

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 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 year ended 31 December 2013. The figures presented below have not been audited.

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	4Q 2013 \$000	4Q 2012 \$000		FY 2013 \$000	FY 2012 \$000	
Revenue	147,087	119,738	22.8%	536,530	447,334	19.9%
Cost of sales	<u>(69,146)</u>	<u>(54,102)</u>	27.8%	<u>(251,973)</u>	<u>(205,908)</u>	22.4%
Gross profit	77,941	65,636	18.7%	284,557	241,426	17.9%
Other income	5,084	2,027	150.8%	11,899	10,484	13.5%
Interest income	115	1,094	-89.5%	1,316	1,685	-21.9%
Distribution and selling expenses	<u>(55,619)</u>	<u>(49,656)</u>	12.0%	<u>(209,937)</u>	<u>(180,500)</u>	16.3%
Administrative expenses	<u>(18,150)</u>	<u>(11,459)</u>	58.4%	<u>(63,596)</u>	<u>(52,786)</u>	20.5%
Interest expense	<u>(819)</u>	<u>(468)</u>	75.0%	<u>(2,675)</u>	<u>(1,386)</u>	93.0%
Profit before tax and share of results of joint ventures and associates	8,552	7,174	19.2%	21,564	18,923	14.0%
Share of results of associates	<u>(336)</u>	-	N.A.	231	-	N.A.
Share of results of joint ventures	<u>128</u>	<u>2</u>	N.M.	<u>595</u>	<u>453</u>	31.3%
Profit before tax	8,344	7,176	16.3%	22,390	19,376	15.6%
Taxation	<u>(1,390)</u>	<u>(1,993)</u>	-30.3%	<u>(6,251)</u>	<u>(5,818)</u>	7.4%
Profit after tax	<u>6,954</u>	<u>5,183</u>	34.2%	<u>16,139</u>	<u>13,558</u>	19.0%
Attributable to:						
Shareholders of the Company	5,556	4,189	32.6%	13,600	12,000	13.3%
Non-controlling interests	<u>1,398</u>	<u>994</u>	40.6%	<u>2,539</u>	<u>1,558</u>	63.0%
	<u>6,954</u>	<u>5,183</u>	34.2%	<u>16,139</u>	<u>13,558</u>	19.0%
Other comprehensive income:						
Net loss on available-for-sale financial assets	(69)	(10)	590.0%	(103)	(390)	-73.6%
Foreign currency translation	<u>381</u>	<u>(33)</u>	N.M.	<u>1,421</u>	<u>(944)</u>	N.M.
Other comprehensive income for the period, net of tax	<u>312</u>	<u>(43)</u>	N.M.	<u>1,318</u>	<u>(1,334)</u>	N.M.
Total comprehensive income for the period	<u>7,266</u>	<u>5,140</u>	41.4%	<u>17,457</u>	<u>12,224</u>	42.8%
Attributable to:						
Shareholders of the Company	5,868	4,146	41.5%	14,918	10,666	39.9%
Non-controlling interests	<u>1,398</u>	<u>994</u>	40.6%	<u>2,539</u>	<u>1,558</u>	63.0%
	<u>7,266</u>	<u>5,140</u>	41.4%	<u>17,457</u>	<u>12,224</u>	42.8%

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		
	4Q 2013 \$000	4Q 2012 \$000	Increase/ (Decrease)	FY 2013 \$000	FY 2012 \$000	Increase/ (Decrease)
Depreciation and amortisation	10,050	7,782	29.1%	39,338	30,997	26.9%
Operating lease expenses	31,011	23,709	30.8%	117,728	90,359	30.3%
Personnel expenses	36,595	31,329	16.8%	144,236	122,774	17.5%
Impairment loss on intangible assets	-	215	-100.0%	-	215	-100.0%
Property, plant and equipment written off (Note 1)	350	366	-4.4%	743	732	1.5%
Impairment loss on property, plant and equipment	363	113	221.2%	824	167	393.4%
(Gain)/ Loss on disposal of property, plant and equipment	436	764	N.M.	(111)	753	N.M.
Gain on disposal of intangible assets	(53)	-	N.M.	(11)	-	N.M.
Gain on disposal of an associate	-	(30)	-100.0%	-	(30)	-100.0%
Impairment of loan and receivables			N.M.			N.M.
- trade receivables	90	(11)	N.M.	197	(11)	N.M.
- other receivables	(73)	(88)	-17.0%	(73)	(41)	N.M.
- joint venture	607	-	N.M.	607	-	N.M.
Write-off of inventories	-	2	-100.0%	-	22	-100.0%
Write-down of inventories	-	15	-100.0%	-	15	-100.0%
Foreign exchange (gain)/loss, net	185	(1)	N.M.	(144)	615	-123.4%
Waiver of loans by minority shareholders of subsidiaries	-	-	N.M.	-	(882)	-100.0%

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	
	31.12.2013 \$000	31.12.2012 \$000	31.12.2013 \$000	31.12.2012 \$000
Non-current assets				
Property, plant and equipment	225,860	157,408	74,115	44,286
Intangible assets	7,772	8,531	-	-
Investment securities	59,799	45,883	-	-
Investment in subsidiaries	-	-	23,657	23,785
Investment in associates	4,568	900	-	-
Investment in joint ventures	3,638	3,125	-	-
Other receivables	1,827	1,880	-	-
Fixed deposits	10,671	9,988	-	-
Deferred tax assets	4,287	2,575	67	67
	<u>318,422</u>	<u>230,290</u>	<u>97,839</u>	<u>68,138</u>

	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	\$000	\$000	\$000	\$000
Current assets				
Assets of disposal group classified as held for sale	2,056	-	-	-
Inventories	10,004	9,492	-	-
Trade and other receivables	50,595	43,618	968	1,025
Prepayments	6,395	6,324	86	41
Tax recoverable	6	377	-	-
Amount due from subsidiaries (non-trade)	-	-	16,753	31,261
Amount due from joint ventures (trade)	4	283	-	-
Amount due from joint ventures (non-trade)	955	1,369	-	-
Amount due from minority shareholders of subsidiaries (non-trade)	395	411	-	-
Cash and cash equivalents	79,420	64,245	9,214	431
	<u>149,830</u>	<u>126,119</u>	<u>27,021</u>	<u>32,758</u>
Current liabilities				
Trade and other payables	102,589	90,957	2,669	4,445
Other liabilities	59,531	52,477	5,793	7,588
Provision	10,223	7,977	22	-
Amount due to subsidiaries (non-trade)	-	-	27,457	16,695
Amount due to an associate (non-trade)	1,193	-	-	-
Amount due to a joint venture (trade)	2,343	1,847	-	-
Amount due to joint ventures (non-trade)	365	364	-	-
Loan from a minority shareholder of a subsidiary (non trade)	200	200	-	-
Short term loans	9,746	7,896	-	-
Current portion of long-term loans	20,554	37,910	3,135	25,863
Tax payable	6,458	6,438	-	-
	<u>213,202</u>	<u>206,066</u>	<u>39,076</u>	<u>54,591</u>
Net current liabilities	(63,372)	(79,947)	(12,055)	(21,833)
Non-current liabilities				
Long-term loans	138,216	50,613	49,048	18,000
Other liabilities	10,297	6,191	-	-
Deferred tax liabilities	2,554	2,514	-	-
	<u>151,067</u>	<u>59,318</u>	<u>49,048</u>	<u>18,000</u>
Net assets	<u>103,983</u>	<u>91,025</u>	<u>36,736</u>	<u>28,305</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(187)	(406)	(187)	(406)
Accumulated profits	57,499	47,559	3,159	(5,127)
Other reserves	3,338	2,094	461	535
	<u>93,953</u>	<u>82,550</u>	<u>36,736</u>	<u>28,305</u>
Non-controlling interests	10,030	8,475	-	-
Total equity	<u>103,983</u>	<u>91,025</u>	<u>36,736</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

Secured	Unsecured
\$000	\$000
8,318	22,182

Secured	Unsecured
\$000	\$000
29,033	16,973

Amount repayable after one year

As at 31.12.2013	
Secured	Unsecured
\$000	\$000
96,121	42,095

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

Details of any collateral

- (1) As at 31 December 2013, a total amount of \$64.3 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;
 - An all monies legal mortgage in favour of the bank over the property at Flat A on 36th floor of Tower III of the waterfront, No 1 Austin Roadwest, Kowloon, Hong Kong; 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	
	4Q 2013 \$000	4Q 2012 \$000	FY 2013 \$000	FY 2012 \$000
Cash flows from operating activities				
Profit before tax	8,344	7,176	22,390	19,376
Adjustments for:				
Amortisation of intangible assets	138	226	489	618
Depreciation of property, plant and equipment	9,912	7,556	38,849	30,379
Gain on disposal of an associate	-	(30)	-	(30)
Impairment loss on intangible assets	-	215	-	215
(Write back of impairment)/ Impairment of trade receivables	90	(11)	197	(11)
(Write back of impairment)/ Impairment of other receivables	(73)	(88)	(73)	(41)
Impairment loss of loan to/amount due from joint venture	607	-	607	-
Interest expense	819	468	2,675	1,386
Interest income	(115)	(1,094)	(1,316)	(1,685)
Write-off of inventories	-	2	-	22
Loss on disposal of property, plant and equipment	436	764	(111)	753
Property, plant and equipment written off	350	366	743	732
Impairment loss on property, plant and equipment	363	113	824	167
Gain on disposal of intangible assets	(53)	-	(11)	-
Share based payment expenses	73	25	146	291
Share of results of joint ventures	(128)	(2)	(595)	(453)
Share of results of associates	336	-	(231)	-
Translation difference	343	44	(1,405)	857
Waiver of loans by minority shareholders of subsidiaries	-	-	-	(882)
Write-down of inventories	-	15	-	15
Operating cash flow before working capital changes	<u>21,442</u>	<u>15,745</u>	<u>63,178</u>	<u>51,709</u>
(Increase)/decrease in:				
Inventories	287	(504)	(992)	(2,132)
Trade and other receivables	(3,775)	(3,113)	(8,452)	(9,620)
Prepayments	644	1,686	(71)	(935)
Amount due from joint ventures (trade)	1	(282)	278	(283)
Increase/(decrease) in:				
Trade and other payables	650	11,662	10,400	13,929
Other liabilities	(81)	(2,235)	14,019	4,585
Amount due to an associate (non-trade)	1,192	-	1,193	-
Amount due to a joint venture (trade)	448	99	496	1,847
Cash generated from operations	<u>20,808</u>	<u>23,058</u>	<u>80,049</u>	<u>59,100</u>
Tax paid	(589)	(474)	(7,545)	(5,415)
Net cash flow from operating activities	<u>20,219</u>	<u>22,584</u>	<u>72,504</u>	<u>53,685</u>

	Group		Group	
	4Q 2013	4Q 2012	FY 2013	FY 2012
	\$000	\$000	\$000	\$000
Cash flows from investing activities				
Interest income received	364	973	2,070	2,048
Dividend income from joint venture	208	-	208	-
Purchase of property, plant and equipment	(13,724)	(39,187)	(106,197)	(92,893)
Proceeds from disposal of property, plant and equipment	100	8	254	327
Proceeds from disposal of an associate	-	30	-	30
Additions to intangible assets	(28)	(142)	(219)	(196)
Cash paid for reinstatement expenses	(374)	(57)	(754)	(157)
Amount due from joint ventures (non-trade)	(290)	(200)	(138)	(72)
Amount due to joint ventures (non-trade)	30	19	-	(30)
Loan to joint venture	(25)	-	(55)	-
Investment in a joint venture	-	-	-	(2,310)
Investment in an associate	-	(900)	(2,910)	(900)
Placement of long-term fixed deposit	(684)	(9,988)	(684)	(9,988)
Purchase of investment securities	-	(20,130)	(14,020)	(20,130)
Partial redemption of junior bonds	-	-	-	3,526
Subscription of junior bonds	-	-	-	(6,000)
Net cash flow used in investing activities	(14,423)	(69,574)	(122,445)	(126,745)
Cash flows from financing activities				
Acquisition of non-controlling	-	-	-	(200)
Interest paid	(819)	(468)	(2,675)	(1,386)
Dividends paid to shareholders of the Company	-	-	(3,660)	(5,624)
Dividends paid to minority shareholders of a subsidiary	-	(54)	(984)	(54)
Proceeds from loans and borrowings	9,356	38,200	107,990	70,394
Repayment of loans and borrowings	(3,460)	(3,088)	(35,537)	(12,719)
Repayment of amount owing to landlord	-	(6)	(14)	(70)
Purchase of treasury shares	-	-	-	(96)
Net cash flow from financing activities	5,077	34,584	65,120	50,245
Net increase/(decrease) in cash and cash equivalents	10,873	(12,406)	15,179	(22,815)
Cash and cash equivalents at beginning of financial period	68,551	76,651	64,245	87,060
Cash and cash equivalents at end of financial period	79,424	64,245	79,424	64,245

Note A: Cash and cash equivalents comprise:

	Group	
	31 Dec 2013	31 Dec 2012
	\$000	\$000
Cash on hand and at bank	79,414	59,234
Short term fixed deposits	6	5,011
Assets held for sale	4	-
	<u>79,424</u>	<u>64,245</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
Balance at 1 January 2012	33,303	(609)	189	41,558	3,529	77,970	7,498	85,468
Profit for the period	-	-	-	7,811	-	7,811	564	8,375
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(380)	(380)	-	(380)
Foreign currency translation	-	-	(911)	-	-	(911)	-	(911)
Total other comprehensive income, net of tax	-	-	(911)	-	(380)	(1,291)	-	(1,291)
Total comprehensive income for the period	-	-	(911)	7,811	(380)	6,520	564	7,084
<u>Contributions from and distributions to owners</u>								
Share-based payments	-	-	-	-	266	266	-	266
Dividends paid	-	-	-	(5,624)	-	(5,624)	-	(5,624)
Purchase of treasury shares	-	(96)	-	-	-	(96)	-	(96)
Treasury shares transferred on vesting of restricted share grant	-	299	-	-	(299)	-	-	-
Total transactions with equity holders	-	203	-	(5,624)	(33)	(5,454)	-	(5,454)
<u>Changes in ownership interests in a subsidiary</u>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(657)	(657)	457	(200)
Total changes in ownership interests in a subsidiary	-	-	-	-	(657)	(657)	457	(200)
Balance at 30 September 2012	33,303	(406)	(722)	43,745	2,459	78,379	8,519	86,898
Profit for the period	-	-	-	4,189	-	4,189	994	5,183
<u>Other comprehensive income</u>								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(10)	(10)	-	(10)
Foreign currency translation	-	-	(33)	-	-	(33)	-	(33)
Total other comprehensive income, net of tax	-	-	(33)	-	(10)	(43)	-	(43)
Total comprehensive income for the period	-	-	(33)	4,189	(10)	4,146	994	5,140
<u>Contributions from and distributions to owners</u>								
Share-based payments	-	-	-	-	25	25	-	25
Dividends payable	-	-	-	-	-	-	(984)	(984)
Dividends paid	-	-	-	-	-	-	(54)	(54)
Transfer to statutory reserve	-	-	-	(375)	375	-	-	-
Total transactions with equity holders	-	-	-	(375)	400	25	(1,038)	(1,013)
Balance at 31 December 2012	33,303	(406)	(755)	47,559	2,849	82,550	8,475	91,025

Group	Attributable to Shareholders of the Company					Total \$000	Non- controlling interests \$000	Total equity \$000
	Share capital \$000	Treasury shares \$000	Translation reserve \$000	Accumulated profits \$000	Other reserves (Note B) \$000			
Balance at 1 January 2013	33,303	(406)	(755)	47,559	2,849	82,550	8,475	91,025
Profit for the period	-	-	-	8,044	-	8,044	1,141	9,185
<u>Other comprehensive income</u>								
Net loss on fair value changes of available- for-sale financial assets	-	-	-	-	(35)	(35)	-	(35)
Foreign currency translation	-	-	1,040	-	-	1,040	-	1,040
Total other comprehensive income, net of tax	-	-	1,040	-	(35)	1,005	-	1,005
Total comprehensive income for the period	-	-	1,040	8,044	(35)	9,049	1,141	10,190
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	72	72	-	72
Dividends paid	-	-	-	(3,660)	-	(3,660)	-	(3,660)
Treasury shares transferred on vesting of restricted share grant	-	219	-	-	(219)	-	-	-
Total contributions by and distributions to owners	-	219	-	(3,660)	(147)	(3,588)	-	(3,588)
Balance at 30 September 2013	33,303	(187)	285	51,943	2,667	88,011	9,616	97,627
Profit for the period	-	-	-	5,556	-	5,556	1,398	6,954
<u>Other comprehensive income</u>								
Net loss on fair value changes of available- for-sale financial assets	-	-	-	-	(68)	(68)	-	(68)
Foreign currency translation	-	-	381	-	-	381	-	381
Total other comprehensive income, net of tax	-	-	381	-	(68)	313	-	313
Total comprehensive income for the period	-	-	381	5,556	(68)	5,869	1,398	7,267
<u>Contributions by and distributions to owners</u>								
Share-based payments	-	-	-	-	73	73	-	73
Dividends payable	-	-	-	-	-	-	(984)	(984)
Total transactions with equity holders	-	-	-	-	73	73	(984)	(911)
Balance at 31 December 2013	33,303	(187)	666	57,499	2,672	93,953	10,030	103,983

Company	Attributable to Shareholders of the Company				
	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
Balance at 1 January 2012	33,303	(609)	6,812	543	40,049
Profit for the period	-	-	14	-	14
Total comprehensive income for the period	-	-	14	-	14
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	266	266
Dividends paid	-	-	(5,624)	-	(5,624)
Treasury shares transferred on vesting of restricted share grant	-	299	-	(299)	-
Purchase of treasury shares	-	(96)	-	-	(96)
Total transactions with equity holders	-	203	(5,624)	(33)	(5,454)
Balance at 30 September 2012	33,303	(406)	1,202	510	34,609
Profit for the period	-	-	(6,329)	-	(6,329)
Total comprehensive income for the period	-	-	(6,329)	-	(6,329)
<u>Transactions with equity holders</u>					
Share-based payments	-	-	-	25	25
Total transactions with equity holders	-	-	-	25	25
Balance at 31 December 2012	33,303	(406)	(5,127)	535	28,305

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2013	33,303	(406)	(5,127)	535	28,305
Profit for the period	-	-	12,942	-	12,942
Total comprehensive income for the period	-	-	12,942	-	12,942
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	72	72
Dividends paid	-	-	(3,660)	-	(3,660)
Treasury shares transferred on vesting of restricted share grant	-	219	-	(219)	-
Total contributions by and distributions to owners	-	219	(3,660)	(147)	(3,588)
Balance at 30 September 2013	33,303	(187)	4,155	388	37,659
Loss for the period	-	-	(996)	-	(996)
Total comprehensive income for the period	-	-	(996)	-	(996)
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	73	73
Total contributions by and distributions to owners	-	-	-	73	73
Balance at 31 December 2013	33,303	(187)	3,159	461	36,736

Note B: Other reserves

	Group		Company	
	31 Dec 2013 \$000	31 Dec 2012 \$000	31 Dec 2013 \$000	31 Dec 2012 \$000
Statutory reserve fund	2,757	2,757	-	-
Fair value adjustment reserve	111	214	-	-
Capital reserve	175	156	175	156
Share based compensation reserve	286	379	286	379
Premium on acquisition of non-controlling interests	(657)	(657)	-	-
	2,672	2,849	461	535

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 2013.

There were a total of 381,624 treasury shares held as at 31 December 2013 (31 December 2012: 829,614).

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 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			
	4Q 2013	4Q 2012	FY 2013	FY 2012
Balance at beginning and end of financial period	829,614	829,614	829,614	1,237,690
Purchase of treasury shares	-		-	200,000
Treasury shares transferred on vesting of restricted share grant	(447,990)		(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	
	4Q 2013	4Q 2012	FY2013	FY 2012
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.97 cents	1.49 cents	4.83 cents	4.27 cents
Weighted average number of ordinary shares	281,511,614	281,063,624	281,362,284	280,927,599
(b) On a fully diluted basis	1.97 cents	1.48 cents	4.82 cents	4.25 cents
Adjusted weighted average number of ordinary shares	282,221,664	282,273,674	282,239,001	282,145,411

As at 31 December 2013, a total of 710,050 (31 December 2012: 1,210,050) 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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net asset value per ordinary share based on issued share capital as at the end of year	33.4 cents	29.4 cents	13.0 cents	10.1 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 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

For the financial year ended 31 December 2013, Group revenue crossed the half a billion dollar mark at \$536.5 million representing a 19.9% growth against last year. Profit after tax and attributable to Shareholders ("PATMI") for the same period grew 13.3% from \$12.0 million to \$13.6 million despite cost pressure on food, labour and rental expenses including investment in new stores opened during the year

Bakery Division revenue and PATMI improved by 16.4% and 20.0 % respectively. Revenue improved across all markets led by Mainland China. Singapore continued to dominate the revenue pie of the division but its performance was affected by the on-going labour crunch, rising rental cost and increased competition. Hong Kong and Thailand revenue strengthened while losses narrowed.

Food Atrium Division PATMI turned around to a profitable position on the back of a 29.2% revenue growth, which was led by top earners, Singapore, Mainland China and Hong Kong. Mainland China opened nine new stores during the year, the highest number in a year since the Division started business there. Taiwan and Thailand however did not perform as expected.

Restaurant Division grew its revenue by 19.1% with PATMI also growing by a similar margin. Din Tai Fung and Ramen Play posted positive revenue growth against last year with the exception of Carl's Junior in Shanghai which saw the closure of three non-performing outlets during the year. Din Tai Fung Singapore and Thailand PATMI grew strongly while Ramen Play as a whole is still performing under expectations.

Interest income reduced 21.9% from \$1.7 million to \$1.3 million mainly due to lower returns from the Group investments.

Earnings per share (EPS) on a fully diluted basis for the year rose 13.4% to 4.82 cents compared to 4.25 cents in 2012.

Net asset value per share was higher at 33.4 cents as at 31 December 2013 compared to 29.4 cents as at 31 December 2012.

Number of outlets including franchise under the Group:

	31-Dec-13	31-Dec-12	Increase
Bakery	737	609	21.0%
Food Atrium	58	47	23.4%
Restaurant	41	30	36.7%
	836	686	21.9%

(B) Balance Sheet

Non-current assets increased by \$88.1 million or 38.3% from \$230.3 million to \$318.4 million as at 31 December 2013 mainly due to:

- (i) investment in property, plant and equipment of \$106.2 million and net off by depreciation and amortisation charges for FY 2013 of \$39.3 million;
- (ii) increase in investment securities of \$14.2 million from investment in equity interest in Perennial Tongzhou Development Pte Ltd; and
- (iii) investment in an associate of \$2.9 million

Current assets increased by \$23.7 million from \$126.1 million to \$149.8 million as at 31 December 2013 which was attributed to:

- (i) increase in cash and cash equivalents of \$15.2 million mainly due to higher cash flows from operating activities; and
- (ii) increase in trade and other receivables by \$7.0 million; offset by

Current liabilities increased by \$7.1 million or 3.5% from \$206.1 million to \$213.2 million as at 31 December 2013 due to:

- (i) Trade and other payables increased by \$11.6 million or 12.8% to \$102.6 million as a result of longer credit terms granted by suppliers; and
- (ii) Restructuring of short term loans to long term loans;

Non-current liabilities increased by 154.7% or \$91.7 million as at 31 December 2013 as the Group took up more long term financing to fund its investment in outlet expansion and property investment.

(C) Cash Flow Statement

The Group generated operating cash flow of \$72.5 million in 2013 and raised further financing of \$65.1 million to support \$122.4 million used in investing activities resulting in an increase in its cash and cash equivalent of \$15.2 million to \$79.4 million as at 31 December 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

The Group will continue its expansion plan in Mainland China, reinforce its position in Singapore, and strengthen its operations in Thailand and Taiwan. The Group is closely monitoring the unrest in central Bangkok but the potential impact on the Group's revenue is not expected to be significant.

The on-going labour crunch is a challenge that the Group has to overcome through innovative compensation schemes, workflow re-engineering and deployment of technology. While the overall economy looks to be stabilising and gaining momentum the Group remains cautiously optimistic of the Asia environment, in view of the potential tapering effect as the USA unwinds its QE actions taken over the last few years.

Barring any unforeseen circumstances, the Group expects FY2014 to be profitable.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Interim	Final
Dividend type	Cash	Cash
Dividend amount per ordinary share	0.5 Singapore cent (tax exempt one-tier)	1.3 Singapore cents (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	Interim	Final
Dividend type	Cash	Cash
Dividend amount per ordinary share	0.5 Singapore cent (tax exempt one-tier)	1.0 Singapore cent (tax exempt one-tier)

(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) Monew ell 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	223.3	
(4) Sky One Art Investment Pte Ltd Purchases of Chinese Painting	367.2	

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

FY2013	Bakery⁽¹⁾	Restaurant	Food court	Investment	Others⁽²⁾	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
External sales	271,320	122,203	143,007	-	-	-	536,530
Inter-segment sales	375	2	3,045	-	-	(3,422)	-
Total revenue	271,695	122,205	146,052	-	-	(3,422)	536,530
Results							
Profit from operations	11,136	9,018	4,866	(23)	1,051	(3,125)	22,923
Interest income	615	280	331	558	45	(513)	1,316
Interest expense	(488)	(52)	(884)	(992)	(773)	513	(2,675)
Share of associates' results	-	(193)	-	-	424	-	231
Share of joint ventures' results	329	-	266	-	-	-	595
Segment profit	11,592	9,054	4,579	(456)	747	(3,125)	22,390
Tax expense							(6,251)
Profit after tax							16,139
Segment assets	152,040	76,681	147,344	60,177	99,675	(71,952)	463,965
Deferred tax assets							4,287
Total Assets							468,252
Segment liabilities	111,901	38,795	133,654	59,057	86,578	(74,728)	355,257
Tax payable							6,458
Deferred tax liabilities							2,554
Total liabilities							364,269
Investment in joint ventures	2,773	-	638	-	227	-	3,638
Additions to non-current assets	30,564	17,711	28,299	-	31,363	-	107,936
Depreciation & Amortisation	12,791	8,313	16,696	-	1,538	-	39,338
Other non-cash expenses	676	441	1,085	-	142	-	2,344

FY2012	Bakery⁽¹⁾	Restaurant	Food court	Investment	Others⁽²⁾	Elimination	Group
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
External sales	233,136	102,620	111,578	-	-	-	447,334
Inter-segment sales	355	-	1,432	-	-	(1,787)	-
Total revenue	233,491	102,620	113,010	-	-	(1,787)	447,334
Results							
Profit from operations	9,401	7,322	1,182	(117)	836	-	18,624
Interest income	337	40	75	1,226	7	-	1,685
Interest expense	(413)	(111)	(442)	(358)	(62)	-	(1,386)
Share of joint ventures' results	229	-	224	-	-	-	453
Segment profit	9,554	7,251	1,039	751	781	-	19,376
Tax expense							(5,818)
Profit after tax							13,558
Segment assets	104,845	62,099	121,380	47,469	59,594	(41,553)	353,834
Deferred tax assets							2,575
Total Assets							356,409
Segment liabilities	70,486	31,144	109,571	45,821	42,586	(43,176)	256,432
Tax payable							6,438
Deferred tax liabilities							2,514
Total liabilities							265,384
Investment in joint ventures	2,479	-	646	-	-	-	3,125
Investment in an associate	-	-	-	-	900	-	900
Additions to non-current assets	18,456	8,411	40,126	-	36,409	-	103,402
Depreciation & Amortisation	10,678	6,522	13,708	-	89	-	30,997
Other non-cash expenses	350	266	1,166	-	(621)	-	1,161

(b) By Geographical Segments

	Singapore	Mainland China	Hong Kong	Rest of World	Elimination	Group
FY2013	\$000	\$000	\$000	\$000	\$000	\$000
External sales	270,569	172,652	53,141	40,168	-	536,530
Non-current assets ⁽³⁾	145,680	53,102	12,188	22,662	-	233,632
FY2012						
External sales	228,422	142,992	41,902	34,018	-	447,334
Non-current assets ⁽³⁾	91,387	40,402	9,569	24,581	-	165,939

Note:

(1) The Group's Bakery segment comprises bakery operations directly owned and operated by the Group, as well as franchising.

(2) The "Others" segment comprises the corporate services, treasury functions, investment holding activities and dormant associated company.

(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
	2013 \$000	2012 \$000	
(a) Sales reported for first half year	246,826	210,907	17.0%
(b) Operating profit after tax before deducting minority interests reported for first half year	5,273	4,497	17.3%
(c) Sales reported for second half year	289,704	236,427	22.5%
(d) Operating profit after tax before deducting minority interests reported for second half year	10,866	9,061	19.9%

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

Annual Dividend (in \$ million)	2013	2012
Ordinary dividend		
- Interim	1.4	1.4
- Final #	3.7	2.3
Total:	5.1	3.7

2013 final dividend is estimated based on number of shares (excluding treasury shares) outstanding as at the end of the financial year.

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(13) 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 Sw ee Heng	47	Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder)	CEO Asean since 15 October 2012, responsible for Administration, Legal and R&D matters of all brands in ASEAN	N.A.

BY ORDER OF THE BOARD

Cho Form Po
Company Secretary
25 February 2014