

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The First Quarter Ended 31 March 2016

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 first quarter ended 31 March 2016. The figures presented below have not been audited.

	Group		Increase/ (Decrease)
	1Q 2016	1Q 2015	
	\$000	\$000	
Revenue	154,563	152,450	1.4%
Cost of sales	<u>(73,491)</u>	<u>(73,829)</u>	-0.5%
Gross profit	81,072	78,621	3.1%
Other income	14,329	4,521	216.9%
Interest income	240	714	-66.4%
Distribution and selling expenses	(64,908)	(61,443)	5.6%
Administrative expenses	(23,340)	(16,260)	43.5%
Interest expense	(1,364)	(1,205)	13.2%
Profit before tax and share of results of joint	<u>6,029</u>	<u>4,948</u>	21.8%
Share of results of associates	(453)	(384)	18.0%
Share of results of joint ventures	<u>121</u>	<u>216</u>	-44.0%
Profit before tax	5,697	4,780	19.2%
Taxation	<u>(2,284)</u>	<u>(1,627)</u>	40.4%
Profit after tax	<u><u>3,413</u></u>	<u><u>3,153</u></u>	8.2%
Attributable to:			
Shareholders of the Company	2,445	2,001	22.2%
Non-controlling interests	<u>968</u>	<u>1,152</u>	-16.0%
	<u><u>3,413</u></u>	<u><u>3,153</u></u>	8.2%
Other comprehensive income:			N.M
Net gain on available-for-sale financial assets	18	1	N.M
Foreign currency translation	(1,616)	1,156	N.M
Other comprehensive (loss) income for the period, net of tax	<u>(1,598)</u>	<u>1,157</u>	N.M
Total comprehensive income for the period	<u><u>1,815</u></u>	<u><u>4,310</u></u>	-57.9%
Attributable to:			
Shareholders of the Company	847	3,158	-73.2%
Non-controlling interests	<u>968</u>	<u>1,152</u>	-16.0%
	<u><u>1,815</u></u>	<u><u>4,310</u></u>	-57.9%

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

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

	Group		Increase/ (Decrease)
	1Q 2016	1Q 2015	
	\$'000	\$'000	
Depreciation and amortisation	12,811	12,905	-0.7%
Foreign exchange loss/(gain), net	939	(756)	N.M
Gain on divestment of investment securities	(8,522)	-	N.M.
Government grant	(1,627)	(1,569)	3.7%
Impairment/(Write back) of loan and receivables		-	
- trade receivables	-	52	N.M
Loss on disposal of property, plant and equipment	62	5	N.M
Operating lease expenses	37,898	35,523	6.7%
Personnel expenses	52,364	42,535	23.1%
Property, plant and equipment written off (Note 1)	586	245	139.2%
Write off of intangible assets	133	-	N.M

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	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	\$000	\$000	\$000	\$000
Non-current assets				
Property, plant and equipment	196,365	205,696	71,784	72,593
Investment property	23,066	24,053	-	-
Intangible assets	6,641	6,903	-	-
Investment securities	90,327	90,309	1,000	1,000
Investment in subsidiaries	-	-	21,105	24,206
Investment in associates	27,176	26,322	-	-
Investment in joint ventures	7,441	7,553	-	-
Other receivables	638	546	4,542	-
Deferred tax assets	3,881	4,444	-	-
	<u>355,535</u>	<u>365,826</u>	<u>98,431</u>	<u>97,799</u>
Current assets				
Investment securities	-	7,224	-	-
Inventories	9,489	9,878	-	-
Trade and other receivables	59,953	60,039	2,786	336
Prepayments	5,986	5,726	100	116
Tax recoverable	15	-	-	-
Due from related corporations	595	1,046	24,639	32,999
Amount due from minority shareholders of subsidiaries (non-trade)	498	506	-	-
Cash and cash equivalents	100,696	94,896	7,151	2,516
	<u>177,232</u>	<u>179,315</u>	<u>34,676</u>	<u>35,967</u>
Current liabilities				
Trade and other payables	83,519	94,123	1,386	1,553
Other liabilities	62,976	57,544	2,349	2,042
Provision for reinstatement cost	14,258	15,002	25	25
Due to related corporations	2,487	4,522	31,626	32,084
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	37,945	38,321	10,000	10,000
Current portion of long-term loans	42,914	43,679	4,122	4,122
Tax payable	9,762	8,879	180	180
	<u>254,061</u>	<u>262,270</u>	<u>49,688</u>	<u>50,006</u>
Net current liabilities	(76,829)	(82,955)	(15,012)	(14,039)
Non-current liabilities				
Long-term loans	115,961	119,685	42,890	43,920
Loan from a minority shareholder of a subsidiary	512	538	-	-
Other liabilities	9,840	12,282	-	-
Deferred tax liabilities	4,139	3,942	1,102	1,103
	<u>130,452</u>	<u>136,447</u>	<u>43,992</u>	<u>45,023</u>
Net assets	<u>148,254</u>	<u>146,424</u>	<u>39,427</u>	<u>38,737</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(434)	(378)	(434)	(378)
Accumulated profits	92,990	90,545	6,050	5,375
Other reserves	4,201	5,728	508	437
	<u>130,060</u>	<u>129,198</u>	<u>39,427</u>	<u>38,737</u>
Non-controlling interests	18,194	17,226	-	-
Total equity	<u>148,254</u>	<u>146,424</u>	<u>39,427</u>	<u>38,737</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 31.03.2016		
Secured		Unsecured
\$000		\$000
6,320		74,739

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

Amount repayable after one year

As at 31.03.2016		
Secured		Unsecured
\$000		\$000
110,735		5,739

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

Details of any collateral

- (1) As at 31 March 2016, a total amount of \$80.5 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	
	1Q 2016	1Q 2015
	\$000	\$000
Cash flows from operating activities		
Profit before tax	5,697	4,780
Adjustments for:		
Amortisation of intangible assets	127	111
Depreciation of property, plant and equipment	12,684	12,794
Gain on disposal of investment securities	(8,522)	-
Loss on disposal of property, plant and equipment	62	5
Write off of intangible assets	133	-
(Write back) Impairment loss on trade receivables	-	52
Interest expense	1,364	1,205
Interest income	(240)	(714)
Property, plant and equipment written off	586	245
Share based payment expenses	71	96
Share of results of associates	453	384
Share of results of joint ventures	(121)	(216)
Write back of provision for reinstatement cost	(19)	-
Exchange differences	2,925	(3,264)
Operating cash flow before working capital changes	15,200	15,478

	Group	
	1Q 2016	1Q 2015
	\$000	\$000
(Increase)/decrease in:		
Inventories	389	(166)
Trade and other receivables	(409)	(3,377)
Prepayments	(259)	704
Amount due from joint ventures (trade)	97	33
Amount due from associate (trade)	-	(2)
Increase/(decrease) in:		
Trade and other payables	(6,794)	(1,738)
Other liabilities	4,302	(3,337)
Amount due to associates (non-trade)	(1,472)	(891)
Amount due to a joint venture (trade)	(576)	(330)
Cash generated from operations	<u>10,478</u>	<u>6,374</u>
Tax paid	(704)	(1,363)
Net cash flow from operating activities	<u>9,774</u>	<u>5,011</u>
Cash flows from investing activities		
Interest income received	373	1,160
Dividends received from a joint venture	98	751
Purchase of property, plant and equipment	(11,556)	(16,594)
Proceeds from disposal of property, plant and equipment	31	8
Additions to intangible assets	(18)	(14)
Cash paid for reinstatement expenses	(631)	(143)
Amount due from joint ventures (non-trade)	354	21
Amount due to joint ventures (non-trade)	14	7
Investment in an associate	(1,405)	(1,092)
Proceeds from divestment of investment securities	16,015	-
Purchase of investment securities	-	(1,553)
Net cash flow (used in) investing activities	<u>3,275</u>	<u>(17,449)</u>
Cash flows from financing activities		
Interest paid	(1,364)	(1,205)
Repayment of loan due to minority shareholder	(25)	-
Purchase of treasury shares	(55)	-
Proceeds from short-term loans	5,021	14,503
Repayment of short-term loans	(5,157)	(4,762)
Repayment of long-term loans	(4,419)	(6,864)
Net cash flow (used in) from financing activities	<u>(5,999)</u>	<u>1,672</u>
Net increase in cash and cash equivalents	7,050	(10,766)
Effect of exchange rate changes on cash and cash equivalents	(1,250)	1,648
Cash and cash equivalents at beginning of financial period	94,896	95,451
Cash and cash equivalents at end of financial period	<u>100,696</u>	<u>86,333</u>
Note A: Cash and cash equivalents comprise:		
	31.03.2016	31.03.2015
	\$000	\$000
Cash on hand and at bank	100,690	74,813
Short term FD	6	11,520
	<u>100,696</u>	<u>86,333</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to Shareholders of the Company				Total \$000	Non- controlling interests \$000	Total equity \$000
	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000			
Balance at 1 January 2016	33,303	(378)	90,545	5,728	129,198	17,226	146,424
Profit for the period	-	-	2,445	-	2,445	968	3,413
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	18	18	-	18
Foreign currency translation	-	-	-	(1,616)	(1,616)	-	(1,616)
Total other comprehensive income, net of tax	-	-	-	(1,598)	(1,598)	-	(1,598)
Total comprehensive income for the period	-	-	2,445	(1,598)	847	968	1,815
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	71	71	-	71
Purchase of treasury shares	-	(56)	-	-	(56)	-	(56)
Total contributions by and distributions to owners	-	(56)	-	71	15	-	15
Balance at 31 March 2016	33,303	(434)	92,990	4,201	130,060	18,194	148,254

Attributable to Shareholders of the Company

Group	Attributable to Shareholders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Other reserves (Note B)			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2015	33,303	(3)	87,261	4,687	125,248	13,242	138,490
Profit for the period	-	-	2,001	-	2,001	1,152	3,153
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	1	1	-	1
Foreign currency translation	-	-	-	1,156	1,156	-	1,156
Total other comprehensive income, net of tax	-	-	-	1,157	1,157	-	1,157
Total comprehensive income for the period	-	-	2,001	1,157	3,158	1,152	4,310
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserves	-	-	(69)	69	-	-	-
Share-based payments	-	-	-	95	95	-	95
Total contributions by and distributions to owners	-	-	(69)	164	95	-	95
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	492	492
Total changes in ownership interests in a subsidiary	-	-	-	-	-	492	492
Balance at 31 March 2015	33,303	(3)	89,193	6,008	128,501	14,886	143,387

Company	Share capital \$000	Treasury shares \$000	Accumulated profits \$000	Other reserves (Note B) \$000	Total \$000
As at 1 January 2016	33,303	(378)	5,375	437	38,737
Profit for the period	-	-	675	-	675
Total comprehensive income for the period	-	-	675	-	675
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	71	71
Purchase of treasury shares	-	(56)	-	-	(56)
Total contributions by and distributions to owners	-	(56)	-	71	15
Balance at 31 March 2016	33,303	(434)	6,050	508	39,427

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	-	-	377	-	377
Total comprehensive income for the period	-	-	377	-	377
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	95	95
Total contributions by and distributions to owners	-	-	-	95	95
Balance at 31 March 2015	33,303	(3)	9,385	758	43,443

Note B: Other reserves

	Group		Company	
	31.03.2016 \$000	31.03.2015 \$000	31.03.2016 \$000	31.03.2015 \$000
Statutory reserve fund	2,954	2,930	-	-
Translation reserve	2,274	3,469	-	-
Fair value adjustment reserve	18	-	-	-
Capital reserve	177	307	177	307
Share based compensation reserve	331	451	331	451
Premium on acquisition of non-controlling interests	(1,553)	(1,149)	-	-
	4,201	6,008	508	758

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 1Q 2016.

There were a total of 387,770 treasury shares held as at 31 March 2016 (31 March 2015: 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 March 2016, the Company's issued and paid up capital, excluding 387,770 (31 December 2015: 337,570) treasury shares held, comprises 281,505,468 (31 December 2015: 281,555,668) 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	
	1Q 2016	1Q 2015
Balance at beginning of financial period	337,570	3,090
Purchase of treasury shares	50,200	-
Balance at end of financial period	<u>387,770</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 2015, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2016.

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 2016. 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	
	1Q 2016	1Q 2015
Earnings per ordinary share for the period:		
(a) Based on weighted average number of ordinary shares in issue	0.87 cent	0.71 cent
Weighted average number of ordinary shares	281,505,468	281,890,148
(b) On a fully diluted basis	0.87 cent	0.71 cent
Adjusted weighted average number of ordinary shares	281,616,348	282,506,428

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	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Net asset value per ordinary share based on issued share capital as at the end of period	<u>52.7 cents</u>	<u>52.0 cents</u>	<u>14.0 cents</u>	<u>13.8 cents</u>

Note: The net asset value per ordinary share of the Group and the Company as at 31 March 2016 is computed based on the total number of issued shares (excluding 387,770 treasury shares) of 281,505,468 (31 December 2015: 281,555,668).

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 1Q FY2016 grew 1.4% Y/Y from \$152.4 million to \$154.6 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 8.8% Y/Y with EBITDA margin improving to 12.9% (1Q FY2015: 12.0%). Profit After Tax and Minority Interests ("PATMI") for 1Q FY2016 improved 22.2% from \$2.0 million to \$2.4 million. PATMI margin improved to 1.6% (1Q FY2015: 1.3%).

Bakery Division revenue decreased 1.3% Y/Y to \$75.9 million, as the BreadTalk outlets in Singapore, Hong Kong and Malaysia experienced some degree of decline in same store sales partly offset by strength in Toast Box Shanghai and Beijing. Our franchise outlets in China also experienced some slowdown in sales against a more challenging economic backdrop. Outlets increased to 858 (1Q FY2015: 827), primarily driven by increase in franchise outlets. EBITDA for the Division, however, turned around with a 10.6% Y/Y increase to \$6.8 million, on the back of tighter cost control and productivity gains, with EBITDA margin also improving to 8.9% (1Q FY2015: 7.9%).

Food Atrium revenue declined 0.4% Y/Y to \$41.8 million. At the end of 1Q FY2016, the Division operated 2 less outlets Y/Y. The change was a result of 5 new openings (2 in Singapore, 1 each in Shanghai, Hangzhou and Xi'an) and 7 closures (5 in Mainland China and 2 in Hong Kong) over the 12 months period. Same store sales growth remained healthy in Singapore and Hong Kong with recovery observed in Guangzhou, Thailand and Taiwan. The Mainland China operation continued to face headwinds from weaker 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 81.8% Y/Y with EBITDA margin lower at 2.3% (1Q FY2015: 12.4%).

Restaurant Division delivered 9.9% revenue growth Y/Y to \$36.9 million, riding on strong same store sales growth, recovery at Ramen Play and higher contribution from Din Tai Fung Thailand. Total outlets decreased by 3 Y/Y to 30, attributed to the 3 new Din Tai Fung outlet (2 in Singapore and 1 in Thailand), offset by the closure of 1 Din Tai Fung outlet in Singapore and 5 Ramen Play outlets (2 in Singapore and 3 in Shanghai). EBITDA rose 14.8% Y/Y with EBITDA margin improving to 17.7% (1Q FY2016: 16.9%).

Overall personnel expenses rose \$9.8 million, or 23.1% Y/Y. Against a tight labour market across our operating geographies, especially in Singapore, we will continue to incentivise and retain our Singaporean core bench of experienced frontline workers so as to extract the benefits from the training that we have invested in them and the productivity gains associated with it.

Interest income decreased by \$0.5 million primarily due to lower return on investment securities, while interest expense increased mainly due to higher floating rate components of our borrowings.

Earnings per share (EPS) on a fully diluted basis was 0.87 cents for 1Q FY2016 compared to 0.71 cents for 1Q FY2015.

Net asset value (NAV) per share was 52.7 cents as at 31 March 2016 compared to 52.0 cents as at 31 December 2015.

Number of outlets including franchise under the Group:

	31.03.2016	31.12.2015	Net increase / (decrease)	31.03.2015	Net increase / (decrease)
Bakery	858	862	-0.5%	827	3.7%
Food Atrium	60	65	-7.7%	62	-3.2%
Restaurant	30	30	0.0%	33	-9.1%
Total	948	957	-0.9%	922	2.8%

(B) Balance Sheet

As at 31 March 2016,

Non-current assets declined by \$10.3 million or 2.8% from \$365.8 million to \$357.0 million mainly due to decrease in:

- i) property, plant and equipment by \$9.3 million, mainly attributed to depreciation; and
- ii) investment property by \$1.0 million from downward foreign exchange revaluation.;

Current assets decreased by \$2.1 million or 1.2% from \$179.3 million to \$177.2 million mainly due to decrease in:

- i) investment securities by \$7.2 million following the divestment of investment in 112 Katong;
- ii) due from related corporations by \$0.5 million from settlement of outstanding receivables ;

offset by increase in cash and cash equivalents by \$5.8 million.

Current liabilities decreased by \$8.2 million or 3.1% from \$262.3 million to \$254.1 million mainly due to decrease in:

- i) trade and other payables by \$10.6 million;
- ii) due to related corporations by \$2.0 million from repayment to associated companies; and
- iii) short term loans and current portion of long term loans by \$1.1 million;

offset by increase in other liabilities by \$5.4 million from increase in personnel expenses expenditure.

Non-current liabilities declined by \$6.0 million or 4.4% from \$136.4 million to \$130.5 million mainly due to decrease in:

- i) long term loans by \$3.7 million; and
- ii) other liabilities by \$2.4 million from rental rebates secured.

(C) Cash Flow Statement

The Group generated operating cash flow of \$9.8 million and investing cash flow of \$3.3 million to support \$6.0 million used in financing activities for the period ended 31 March 2016. Cash and cash equivalents increased to \$100.7 million from \$94.9 million.

(D) Special Dividend

The Board is pleased to declare an interim special dividend of 1.35 cents per share (\$3.8 million) following the divestment of 112 Katong, a non-core real estate investment. The dividend represents approximately 45% of the divestment gain.

(D) Segment Information

	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
1Q 2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	75,870	41,796	36,897	-	-	-	154,563
Inter-segment sales	101	725	-	-	-	(826)	-
Total revenue	<u>75,971</u>	<u>42,521</u>	<u>36,897</u>	<u>-</u>	<u>-</u>	<u>(826)</u>	<u>154,563</u>
Results							
Profit from operations	1,892	(4,279)	4,687	8,476	(2,676)	(947)	7,153
Interest income	32	98	190	144	48	(272)	240
Interest expense	(102)	(181)	(10)	(514)	(829)	272	(1,364)
Share of associates' results	-	-	-	-	(453)	-	(453)
Share of joint ventures'	64	57	-	-	-	-	121
Segment profit	<u>1,886</u>	<u>(4,305)</u>	<u>4,867</u>	<u>8,106</u>	<u>(3,910)</u>	<u>(947)</u>	<u>5,697</u>
Tax expense							<u>(2,284)</u>
Profit after tax							<u><u>3,413</u></u>
Segment assets	173,908	109,029	95,982	123,116	127,457	(100,621)	528,871
Tax recoverable							15
Deferred tax assets							<u>3,881</u>
Total Assets							<u><u>532,767</u></u>
Segment liabilities	129,577	116,649	28,795	89,317	142,866	(136,592)	370,612
Tax payable							9,762
Deferred tax liabilities							<u>4,139</u>
Total liabilities							<u><u>384,513</u></u>
Investment in an associate	-	-	-	-	27,176	-	27,176
Investment in joint ventures	6,927	514	-	-	-	-	7,441
Additions to non-current assets ⁽³⁾	2,845	2,285	1,417	-	52	-	6,599

	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1Q 2015							
Revenue							
External sales	76,882	41,984	33,584	-	-	-	152,450
Inter-segment sales	97	789	-	-	-	(886)	-
Total revenue	<u>76,979</u>	<u>42,773</u>	<u>33,584</u>	<u>-</u>	<u>-</u>	<u>(886)</u>	<u>152,450</u>
Results							
Profit from operations	1,506	(30)	3,596	22	311	34	5,439
Interest income	32	102	92	542	144	(198)	714
Interest expense	(309)	(187)	(160)	(383)	(320)	154	(1,205)
Share of associates' results	-	-	-	-	(384)	-	(384)
Share of joint ventures'	138	78	-	-	-	-	216
Segment profit	<u>1,367</u>	<u>(37)</u>	<u>3,528</u>	<u>181</u>	<u>(249)</u>	<u>(10)</u>	<u>4,780</u>
Tax expense							<u>(1,627)</u>
Profit after tax							<u><u>3,153</u></u>
Segment assets	184,212	121,180	82,229	105,037	103,821	(91,023)	505,456
Tax recoverable							8
Deferred tax assets							5,125
Total Assets							<u><u>510,589</u></u>
Segment liabilities	142,594	116,050	28,880	79,707	108,229	(94,788)	380,672
Tax payable							7,096
Deferred tax liabilities							2,672
Total liabilities							<u><u>390,440</u></u>
Investment in an associate	-	-	-	-	26,487	-	26,487
Investment in joint ventures	7,672	226	-	-	-	-	7,898
Additions to non-current assets ⁽³⁾	6,204	1,697	395	174	-	-	8,470

Geographical Information

	External Sales		Non-current assets ⁽³⁾	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Singapore	81,330	75,380	135,307	142,799
Mainland China	45,721	49,431	67,689	77,674
Hong Kong	18,081	18,283	12,397	14,192
Rest of the world	9,431	9,356	10,679	16,112
	<u>154,563</u>	<u>152,450</u>	<u>226,072</u>	<u>250,777</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.

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 financial performance of our Bakery Division is showing initial signs of recovery in line with our strategy to moderate the pace of outlet expansion and focusing on the quality of earnings. Management will continue to place emphasis on extracting further productivity gains and higher returns from each of our existing outlets.

The operating environment remains challenging on the back of rising operating costs and stiffer competition for the Food Atrium Division, especially in China. The Group has substantially completed our evaluation of the underperforming outlets. We are intensifying our efforts on those outlets with potential to turnaround as well as look to exit those whose returns profile no longer commensurate with our target.

Restaurant Division is expected to continue powering ahead for growth, having completed the streamlining exercise of its Ramen Play business in FY2015 and further strengthened the foothold of Din Tai Fung in both Singapore and Thailand.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Interim (Special)
Dividend type	Cash
Dividend amount per ordinary share	1.35 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? No.

(c) Date payable

The interim special dividend will be paid on 4 July 2016.

(d) Books closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 20 June 2016 ("Book Closure Date") for the purpose of determining members' entitlement to the interim (special) dividend.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., Six Battery Road #10-01 Singapore 049909, up to 5.00 p.m. on 20 June 2016 will be registered before entitlements to the dividend are determined.

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	116	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	97	

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 first quarter ended 31 March 2016 of the Group and the Company to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD

Ms. Shirley Tan Sey Liy
Company Secretary
9 May 2016