310	7,896	-	-
Current portion of long-term loans	19,205	37,910	3,135	25,863
Tax payable	4,651	6,438	-	-
	<u>230,258</u>	<u>206,066</u>	<u>43,142</u>	<u>54,591</u>
<b>Net current liabilities</b>	<b>(94,404)</b>	<b>(79,947)</b>	<b>(18,721)</b>	<b>(21,833)</b>
<b>Non-current liabilities</b>				
Long-term loans	106,692	50,613	41,534	18,000
Other liabilities	9,084	6,191	-	-
Deferred tax liabilities	2,231	2,514	-	-
	<u>118,007</u>	<u>59,318</u>	<u>41,534</u>	<u>18,000</u>
Net assets	<u>97,628</u>	<u>91,025</u>	<u>37,659</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	51,944	47,559	4,155	535
Other reserves	2,952	2,094	388	(5,127)
	<u>88,012</u>	<u>82,550</u>	<u>37,659</u>	<u>28,305</u>
Non-controlling interests	9,616	8,475	-	-
<b>Total equity</b>	<b><u>97,628</u></b>	<b><u>91,025</u></b>	<b><u>37,659</u></b>	<b><u>28,305</u></b>

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

### Amount repayable in one year or less, or on demand

As at 30.09.2013	
Secured	Unsecured
\$000	\$000
6,468	50,247

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

### Amount repayable after one year

As at 30.09.2013	
Secured	Unsecured
\$000	\$000
88,935	17,757

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

### Details of any collateral

- (1) As at 30 September 2013, a total amount of \$68.0 million of the Group's bank borrowings are unsecured.
- (2) The remaining bank loans are secured by the following:
  - a closed legal mortgage in favor 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	
	3Q 2013	3Q 2012	YTD Sep 2013	YTD Sep 2012
	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
Profit before tax	6,171	5,069	14,046	12,200
Adjustments for:				
Amortisation of intangible assets	36	127	351	392
Depreciation of property, plant and equipment	9,706	8,012	28,937	22,823
Impairment/(writeback of impairment) of trade receivables	-	(33)	107	-
Impairment/(writeback of impairment) of other receivables	1	(1)	-	47
Interest expense	628	443	1,856	918
Interest income	(201)	(189)	(1,201)	(591)
Inventories written off	-	3	-	20
Loss on disposal of property, plant and equipment	(88)	10	(547)	(11)
Property, plant and equipment written off	198	67	393	366
Impairment/(writeback of impairment) on property, plant and equipment	(487)	-	461	54
Impairment loss on franchise rights	1	-	42	-
Waiver of loans by minority shareholders of subsidiaries	-	(882)	-	(882)
Share based payment expenses	33	126	73	266
Share of results of associates	(182)	-	(567)	-
Share of results of joint ventures	5	(118)	(467)	(451)
Translation difference	(644)	565	(1,748)	813
Operating cash flow before working capital changes	15,177	13,199	41,736	35,964

**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	
	3Q 2013 \$000	3Q 2012 \$000	YTD Sep 2013 \$000	YTD Sep 2012 \$000
(Increase)/decrease in:				
Inventories	(937)	(457)	(1,279)	(1,628)
Trade and other receivables	1,108	(3,950)	(4,677)	(6,507)
Prepayments	(168)	(1,373)	(715)	(2,621)
Amount due from joint ventures (trade)	313	5	277	(1)
Increase/(decrease) in:				
Trade and other payables	1,268	3,284	9,750	2,267
Other liabilities	9,619	14,008	14,100	6,820
Amount due to an associate (non-trade)	-	-	1	-
Amount due to a joint venture (trade)	(61)	353	48	1,748
Cash generated from operations	<u>26,319</u>	<u>25,069</u>	<u>59,241</u>	<u>36,042</u>
Tax paid	(3,450)	(1,828)	(6,956)	(4,941)
<b>Net cash flow from operating activities</b>	<b><u>22,869</u></b>	<b><u>23,241</u></b>	<b><u>52,285</u></b>	<b><u>31,101</u></b>
<b>Cash flows from investing activities</b>				
Interest income received	202	927	1,706	1,075
Purchase of property, plant and equipment	(37,699)	(28,421)	(92,473)	(53,706)
Proceeds from disposal of property, plant and equipment	137	1	154	319
Additions to intangible assets	(54)	-	(191)	(54)
Cash paid for reinstatement expenses	(224)	-	(380)	(100)
Repayment of loan from/(loan to) a joint venture	-	-	-	-
Amount due from joint ventures (non-trade)	(350)	24	152	128
Amount due to joint ventures (non-trade)	11	31	(30)	(49)
Loan to joint venture	(30)	-	(30)	-
Investment in a joint venture	-	-	-	(2,310)
Investment in an associate	(2,535)	-	(2,910)	-
Purchase of investment securities	-	-	(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>(40,542)</u></b>	<b><u>(27,438)</u></b>	<b><u>(108,022)</u></b>	<b><u>(57,171)</u></b>
<b>Cash flows from financing activities</b>				
Interest paid	(628)	(443)	(1,856)	(918)
Dividends paid to shareholders of the Company	(1,408)	(1,405)	(3,660)	(5,624)
Dividends paid to minority shareholders of a subsidiary	-	-	(984)	-
Repayment of finance lease obligations	-	(9)	-	(37)
Proceeds from short-term loans	17,447	1,560	34,366	5,901
Repayment of short-term loans	(3,319)	(1,512)	(5,006)	(6,181)
Proceeds from long-term loans	5,146	16,490	64,268	26,293
Repayment of long-term loans	(5,458)	(802)	(27,071)	(3,413)
Repayment of amount owing to landlord	14	(21)	-	(64)
Purchase of treasury shares	-	-	-	(96)
Amount owing to landlords	-	-	-	-
Acquisition of non-controlling interests	(14)	(200)	(14)	(200)
<b>Net cash flow from/(used in) financing activities</b>	<b><u>11,780</u></b>	<b><u>13,658</u></b>	<b><u>60,043</u></b>	<b><u>15,661</u></b>
Net increase/(decrease) in cash and cash equivalents	(5,893)	9,461	4,306	(10,409)
Cash and cash equivalents at beginning of financial period	74,444	67,190	64,245	87,060
<b>Cash and cash equivalents at end of financial period</b>	<b><u>68,551</u></b>	<b><u>76,651</u></b>	<b><u>68,551</u></b>	<b><u>76,651</u></b>

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

	Group	
	30 Sep 2013 \$000	30 Sep 2012 \$000
Cash on hand and at bank	68,545	58,537
Short term fixed deposits	6	18,114
	<u>68,551</u>	<u>76,651</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							
	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
<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	-	-	-	4,423	-	4,423	74	4,497
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(104)	(104)	-	(104)
Foreign currency translation	-	-	(210)	-	-	(210)	-	(210)
Total other comprehensive income, net of tax	-	-	(210)	-	(104)	(314)	-	(314)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(210)</b>	<b>4,423</b>	<b>(104)</b>	<b>4,109</b>	<b>74</b>	<b>4,183</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	140	140	-	140
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>(159)</b>	<b>(4,175)</b>	<b>-</b>	<b>(4,175)</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>
Profit for the period	-	-	-	3,388	-	3,388	490	3,878
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(276)	(276)	-	(276)
Foreign currency translation	-	-	(701)	-	-	(701)	-	(701)
Total other comprehensive income, net of tax	-	-	(701)	-	(276)	(977)	-	(977)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(701)</b>	<b>3,388</b>	<b>(276)</b>	<b>2,411</b>	<b>490</b>	<b>2,901</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	126	126	-	126
Dividends paid	-	-	-	(1,405)	-	(1,405)	-	(1,405)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Treasury shares transferred on vesting of restricted share grant	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,405)</b>	<b>126</b>	<b>(1,279)</b>	<b>-</b>	<b>(1,279)</b>
<u>Changes in ownership interests in a subsidiary</u>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(657)	(657)	457	(200)
<b>Total changes in ownership interests in a subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(657)</b>	<b>(657)</b>	<b>457</b>	<b>(200)</b>
<b>Balance at 30 September 2012</b>	<b>33,303</b>	<b>(406)</b>	<b>(722)</b>	<b>43,745</b>	<b>2,459</b>	<b>78,379</b>	<b>8,519</b>	<b>86,898</b>

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 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	-	-	-	4,655	-	4,655	618	5,273
<u>Other comprehensive income</u>								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	172	172	-	172
Foreign currency translation	-	-	1,075	-	-	1,075	-	1,075
Total other comprehensive income, net of tax	-	-	1,075	-	172	1,247	-	1,247
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,075</b>	<b>4,655</b>	<b>172</b>	<b>5,902</b>	<b>618</b>	<b>6,520</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	38	38	-	38
Dividends paid	-	-	-	(2,252)	-	(2,252)	-	(2,252)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>320</b>	<b>49,962</b>	<b>2,840</b>	<b>86,238</b>	<b>9,093</b>	<b>95,331</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	-	-	-	3,390	-	3,390	523	3,913
<u>Other comprehensive income</u>								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	(20/)	(20/)	-	(20/)
Foreign currency translation	-	-	(35)	-	-	(35)	-	(35)
Total other comprehensive income, net of tax	-	-	(35)	-	(20/)	(242)	-	(242)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(35)</b>	<b>3,390</b>	<b>(207)</b>	<b>3,148</b>	<b>523</b>	<b>3,671</b>
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	34	34	-	34
Dividends paid	-	-	-	(1,408)	-	(1,408)	-	(1,408)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,408)</b>	<b>34</b>	<b>(1,374)</b>	<b>-</b>	<b>(1,374)</b>
<b>Balance at 30 September 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>285</b>	<b>51,944</b>	<b>2,667</b>	<b>88,012</b>	<b>9,616</b>	<b>97,628</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	-	-	139	-	139
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>139</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	140	140
<b>Total transactions with equity holders</b>	<b>-</b>	<b>203</b>	<b>(4,219)</b>	<b>(159)</b>	<b>(4,175)</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>
Profit for the period	-	-	(125)	-	(125)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(125)</b>	<b>-</b>	<b>(125)</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	126	126
Dividends paid	-	-	(1,405)	-	(1,405)
Treasury shares transferred on vesting of restricted share grant	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>(1,405)</b>	<b>126</b>	<b>(1,279)</b>
<b>Balance at 30 September 2012</b>	<b>33,303</b>	<b>(406)</b>	<b>1,202</b>	<b>510</b>	<b>34,609</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	-	-	(690)	-	(690)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(690)</b>	<b>-</b>	<b>(690)</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	39	39
Dividends paid	-	-	(2,252)	-	(2,252)
Purchase of treasury shares	-	-	-	-	-
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>(180)</b>	<b>(2,213)</b>
<b>Balance at 30 June 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>(8,069)</b>	<b>355</b>	<b>25,402</b>
Profit for the period	-	-	13,632	-	13,632
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>13,632</b>	<b>-</b>	<b>13,632</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	33	33
Dividends paid	-	-	(1,408)	-	(1,408)
Purchase of treasury shares	-	-	-	-	-
Treasury shares transferred on vesting of restricted share grant	-	-	-	-	-
Share-based payments	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(1,408)</b>	<b>33</b>	<b>(1,375)</b>
<b>Balance at 30 September 2013</b>	<b>33,303</b>	<b>(187)</b>	<b>4,155</b>	<b>388</b>	<b>37,659</b>

**Note B: Other reserves**

	Group		Company	
	30 Sep 2013 \$000	30 Sep 2012 \$000	30 Sep 2013 \$000	30 Sep 2012 \$000
Statutory reserve fund	2,757	2,382	-	-
Fair value adjustment reserve	178	224	-	-
Capital reserve	175	156	175	156
Share based compensation reserve	213	354	213	354
Premium on acquisition of non-controlling interests	(657)	(657)	-	-
	<b>2,667</b>	<b>2,459</b>	<b>388</b>	<b>510</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 3Q 2013.

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

Total number of restricted shares granted conditionally under the "BreadTalk Restricted Share Grant Plan" as at 30 September 2013 was 1,015,060 (30 September 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 September 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			
	3Q 2013	3Q 2012	YTD Sep 2013	YTD Sep 2012
Balance at beginning and end of financial period	381,624	829,614	829,614	1,237,690
Purchase of treasury shares	-	-	-	200,000
Treasury shares transferred on vesting of restricted share grant	-	-	(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	
	3Q 2013	3Q 2012	30-Sep-13	30-Sep-12
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.21 cents	1.21 cents	2.86 cents	2.78 cents
Weighted average number of ordinary shares	281,511,614	281,063,624	281,312,507	280,882,257
(b) On a fully diluted basis	1.20 cents	1.20 cents	2.85 cents	2.77 cents
Adjusted weighted average number of ordinary shares	282,408,884	282,408,884	282,408,884	282,177,773

As at 30 September 2013 was 1,015,060 (30 September 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-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
Net asset value per ordinary share based on issued share capital as at the end of period	<u>31.3 cents</u>	<u>29.4 cents</u>	<u>13.4 cents</u>	<u>10.1 cents</u>

Note: The net asset value per ordinary share of the Group and the Company as at 30 September 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**

Group revenue for the period ended September 2013 grew 18.9% from \$327.6 million recorded in the same period last year to \$389.4 million. Profit after tax and attributable to shareholders ("PATMI") for the same period improved 3.0% from \$7.8 million to \$8.0 million.

Food Atrium Division was the star performer year-to-date, posting revenue increase of 28.9% while PATMI grew more than eight times. The turnaround in the Division's Singapore operations contributed to the division's profits along with Mainland China and Hong Kong.

Bakery Division's revenue and PATMI improved by 15.4% and 95.5% respectively, mainly due to higher gross profit margin achieved. Revenue grew across all markets while improvement in PATMI, which came from Mainland China, Hong Kong and Thailand, helped to defray lower earnings in other markets. Bakery Division's Singapore market however saw a decline in its PATMI due to the ongoing labor crunch and rising rental expenses.

Revenue from Restaurants Division grew 17.1% but PATMI decreased by 40.7% due mainly to an impairment loss on property and equipment recognised in the previous quarter, in relation to the restructuring of Carl's Junior. Din Tai Fung Singapore and Thailand are still the division's drivers of growth, while the repositioning of Ramen Play has yet to contribute to the business.

Interest income rose 103.2% from \$0.6 million to \$1.2 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 \$0.9 million due to a higher loan quantum resulting from the Group's newly completed property.

Earnings per share (EPS) on a fully diluted basis for the period ended 30 September 2013 rose 3.0% to 2.86 cents compared to 2.78 cents in the same period last year.

Net asset value per share was higher at 31.3 cents as at 30 September 2013 compared to 29.4cents as at 31 December 2012.

Number of outlets including franchise under the Group:

	30-Sep-13	31-Dec-12	Net increase
Bakery	687	609	12.8%
Food Atrium	56	47	19.1%
Restaurant	39	30	30.0%
	782	686	14.0%

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

Non-current assets increased by \$79.7 million or 34.6% from \$230.3 million to \$310.0 million as at 30 September 2013 mainly due to:

- (i) investment in property, plant and equipment of \$92.5 million and net off by depreciation and amortisation charges for the period ended September 2013 of \$29.3 million; and
- (ii) increase in investment securities of \$14.0 million from equity interest investment in Perennial Tongzhou Holdings Pte Ltd.
- (iii) capital injection into new associate companies amounting to \$2.9 million.

Current assets increased by \$9.7 million from \$126.1 million to \$135.9 million as at 30 September 2013 which was attributed to:

- (i) increase in cash and cash equivalents of \$4.3 million mainly due mainly to the increase in net cashflow of operating activities; and
- (ii) increase in deposits by \$4.0 million due to outlet expansion.

Current liabilities increased by \$24.1 million or 11.7% from \$206.1 million to \$230.2 million as at 30 September 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 98.9% or \$58.7 million as at 30 September 2013 as the Group took up more long term financing to fund its investment in outlet expansion, investment in securities and the conversion of the short term IHQ construction loan to a long term mortgage loan.

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

The Group generated operating cash flow of \$52.3 million for the period ended 30 September 2013 and raised additional financing of \$60.0 million to support the \$108.0 million used in investing activities. This resulted in an increase in its cash and cash equivalent of \$4.3 million to \$68.5 million as at 30 September 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**

Against the backdrop of an improving global economy, with Asia experiencing moderate growth, the Group continues to drive growth and expansion in its key markets.

The Group continues to face high cost pressures in food cost, labour, rental, and expansion cost. Despite these challenges, the Group is continually finding solutions including cost rationalisation as well as boosting productivity through streamlining of work processes and deployment of technology.

Barring any unforeseen circumstances, the Group expects to be profitable in the last quarter of 2013.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, 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	168.9	

**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 period ended 30 September 2013 of the Group and the Company to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Cho Form Po  
Company Secretary  
6 November 2013