

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 2015

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 2015. The figures presented below have not been audited.

	Group			Group		
	4Q 2015	4Q 2014	Increase/ (Decrease)	FY 2015	FY 2014	Increase/ (Decrease)
	\$000	(Restated)* \$000		\$000	(Restated)* \$000	
Revenue	155,090	154,833	0.2%	624,149	589,644	5.9%
Cost of sales	(73,697)	(72,333)	1.9%	(295,336)	(279,018)	5.8%
Gross profit	81,393	82,500	-1.3%	328,813	310,626	5.9%
Other income	2,053	6,455	-68.2%	16,317	18,345	-11.1%
Interest income	2,113	738	186.3%	4,005	2,058	94.6%
Distribution and selling expenses	(59,460)	(60,455)	-1.6%	(245,654)	(233,005)	5.4%
Administrative expenses	(14,222)	(19,390)	-26.7%	(71,478)	(70,998)	0.7%
Interest expense	(1,328)	(1,123)	18.3%	(5,322)	(3,728)	42.8%
Profit before tax and share of results of joint	10,549	8,725	20.9%	26,681	23,298	14.5%
Share of results of associates	(994)	9,603	N.M	(1,933)	8,858	N.M
Share of results of joint ventures	322	116	177.6%	628	645	-2.6%
Profit before tax	9,877	18,444	-46.4%	25,376	32,801	-22.6%
Taxation	(5,635)	(2,592)	117.4%	(10,768)	(6,771)	59.0%
Profit after tax	4,242	15,852	-73.2%	14,608	26,030	-43.9%
Attributable to:						
Shareholders of the Company	1,146	13,824	-91.7%	7,602	22,171	-65.7%
Non-controlling interests	3,096	2,028	52.7%	7,006	3,859	81.5%
	4,242	15,852	-73.2%	14,608	26,030	-43.9%
Other comprehensive income:						
Net loss on available-for-sale financial assets	-	(100)	N.M	-	(111)	N.M
Foreign currency translation	(995)	1,588	N.M	1,571	1,643	-4.4%
Other comprehensive (loss) income for the period, net of tax	(995)	1,488	N.M	1,571	1,532	2.5%
Total comprehensive income for the period	3,247	17,340	-81.3%	16,179	27,562	-41.3%
Attributable to:						
Shareholders of the Company	151	15,312	-99.0%	9,173	23,703	-61.3%
Non-controlling interests	3,096	2,028	52.7%	7,006	3,859	81.5%
	3,247	17,340	-81.3%	16,179	27,562	-41.3%

* With effect from this financial year, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are set out in paragraph 5.

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 2015	4Q 2014 (Restated)*	Increase/ (Decrease)	FY 2015	FY 2014 (Restated)*	Increase/ (Decrease)
	\$'000	\$'000		\$'000	\$'000	
Bad debts written off						
- trade receivables	33	-	N.M	33	-	N.M
- other receivables	-	-	N.M	243	-	N.M
Depreciation and amortisation	12,129	12,101	0.2%	49,514	45,937	7.8%
Foreign exchange (gain)/loss, net	682	(864)	N.M	575	(851)	N.M
Fair value gain in investment property	(628)	(45)	N.M	(628)	(45)	N.M
Gain on disposal of joint venture	-	(27)	-100.0%	-	(27)	-100.0%
Government grant	(271)	(188)	44.1%	(2,374)	(1,694)	40.1%
Impairment on investment securities	(3)	75	-104.0%	21	75	-72.0%
Impairment/(Write back) of loan and receivables						
- trade receivables	(283)	28	N.M	(152)	137	N.M
- other receivables	(44)	50	N.M	33	-	N.M
- joint venture	1,607	52	2990.4%	1,607	52	2990.4%
Impairment loss on goodwill	1,009	-	N.M	1,009	-	N.M
Impairment loss on property, plant and equipment	1,049	-	N.M	1,049	-	N.M
Inventories written off	203	-	N.M	299	12	2391.7%
Loss/(Gain) on disposal of property, plant and equipment	(85)	(145)	-41.4%	164	(1,001)	N.M
Operating lease expenses	41,445	36,071	14.9%	147,780	129,421	14.2%
Personnel expenses	36,764	44,126	-16.7%	164,348	161,867	1.5%
Property, plant and equipment written off	658	544	21.0%	3,216	3,135	2.6%

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	
	31.12.2015	31.12.2014 (Restated)*	01.01.2014 (Restated)*	31.12.2015	31.12.2014
	\$000	\$000	\$000	\$000	\$000
Non-current assets					
Property, plant and equipment	205,696	220,670	225,860	72,593	75,560
Investment property	24,053	23,198	-	-	-
Intangible assets	6,903	7,691	7,772	-	-
Investment securities	90,309	77,182	59,799	1,000	-
Investment in subsidiaries	-	-	-	21,070	24,170
Investment in associates	26,322	25,745	17,337	-	-
Investment in joint ventures	7,553	8,235	3,638	-	-
Other receivables	1,995	2,350	3,277	3,137	-
Fixed deposit	-	-	10,671	-	-
Deferred tax assets	4,092	4,970	4,287	-	-
	<u>366,923</u>	<u>370,041</u>	<u>332,641</u>	<u>97,800</u>	<u>99,730</u>
Current assets					
Assets of disposal group classified as held for sale	-	-	2,056	-	-
Investment securities	7,224	-	-	-	-
Inventories	9,878	10,629	10,004	-	-
Trade and other receivables	58,606	54,494	49,145	423	1,854
Prepayments	5,787	5,783	6,395	117	120
Tax recoverable	312	8	6	-	-
Due from related corporations	917	1,885	959	32,999	26,412
Amount due from minority shareholders of subsidiaries (non-trade)	507	518	395	-	-
Cash and cash equivalents	94,896	95,452	79,420	2,516	3,047
	<u>178,127</u>	<u>168,769</u>	<u>148,380</u>	<u>36,055</u>	<u>31,433</u>
Current liabilities					
Trade and other payables	95,421	97,675	102,589	1,643	1,430
Other liabilities	58,712	65,226	59,531	2,042	3,280
Provision for reinstatement cost	15,003	11,681	10,223	25	22
Due to related corporations	4,395	5,162	3,901	32,084	32,103
Loan from a minority shareholder of a subsidiary	200	200	200	-	-
Short term loans	38,321	32,367	9,746	10,000	-
Current portion of long-term loans	43,374	43,965	20,554	4,122	4,032
Tax payable	8,807	6,825	6,458	180	-
	<u>264,233</u>	<u>263,101</u>	<u>213,202</u>	<u>50,096</u>	<u>40,867</u>
Net current liabilities	(86,106)	(94,332)	(64,822)	(14,041)	(9,434)
Non-current liabilities					
Long-term loans	119,989	121,487	138,216	43,920	47,158
Loan from a minority shareholder of a subsidiary	538	476	-	-	-
Other liabilities	9,924	12,626	10,297	-	-
Deferred tax liabilities	3,942	2,630	2,554	1,102	167
	<u>134,393</u>	<u>137,219</u>	<u>151,067</u>	<u>45,022</u>	<u>47,325</u>
Net assets	<u>146,424</u>	<u>138,490</u>	<u>116,752</u>	<u>38,737</u>	<u>42,971</u>
Share capital and reserves					
Share capital	33,303	33,303	33,303	33,303	33,303
Treasury shares	(378)	(3)	(187)	(378)	(3)
Accumulated profits	90,136	87,261	70,268	5,375	9,008
Other reserves	6,137	4,687	3,338	437	663
	<u>129,198</u>	<u>125,248</u>	<u>106,722</u>	<u>38,737</u>	<u>42,971</u>
Non-controlling interests	17,226	13,242	10,030	-	-
Total equity	<u>146,424</u>	<u>138,490</u>	<u>116,752</u>	<u>38,737</u>	<u>42,971</u>

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

Amount repayable in one year or less, or on demand

As at 31.12.2015		
Secured		Unsecured
\$000		\$000
6,320		75,575

As at 31.12.2014		
Secured		Unsecured
\$000		\$000
15,570		60,962

Amount repayable after one year

As at 31.12.2015		
Secured		Unsecured
\$000		\$000
112,314		8,213

As at 31.12.2014		
Secured		Unsecured
\$000		\$000
106,580		15,383

Details of any collateral

- (1) As at 31 December 2015, a total amount of \$83.8 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;
 - certain investment securities.
 - certain machineries and equipment

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 2015	4Q 2014 (Restated)*	FY 2015	FY 2014 (Restated)*
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Profit before tax	9,877	18,444	25,376	32,801
Adjustments for:				
Amortisation of intangible assets	138	108	501	442
Bad debts written off	35	-	277	-
Depreciation of property, plant and equipment	11,991	11,993	49,013	45,495
Dividend income from unquoted investment equity	-	(411)	-	(411)
Fair value gain on investment property	(628)	(45)	(628)	(45)
Gain on disposal of a joint venture	-	(27)	-	(27)
(Gain)/Loss on disposal of property, plant and equipment	(85)	(145)	164	(1,001)
Impairment loss on amount due from joint venture	-	52	-	52
Impairment loss on goodwill	1,009	-	1,009	-
Impairment loss on property, plant and equipment	1,049	-	1,049	-
Impairment loss on trade receivables	(283)	28	(152)	137
Interest expense	1,328	1,123	5,322	3,728
Interest income	(2,113)	(738)	(4,005)	(2,058)
Inventories written off	203	-	299	12
Property, plant and equipment written off	658	544	3,216	3,135
Share based payment expenses	(235)	65	59	955
Share of results of associates	994	(9,603)	1,933	(8,858)
Share of results of joint ventures	(322)	(116)	(628)	(645)
(Write back of impairment)/Impairment loss on investment securities	(3)	75	21	75
(Write back of impairment)/Impairment loss on other receivables	(44)	161	33	111
Write back of provision for reinstatement cost	(27)	(92)	(35)	(92)
Exchange differences	1,855	374	(221)	437
Operating cash flow before working capital changes	25,397	21,790	82,603	74,243

	Group		Group	
	4Q 2015	4Q 2014 (Restated)*	FY 2015	FY 2014 (Restated)*
	\$000	\$000	\$000	\$000
(Increase)/decrease in:				
Inventories	273	76	452	(637)
Trade and other receivables	3,688	456	(1,722)	(3,323)
Prepayments	(1,577)	671	(5)	612
Amount due from joint ventures (trade)	(50)	47	50	(139)
Amount due from associate (trade)	-	-	(7)	-
Increase/(decrease) in:				
Trade and other payables	4,824	2,351	304	(600)
Other liabilities	(7,522)	4,779	(7,917)	9,734
Amount due to associates (non-trade)	1,113	-	(151)	-
Amount due to a joint venture (trade)	53	500	(498)	364
Cash generated from operations	26,199	30,670	73,109	80,254
Tax paid	(165)	198	(6,881)	(6,929)
Net cash flow from operating activities	26,034	30,868	66,228	73,325
Cash flows from investing activities				
Interest income received	483	-	2,507	578
Dividends received from a joint venture	449	334	1,189	334
Dividend income from an associate	-	263	-	450
Dividend income from unquoted investment security	-	411	-	411
Purchase of property, plant and equipment	(8,773)	(10,300)	(37,569)	(47,482)
Purchase of investment property	-	(1,563)	-	(23,153)
Proceeds from disposal of property, plant and equipment	72	4,336	89	4,549
Proceeds from disposal of assets held for sale	-	-	-	2,056
Proceeds from disposal of joint venture	-	27	-	27
Additions to intangible assets	(292)	(40)	(716)	(337)
Cash paid for reinstatement expenses	(85)	(555)	(366)	(792)
Amount due from joint ventures (non-trade)	(214)	(515)	224	(138)
Amount due to joint ventures (non-trade)	(62)	3	(118)	(11)
Amount due to associates (non-trade)	-	647	-	904
Investment in an associate	(845)	-	(2,507)	-
Investment in a joint venture	-	(4,022)	-	(5,044)
Loan to an investee	-	(3,017)	-	(4,485)
Repayment of loan to an investee	-	3,788	-	3,788
Purchase of investment securities	(1,000)	-	(11,875)	(17,569)
Subscription of junior bonds	-	-	(8,496)	-
Net cash flow (used in) investing activities	(10,267)	(10,203)	(57,638)	(85,914)
Cash flows from financing activities				
Interest paid	(1,327)	(1,122)	(5,321)	(3,728)
Dividends paid to minority shareholders of a subsidiary	(3,559)	(155)	(3,559)	(1,139)
Dividends paid to shareholders of the company	-	-	(4,228)	(5,071)
Loan due to minority shareholder	61	-	61	476
Purchase of treasury shares	-	-	(651)	(569)
Proceeds from short-term loans	149	-	32,167	30,758
Repayment of short-term loans	(3,725)	(9,694)	(26,423)	(24,259)
Proceeds from long-term loans	186	4,024	19,939	40,739
Repayment of long-term loans	(4,771)	(235)	(22,086)	(18,691)
Capital contribution from non-controlling interest	-	-	150	-
Acquisition of non-controlling interests	-	-	(16)	-
Net cash flow (used in) from financing activities	(12,986)	(7,182)	(9,967)	18,516
Net increase in cash and cash equivalents	2,781	13,483	(1,377)	5,927
Effect of exchange rate changes on cash and cash equivalents	(740)	(1,061)	821	(984)
Cash and cash equivalents at beginning of financial period	92,855	82,612	95,452	79,420
Reclassification of long term fixed deposit due within 12 months	-	418	-	11,089
Cash and cash equivalents at end of financial period	94,896	95,452	94,896	95,452

Note A: Cash and cash equivalents comprise:

	Group	
	31.12.2015	31.12.2014
	\$000	\$000
Cash on hand and at bank	94,890	95,452
Short term FD	6	-
	<u>94,896</u>	<u>95,452</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	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000	Non- controlling interests \$000	Total equity \$000
Balance at 1 January 2014 as previously reported	33,303	(187)	57,499	3,338	93,953	10,030	103,983
Impact of change in accounting policy	-	-	12,769	-	12,769	-	12,769
As restated	33,303	(187)	70,268	3,338	106,722	10,030	116,752
Profit for the period	-	-	8,347	-	8,347	1,832	10,179
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	(14)	(14)	-	(14)
Foreign currency translation	-	-	-	58	58	-	58
Total other comprehensive income, net of tax	-	-	-	44	44	-	44
Total comprehensive income for the period	-	-	8,347	44	8,391	1,832	10,223
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserves	-	-	(102)	102	-	-	-
Share-based payments	-	650	-	240	890	-	890
Dividends paid	-	-	(5,071)	-	(5,071)	-	(5,071)
Treasury shares transferred on vesting of restricted share grant	-	103	-	(103)	-	-	-
Purchase of treasury shares	-	(569)	-	-	(569)	-	(569)
Total contributions by and distributions to owners	-	184	(5,173)	239	(4,750)	-	(4,750)
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	-	-	(492)	(492)	492	-
Total changes in ownership interests in a subsidiary	-	-	-	(492)	(492)	492	-
Balance at 30 September 2014	33,303	(3)	73,442	3,129	109,871	12,354	122,225
Profit for the period (restated)*	-	-	13,824	-	13,824	2,027	15,851
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	(97)	(97)	-	(97)
Foreign currency translation	-	-	-	1,585	1,585	-	1,585
Total other comprehensive income, net of tax	-	-	-	1,488	1,488	-	1,488
Total comprehensive income for the period	-	-	13,824	1,488	15,312	2,027	17,339
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserves	-	-	(5)	5	-	-	-
Share-based payments	-	-	-	65	65	-	65
Dividends paid	-	-	-	-	-	(1,139)	(1,139)
Total contributions by and distributions to owners	-	-	(5)	70	65	(1,139)	(1,074)
Balance at 31 December 2014	33,303	(3)	87,261	4,687	125,248	13,242	138,490

Group	Attributable to Shareholders of the Company				Total \$000	Non- controlling interests \$000	Total equity \$000
	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000			
Balance at 1 January 2015	33,303	(3)	87,261	4,687	125,248	13,242	138,490
Profit for the period	-	-	6,456	-	6,456	3,910	10,366
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	2,566	2,566	-	2,566
Total other comprehensive income, net of tax	-	-	-	2,566	2,566	-	2,566
Total comprehensive income for the period	-	-	6,456	2,566	9,022	3,910	12,932
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserve	-	-	(95)	95	-	-	-
Share-based payments	-	-	-	294	294	-	294
Dividends paid	-	-	(4,228)	-	(4,228)	-	(4,228)
Purchase of treasury shares	-	(651)	-	-	(651)	-	(651)
Treasury shares transferred on vesting of restricted share grant	-	276	-	(276)	-	-	-
Total contributions by and distributions to owners	-	(375)	(4,323)	113	(4,585)	-	(4,585)
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	-	(409)	6	(403)	387	(16)
Issuance of new shares to non-controlling interest	-	-	-	-	-	150	150
Total changes in ownership interests in a subsidiary	-	-	(409)	6	(403)	537	134
Balance at 30 September 2015	33,303	(378)	88,985	7,372	129,282	17,689	146,971
Profit for the period	-	-	1,146	-	1,146	3,096	4,242
<u>Other comprehensive income</u>							
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	(995)	(995)	-	(995)
Total other comprehensive income, net of tax	-	-	-	(995)	(995)	-	(995)
Total comprehensive income for the period	-	-	1,146	(995)	151	3,096	3,247
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserve	-	-	5	(5)	-	-	-
Share-based payments	-	-	-	(235)	(235)	-	(235)
Dividends paid	-	-	-	-	-	(3,559)	(3,559)
Total contributions by and distributions to owners	-	-	5	(240)	(235)	(3,559)	(3,794)
Balance at 31 December 2015	33,303	(378)	90,136	6,137	129,198	17,226	146,424

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2014	33,303	(187)	3,159	461	36,736
Profit for the period	-	-	863	-	863
Total comprehensive income for the period	-	-	863	-	863
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	650	-	240	890
Dividends paid	-	-	(5,071)	-	(5,071)
Purchase of treasury shares	-	(569)	-	-	(569)
Treasury shares transferred on vesting of restricted share grant	-	103	-	(103)	-
Total contributions by and distributions to owners	-	184	(5,071)	137	(4,750)
Balance at 30 September 2014	33,303	(3)	(1,049)	598	32,849
Profit for the period	-	-	10,057	-	10,057
Total comprehensive income for the period	-	-	10,057	-	10,057
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	65	65
Total contributions by and distributions to owners	-	-	-	65	65
Balance at 31 December 2014	33,303	(3)	9,008	663	42,971

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2015	33,303	(3)	9,008	663	42,971
Profit for the period	-	-	1,596	-	1,596
Total comprehensive income for the period	-	-	1,596	-	1,596
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	294	294
Dividend paid	-	-	(4,228)	-	(4,228)
Purchase of treasury shares	-	(651)	-	-	(651)
Treasury shares transferred on vesting of restricted share grant	-	276	-	(276)	-
Total contributions by and distributions to owners	-	(375)	(4,228)	18	(4,585)
Balance at 30 September 2015	33,303	(378)	6,376	681	39,982
Profit for the period	-	-	(1,001)	-	(1,001)
Total comprehensive income for the period	-	-	(1,001)	-	(1,001)
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	(244)	(244)
Total contributions by and distributions to owners	-	-	-	(244)	(244)
Balance at 31 December 2015	33,303	(378)	5,375	437	38,737

Note B: Other reserves

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	\$000	\$000	\$000	\$000
Statutory reserve fund	2,954	2,864	-	-
Translation reserve	3,881	2,309	-	-
Capital reserve	177	307	177	307
Share based compensation reserve	269	356	260	356
Premium on acquisition of non-controlling interests	(1,144)	(1,149)	-	-
	<u>6,137</u>	<u>4,687</u>	<u>437</u>	<u>663</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company in 4Q 2015.

There were a total of 337,570 treasury shares held as at 31 December 2015 (31 December 2014: 3,090).

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 2015, the Company's issued and paid up capital, excluding 337,570 (31 December 2014: 3,090) treasury shares held, comprises 281,555,668 (31 December 2014: 281,890,148) 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 2015	4Q 2014	FY 2015	FY 2014
Balance at beginning of financial period	337,570	3,090	3,090	381,624
Purchase of treasury shares	-	-	534,400	483,000
Treasury shares transferred on vesting of restricted share grant	-	-	(199,920)	(861,534)
Balance at end of financial period	<u>337,570</u>	<u>3,090</u>	<u>337,570</u>	<u>3,090</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 2014, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2015 and the change in accounting policy for investment properties.

The financial effects of the change in the accounting policy for investment properties are summarised in note 5 below.

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

Accounting for Investment Properties

Effective from 31 December 2015, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets.

This change in accounting policy was applied retrospectively. Further details of the effects of the changes are detailed below.

Impact on statement of profit or loss (increase / (decrease)) in profit:

	FY 2014
	\$'000
Other income	45
Share of profit from associate	9,943
Income tax expense	(11)
Net impact on profit after tax	<u>9,977</u>

Impact on equity (increase/(decrease)) in net equity:

	As at	As at
	31 December	1 January
	2014	2014
	\$'000	\$'000
Investment property	45	-
Investment in associate	9,943	12,769
Total asset	<u>9,988</u>	<u>12,769</u>
Deferred tax liabilities	(11)	-
Total liabilities	<u>(11)</u>	<u>-</u>
Net impact on equity	<u>9,977</u>	<u>12,769</u>

Impact on earnings per share:

<u>Earnings per share</u>	FY 2014
Increased by	
Basic EPS	3.54 cents
Diluted EPS	3.53 cents

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 2015	4Q 2014 (Restated)*	31-Dec-15	31-Dec-14 (Restated)*
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	0.41 cent	4.90 cents	2.70 cents	7.87 cents
Weighted average number of ordinary shares	281,555,668	281,890,148	281,734,128	281,686,662
(b) On a fully diluted basis	0.41 cent	4.89 cents	2.69 cents	7.85 cents
Adjusted weighted average number of ordinary shares	282,258,038	282,506,428	282,407,801	282,334,778

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	
	31.12.2015	31.12.2014 (Restated)*	31.12.2015	31.12.2014
Net asset value per ordinary share based on issued share capital as at the end of period	52.0 cents	49.1 cents	13.8 cents	15.2 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2015 is computed based on the total number of issued shares (excluding 337,570 treasury shares) of 281,555,668 (31 December 2014: 281,890,148).

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 FY2015 grew 5.9% Y/Y from \$589.6 million to \$624.1 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 9.3% with EBITDA margin improving to 12.4% (FY2014: 12.0%). During the financial year, the Group changed its accounting policy for its investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2014 were restated. The fair value treatment of our investment properties resulted in the recognition of a net increase of \$0.4 million (FY2014: \$10.0 million) to the Profit Before Tax of the Group. The PATMI for FY2015 included a goodwill impairment of S\$1.0 million (FY2014: NIL) on our Beijing Food Atrium business, as well as an asset impairment and write-off of \$4.4 million (FY2014: \$3.1 million) on certain underperforming outlets and outlets that have been closed during the year. As a result, Profit After Tax and Minority Interests ("PATMI") for FY2015 declined 65.7% from \$22.2 million (2014 restated) to \$7.6 million.

Bakery Division revenue increased 4.7% Y/Y to \$307.9 million fuelled by a 5.5% increase in the number of outlets to 862 (FY2014: 817). EBITDA for the Division declined slightly by 2.7% Y/Y, with EBITDA margin at 7.3% (FY2014: 7.8%), primarily attributed to higher staff and rental costs as well as underperformance of the Beijing, Hong Kong and Malaysia operations.

Food Atrium Division revenue increased 5.0% Y/Y to \$173.1 million. The Division opened 5 outlets (2 in Singapore and 1 each in Shanghai, Hangzhou and Xi'an) and closed 3 outlets in China (2 prematurely and 1 upon lease expiry), ending the year with 65 outlets (FY 2014: 63 outlets). Same store sales growth remained healthy in Singapore while recovery in Taiwan and Thailand remains on track. The Mainland China operation continued to face headwinds from weaker shopping traffic in certain shopping malls. Combining the impact from start-up expenses of new outlets, write-offs

attributed to outlet closures as well as higher operating expenses, EBITDA declined 26.0% with EBITDA margin lower at 10.3% (FY2014: 14.7%).

Restaurant Division delivered the highest revenue growth at 9.5% Y/Y to \$143.2 million, riding on strong same store sales growth, ramp-up in revenue by our Din Tai Fung outlets in Thailand and contribution from Sanpoutei. Total outlet decreased by 4 during the year, attributed to the opening of 1 Din Tai Fung outlet in Thailand (Central Plaza Lardprao, Bangkok) and the closure of 5 Ramen Play outlets (2 in Singapore and 3 in Shanghai). The Division has completely exited its Ramen Play business in China. Coupled with good cost control, EBITDA increased by a strong 61.1% Y/Y, translating to significantly better EBITDA margin of 23.7% (FY2014: 16.1%).

Interest income increased by 94.6% Y/Y as the Group received higher returns from its fixed income bond investments. Interest expense rose 42.8% Y/Y mainly due to higher interest rates and outstanding loans.

Earnings per share (EPS) on a fully diluted basis was 2.69 cents for FY2015 compared to 7.85 cents for FY2014.

Net asset value (NAV) per share was 52.0 cents as at 31 December 2015 compared to 49.1 cents as at 31 December 2014.

Number of outlets including franchise under the Group:

	31.12.2015	31.12.2014	Net increase / (decrease)
Bakery	862	817	5.5%
Food Atrium	65	63	3.2%
Restaurant	30	34	-11.8%
	957	914	4.7%

(B) Balance Sheet

As at 31 December 2015,

Non-current assets declined by \$3.1 million or 0.8% from \$370.0 million to \$366.9 million mainly due to increase in investment securities by \$13.1 million mainly from purchase of junior bonds and securities in investment in AXA Towers.

offset by reduction in:

- (i) property, plant and equipment by \$15.0 million mainly attributed to write-off and impairment of assets, together with the impact of annual depreciation;
- (ii) intangibles assets by \$0.8 million mainly attributed to an impairment of goodwill;
- (iii) deferred tax assets by \$0.9 million.

Current assets increased by \$9.4 million or 5.5% from \$168.8 million to \$178.1 million mainly due to increase in:

- (i) trade and other receivables by \$4.1 million attributed to slower repayment from the franchisees;
- (ii) investment securities by \$7.2 million attributed to reclassification of junior bonds for I12 Katong from non-current to current in view of the completion of the sale in January 2016.

offset by reduction in:

- (i) amount due from related corporations by \$1.0 million mainly from impairment of receivables from joint venture;
- (ii) inventories by \$0.8 million attributed to better inventory management control;
- (iii) cash and cash equivalents by \$0.6 million.

Current liabilities increased \$1.1 million or 0.4% from \$263.1 million to \$264.2 million mainly due to increase in:

- (i) provision for reinstatement costs by \$3.3 million attributed to higher estimated per square foot cost for future reinstatement requirements;
- (ii) short term loans by \$6.0 million;
- (iii) income tax by \$2.0 million.

offset by reduction in:

- (i) trade and other payables by \$2.3 million due mainly to settlement of capital expenditure;
- (ii) other liabilities by \$6.5 million due mainly to lower accruals made in relation to human resources expenditure.

Non-current liabilities decreased by \$2.8 million or 2.1% from \$137.2 million to \$134.3 million mainly due to reduction in:

- (i) long term loans by \$1.5 million;
- (ii) other liabilities by \$2.7 million attributed to decline in rental amortisation.

offset by increase in deferred tax liabilities by \$1.3 million.

(C) Cash Flow Statement

The Group generated operating cash flow of \$66.2 million for the period ended 31 December 2015 to support \$10.0 million used in financing activities and \$57.6 million used in investing activities, resulting in a decrease in its cash and cash equivalent from \$95.5 million to \$94.9 million as at 31 December 2015.

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

Bakery Division is in the process of implementing new strategies to improve its profitability, including better manpower cost control, raw materials cost management, tightening of operating procedures as well as turning around underperforming outlets.

Food Atrium Division continues to see operational challenges from the slowdown in Mainland China, translating to weaker footfalls in the shopping malls where our outlets operate. The opening of the 5 new outlets during the year is expected to exert pressure on profitability of the Division during the initial gestation period.

Restaurant Division is expected to stay focused on driving revenue growth and margin expansion in both Singapore and Thailand. The restructuring of Ramen Play is now substantially completed with a rebranding exercise underway for the 6 outlets.

On the strategic investment front, the Group had announced on 17 January 2016 that it has divested its investment in 112 Katong for S\$16 million and expected to book a gain of S\$8.5 million before transaction costs in 1Q FY2016.

FY2015 has been a challenging year for the Group. Heading into FY2016, the Group will refine our current operating models with a view to realising profitability through cost rationalisation and increased productivity. The Group will also see our brands – BreadTalk, Toast Box and Food Republic in the upcoming iconic Shanghai Disney Resort project when it opens around June 2016.

Barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

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)	1.0 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	Interim	Final
Dividend type	Cash	Cash
Dividend amount per ordinary share	0.5 Singapore cent (tax exempt one-tier)	1.0 Singapore cents (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) Sky One Art Investment Pte Ltd - Purchase of artwork	564	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	452	
(3) Capitol F&B - Food court rental income/miscellaneous charges	41	

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

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

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) By Business Segments

	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
<u>YTD Dec 2015</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	307,902	173,097	143,150	-	-	-	624,149
Inter-segment sales	529	3,156	-	-	-	(3,685)	-
Total revenue	<u>308,431</u>	<u>176,253</u>	<u>143,150</u>	<u>-</u>	<u>-</u>	<u>(3,685)</u>	<u>624,149</u>
Results							
Profit from operations	5,148	(2,884)	25,815	(15)	(135)	69	27,998
Interest income	176	419	613	3,211	618	(1,032)	4,005
Interest expense	(452)	(750)	(467)	(1,793)	(2,906)	1,046	(5,322)
Share of associates' results	-	-	-	(29)	(1,904)	-	(1,933)
Share of joint ventures'	434	194	-	-	-	-	628
Segment profit	<u>5,306</u>	<u>(3,021)</u>	<u>25,961</u>	<u>1,374</u>	<u>(4,327)</u>	<u>83</u>	<u>25,376</u>
Tax expense							<u>(10,768)</u>
Profit after tax							<u><u>14,608</u></u>
Segment assets	185,181	117,121	96,076	124,753	127,361	(109,846)	540,646
Tax recoverable							312
Deferred tax assets							<u>4,092</u>
Total Assets							<u><u>545,050</u></u>
Segment liabilities	136,316	119,334	33,726	98,075	143,913	(145,487)	385,877
Tax payable							8,807
Deferred tax liabilities							<u>3,942</u>
Total liabilities							<u><u>398,626</u></u>
Investment in an associate	-	-	-	22,685	3,637	-	26,322
Investment in joint ventures	7,119	434	-	-	-	-	7,553
Additions to non-current assets ⁽³⁾	16,585	15,546	5,055	-	801	-	37,987
Depreciation & Amortisation	17,214	20,759	8,086	-	3,455	-	49,514
Other non-cash expenses	1,446	2,344	734	-	1,069	-	5,593

YTD Dec 2014	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
(Restated)*	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	294,128	164,781	130,735	-	-	-	589,644
Inter-segment sales	406	3,428	4	-	-	(3,838)	-
Total revenue	<u>294,534</u>	<u>168,209</u>	<u>130,739</u>	<u>-</u>	<u>-</u>	<u>(3,838)</u>	<u>589,644</u>
Results							
Profit from operations	7,225	5,527	12,718	338	(840)	-	24,968
Interest income	798	521	346	1,133	12	(752)	2,058
Interest expense	(911)	(844)	(168)	(1,285)	(1,256)	736	(3,728)
Share of associates' results	-	-	-	9,943	(1,085)	-	8,858
Share of joint ventures' results	442	203	-	-	-	-	645
Segment profit	<u>7,554</u>	<u>5,407</u>	<u>12,896</u>	<u>10,129</u>	<u>(3,169)</u>	<u>(16)</u>	<u>32,801</u>
Tax expense							<u>(6,771)</u>
Profit after tax							<u>26,030</u>
Segment assets	196,148	127,036	81,300	124,968	107,990	(103,610)	533,832
Tax recoverable							8
Deferred tax assets							4,970
Total Assets							<u>538,810</u>
Segment liabilities	160,014	116,122	61,304	77,857	79,226	(103,658)	390,865
Tax payable							6,825
Deferred tax liabilities							2,630
Total liabilities							<u>400,320</u>
Investment in an associate	-	-	-	22,712	3,033	-	25,745
Investment in joint ventures	7,188	820	-	-	227	-	8,235
Additions to non-current assets							
⁽³⁾	19,619	12,725	6,942	23,153	4,680		67,119
Depreciation & Amortisation	15,747	18,626	8,321	-	3,243	-	45,937
Other non-cash expenses	(89)	926	1,434	-	954	-	3,225

(b) By Geographical Segments

	External Sales		Non-current assets ⁽³⁾	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Singapore	329,983	296,212	138,108	144,438
Mainland China	192,077	186,201	72,313	76,427
Hong Kong	74,155	67,130	14,243	13,878
Rest of the world	27,934	40,101	11,988	16,816
	<u>624,149</u>	<u>589,644</u>	<u>236,652</u>	<u>251,559</u>

(1) Bakery operations comprise operation of bakery retail outlets as well as that operated through franchising.

(2) The business segment "Others" 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, investment property 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		
	2015 \$000	2014 \$000	Increase
(a) Sales reported for first half year	307,335	280,318	9.6%
(b) Operating profit after tax before deducting minority interests reported for first half year	6,963	4,976	39.9%
(c) Sales reported for second half year	316,814	309,326	2.4%
(d) Operating profit after tax before deducting minority interests reported for second half year	7,645	21,054	-63.7%

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)	2015	2014
Ordinary dividend		
- Interim	1.4	1.4
- Final #	2.8	2.8
Total:	4.2	4.2

2015 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 Swee Heng	49	Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder)	Country CEO (ASEAN) w ith effect from 15 October 2013, responsible for Administration, Legal and R&D matters of operations in ASEAN	NA

BY ORDER OF THE BOARD

Ms. Shirley Tan Sey Liy
 Company Secretary
 24 February 2015