

# BREADTALK GROUP LIMITED

## Financial Statement and Dividend Announcement For The Third Quarter and Period Ended 30 September 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 third quarter and period ended 30 September 2016. The figures presented below have not been audited.

|  | Group               |                     |                         | Group                    |                          |                         |
|--|---------------------|---------------------|-------------------------|--------------------------|--------------------------|-------------------------|
|  | 3Q 2016<br>\$000    | 3Q 2015<br>\$000    | Increase/<br>(Decrease) | YTD<br>Sep 2016<br>\$000 | YTD<br>Sep 2015<br>\$000 | Increase/<br>(Decrease) |
| Revenue  | 157,344             | 161,724             | -2.7%                   | 461,674                  | 469,059                  | -1.6%                   |
| Cost of sales  | <u>(68,806)</u>     | <u>(74,536)</u>     | -7.7%                   | <u>(209,692)</u>         | <u>(221,639)</u>         | -5.4%                   |
| Gross profit   | 88,538              | 87,188              | 1.5%                    | 251,982                  | 247,420                  | 1.8%                    |
| Other income   | 5,682               | 6,922               | -17.9%                  | 24,791                   | 14,264                   | 73.8%                   |
| Interest income  | 339                 | 215                 | 57.7%                   | 741                      | 1,892                    | -60.8%                  |
| Distribution and selling expenses                            | (63,786)            | (67,642)            | -5.7%                   | (186,977)                | (186,194)                | 0.4%                    |
| Administrative expenses                                      | (21,503)            | (18,873)            | 13.9%                   | (66,991)                 | (57,256)                 | 17.0%                   |
| Interest expense   | (1,509)             | (1,531)             | -1.4%                   | (4,577)                  | (3,994)                  | 14.6%                   |
| Profit before tax and share of results of joint ventures     | <u>7,761</u>        | <u>6,279</u>        | 23.6%                   | <u>18,969</u>            | <u>16,132</u>            | 17.6%                   |
| Share of results of associates                               | 131                 | (637)               | N.M                     | (573)                    | (939)                    | -39.0%                  |
| Share of results of joint ventures                           | <u>429</u>          | <u>63</u>           | 581.0%                  | <u>770</u>               | <u>306</u>               | 151.6%                  |
| Profit before tax  | 8,321               | 5,705               | 45.9%                   | 19,166                   | 15,499                   | 23.7%                   |
| Taxation   | <u>(2,967)</u>      | <u>(2,302)</u>      | 28.9%                   | <u>(7,435)</u>           | <u>(5,133)</u>           | 44.8%                   |
| Profit after tax   | <u><u>5,354</u></u> | <u><u>3,403</u></u> | 57.3%                   | <u><u>11,731</u></u>     | <u><u>10,366</u></u>     | 13.2%                   |
| Attributable to:   |                     |                     |                         |                          |                          |                         |
| <b>Shareholders of the Company</b>                           | <b>3,256</b>        | <b>1,568</b>        | 107.7%                  | <b>7,006</b>             | <b>6,456</b>             | 8.5%                    |
| Non-controlling interests                                    | <u>2,098</u>        | <u>1,835</u>        | 14.3%                   | <u>4,725</u>             | <u>3,910</u>             | 20.8%                   |
|  | <u><u>5,354</u></u> | <u><u>3,403</u></u> | 57.3%                   | <u><u>11,731</u></u>     | <u><u>10,366</u></u>     | 13.2%                   |
| <b>Other comprehensive income:</b>                           |                     |                     |                         |                          |                          |                         |
| Net gain on available-for-sale financial assets              | (39)                | (3)                 | N.M                     | -                        | -                        | N.M                     |
| Foreign currency translation                                 | <u>607</u>          | <u>1,715</u>        | -64.6%                  | <u>(1,786)</u>           | <u>2,566</u>             | N.M                     |
| Other comprehensive (loss) income for the period, net of tax | 568                 | 1,712               | -66.8%                  | (1,786)                  | 2,566                    | N.M                     |
| Total comprehensive income for the period                    | <u><u>5,922</u></u> | <u><u>5,115</u></u> | 15.8%                   | <u><u>9,945</u></u>      | <u><u>12,932</u></u>     | -23.1%                  |
| Attributable to:   |                     |                     |                         |                          |                          |                         |
| <b>Shareholders of the Company</b>                           | <b>3,824</b>        | <b>3,280</b>        | 16.6%                   | <b>5,220</b>             | <b>9,022</b>             | -42.1%                  |
| Non-controlling interests                                    | <u>2,098</u>        | <u>1,835</u>        | 14.3%                   | <u>4,725</u>             | <u>3,910</u>             | 20.8%                   |
|  | <u><u>5,922</u></u> | <u><u>5,115</u></u> | 15.8%                   | <u><u>9,945</u></u>      | <u><u>12,932</u></u>     | -23.1%                  |

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

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

|  | Group             |                   |                         | Group                     |                           |                         |
|--|-------------------|-------------------|-------------------------|---------------------------|---------------------------|-------------------------|
|  | 3Q 2016<br>\$'000 | 3Q 2015<br>\$'000 | Increase/<br>(Decrease) | YTD<br>Sep 2016<br>\$'000 | YTD<br>Sep 2015<br>\$'000 | Increase/<br>(Decrease) |
| Depreciation and amortisation                      | 12,120            | 11,763            | 3.0%                    | 36,616                    | 37,385                    | -2.1%                   |
| Foreign exchange loss/(gain), net                  | (106)             | (82)              | 29.3%                   | 1,190                     | (107)                     | N.M                     |
| Gain on divestment of investment securities        | -                 | -                 | N.M.                    | (8,841)                   | -                         | N.M.                    |
| Government grant                                   | (1,976)           | (508)             | 289.0%                  | (3,749)                   | (2,103)                   | 78.3%                   |
| Impairment on investment securities                | 92                | -                 | N.M.                    | 167                       | -                         | N.M.                    |
| Impairment/(Write back) of loan and receivables    |                   |                   |                         |                           |                           |                         |
| - trade receivables                                | -                 | 30                | N.M                     | (181)                     | 374                       | N.M                     |
| - other receivables                                | 103               | 1                 | N.M                     | 362                       | 77                        | 370.1%                  |
| Reversal of inventories written off                | 25                | 91                | -72.5%                  | (11)                      | 96                        | -111.5%                 |
| Loss on disposal of property, plant and equipment  | 1,676             | 218               | 668.8%                  | 1,762                     | 249                       | 607.6%                  |
| Operating lease expenses                           | 36,930            | 38,174            | -3.3%                   | 111,109                   | 110,970                   | 0.1%                    |
| Personnel expenses                                 | 42,990            | 44,460            | -3.3%                   | 139,930                   | 127,584                   | 9.7%                    |
| Property, plant and equipment written off (Note 1) | 2,570             | 731               | 251.6%                  | 6,354                     | 2,558                     | 148.4%                  |
| Write off of intangible assets                     | -                 | -                 | N.M                     | 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             |                     |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
|                               | 30.09.2016<br>\$000 | 31.12.2015<br>\$000 | 30.09.2016<br>\$000 | 31.12.2015<br>\$000 |
| <b>Non-current assets</b>     |                     |                     |                     |                     |
| Property, plant and equipment | 186,027             | 205,696             | 72,057              | 72,593              |
| Investment property           | 22,574              | 24,053              | -                   | -                   |
| Intangible assets             | 6,246               | 6,903               | -                   | -                   |
| Investment securities         | 90,141              | 90,309              | 850                 | 1,000               |
| Investment in subsidiaries    | -                   | -                   | 21,149              | 24,206              |
| Investment in associates      | 28,420              | 26,322              | -                   | -                   |
| Investment in joint ventures  | 7,729               | 7,553               | -                   | -                   |
| Other receivables             | 34                  | 546                 | -                   | -                   |
| Due from related corporations | -                   | -                   | -                   | -                   |
| Deferred tax assets           | 3,322               | 4,444               | -                   | -                   |
|                               | <u>344,493</u>      | <u>365,826</u>      | <u>94,056</u>       | <u>97,799</u>       |

|   | Group           |                 | Company        |                 |
|---|-----------------|-----------------|----------------|-----------------|
|   | 30.09.2016      | 31.12.2015      | 30.09.2016     | 31.12.2015      |
|   | \$000           | \$000           | \$000          | \$000           |
| <b>Current assets</b>   |                 |                 |                |                 |
| Investment securities   | -               | 7,224           | -              | -               |
| Inventories   | 9,837           | 9,878           | -              | -               |
| Trade and other receivables                                       | 55,645          | 60,039          | 6,491          | 336             |
| Prepayments   | 4,269           | 5,726           | 96             | 116             |
| Tax recoverable   | 38              | -               | -              | -               |
| Due from related corporations                                     | 685             | 1,046           | 88,644         | 32,999          |
| Amount due from minority shareholders of subsidiaries (non-trade) | 509             | 506             | -              | -               |
| Cash and cash equivalents   | 112,498         | 94,896          | 7,370          | 2,516           |
|   | <u>183,481</u>  | <u>179,315</u>  | <u>102,601</u> | <u>35,967</u>   |
| <b>Current liabilities</b>  |                 |                 |                |                 |
| Trade and other payables  | 81,973          | 94,123          | 1,899          | 1,553           |
| Other liabilities   | 67,105          | 57,544          | 3,564          | 2,042           |
| Provision for reinstatement cost                                  | 14,523          | 15,002          | 25             | 25              |
| Due to related corporations                                       | 3,601           | 4,522           | 32,768         | 32,084          |
| Loan from a minority shareholder of a subsidiary                  | 200             | 200             | -              | -               |
| Short term loans  | 9,365           | 38,321          | -              | 10,000          |
| Current portion of long-term loans                                | 20,677          | 43,679          | 4,122          | 4,122           |
| Tax payable   | 8,523           | 8,879           | 600            | 180             |
|   | <u>205,967</u>  | <u>262,270</u>  | <u>42,978</u>  | <u>50,006</u>   |
| <b>Net current liabilities</b>                                    | <b>(22,486)</b> | <b>(82,955)</b> | <b>59,623</b>  | <b>(14,039)</b> |
| <b>Non-current liabilities</b>                                    |                 |                 |                |                 |
| Long-term loans   | 86,668          | 119,685         | 40,829         | 43,920          |
| Notes payables  | 75,000          | -               | 75,000         | -               |
| Loan from a minority shareholder of a subsidiary                  | 518             | 538             | -              | -               |
| Other liabilities   | 9,692           | 12,282          | -              | -               |
| Deferred tax liabilities  | 4,011           | 3,942           | 1,102          | 1,103           |
|   | <u>175,889</u>  | <u>136,447</u>  | <u>116,931</u> | <u>45,023</u>   |
| Net assets  | <u>146,118</u>  | <u>146,424</u>  | <u>36,748</u>  | <u>38,737</u>   |
| <b>Share capital and reserves</b>                                 |                 |                 |                |                 |
| Share capital   | 33,303          | 33,303          | 33,303         | 33,303          |
| Treasury shares   | (994)           | (378)           | (994)          | (378)           |
| Accumulated profits   | 89,536          | 90,545          | 3,921          | 5,375           |
| Other reserves  | 4,134           | 5,728           | 518            | 437             |
|   | <u>125,979</u>  | <u>129,198</u>  | <u>36,748</u>  | <u>38,737</u>   |
| Non-controlling interests   | 20,139          | 17,226          | -              | -               |
| Total equity  | <u>146,118</u>  | <u>146,424</u>  | <u>36,748</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 30.09.2016 |  |           |
|------------------|--|-----------|
| Secured          |  | Unsecured |
| \$000            |  | \$000     |
| 18,658           |  | 11,584    |

| As at 31.12.2015 |  |           |
|------------------|--|-----------|
| Secured          |  | Unsecured |
| \$000            |  | \$000     |
| 6,320            |  | 75,880    |

### Amount repayable after one year

| As at 30.09.2016 |  |           |
|------------------|--|-----------|
| Secured          |  | Unsecured |
| \$000            |  | \$000     |
| 77,124           |  | 85,062    |

| As at 31.12.2015 |  |           |
|------------------|--|-----------|
| Secured          |  | Unsecured |
| \$000            |  | \$000     |
| 112,314          |  | 7,909     |

### Details of any collateral

- (1) As at 30 September 2016, a total amount of \$96.6 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           |                 |
|--|---------|---------|-----------------|-----------------|
|  | 3Q 2016 | 3Q 2015 | YTD<br>Sep 2016 | YTD<br>Sep 2015 |
|  | \$000   | \$000   | \$000           | \$000           |
| <b>Cash flows from operating activities</b>        |         |         |                 |                 |
| Profit before tax                                  | 8,321   | 5,705   | 19,166          | 15,499          |
| Adjustments for:                                   |         |         |                 |                 |
| Amortisation of intangible assets                  | 124     | 138     | 368             | 363             |
| Depreciation of property, plant and equipment      | 11,996  | 11,625  | 36,248          | 37,022          |
| Gain on disposal of investment securities          | -       | -       | (8,841)         | -               |
| Loss on disposal of property, plant and equipment  | 1,676   | 218     | 1,762           | 249             |
| Write off of intangible assets                     | -       | -       | 133             | -               |
| Impairment loss on investment securities           | 92      | 24      | 167             | 24              |
| Interest expense                                   | 1,509   | 1,531   | 4,577           | 3,994           |
| Interest income                                    | (339)   | (215)   | (741)           | (1,892)         |
| Inventories written off                            | 25      | 91      | (11)            | 96              |
| Property, plant and equipment written off          | 2,570   | 731     | 6,354           | 2,558           |
| Share based payment expenses                       | 40      | 100     | 162             | 294             |
| Share of results of associates                     | (131)   | 637     | 573             | 939             |
| Share of results of joint ventures                 | (429)   | (63)    | (770)           | (306)           |
| (Write back) Impairment loss on trade receivables  | -       | 30      | (181)           | 374             |
| (Write back) Impairment loss on other receivables  | 103     | -       | 362             | 77              |
| Write back of provision for reinstatement cost     | (14)    | (8)     | (51)            | (8)             |
| Exchange differences                               | (12)    | (644)   | 4,468           | (2,076)         |
| Operating cash flow before working capital changes | 25,531  | 19,900  | 63,745          | 57,207          |

|  | Group           |                 | Group           |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 3Q 2016         | 3Q 2015         | YTD             | YTD             |
|  | \$000           | \$000           | Sep 2016        | Sep 2015        |
|  |                 | \$000           | \$000           |                 |
| (Increase)/decrease in:                                      |                 |                 |                 |                 |
| Inventories  | (130)           | 343             | 53              | 179             |
| Trade and other receivables                                  | 2,912           | 582             | 4,323           | (5,410)         |
| Prepayments  | 623             | 574             | 1,457           | 1,572           |
| Amount due from joint ventures (trade)                       | (234)           | 67              | (100)           | 100             |
| Amount due from associate (trade)                            | -               | (5)             |                 | (7)             |
| Increase/(decrease) in:                                      |                 |                 |                 |                 |
| Trade and other payables                                     | (2,513)         | 143             | (8,648)         | (4,520)         |
| Other liabilities  | 11,563          | 5,255           | 8,275           | (395)           |
| Amount due to associates (non-trade)                         | 11              | (1,476)         | (783)           | (1,264)         |
| Amount due to a joint venture (trade)                        | (152)           | (384)           | (124)           | (551)           |
| Cash generated from operations                               | 37,611          | 24,999          | 68,198          | 46,911          |
| Tax paid   | (3,573)         | (2,467)         | (6,693)         | (6,717)         |
| <b>Net cash flow from operating activities</b>               | <b>34,038</b>   | <b>22,532</b>   | <b>61,505</b>   | <b>40,194</b>   |
| <b>Cash flows from investing activities</b>                  |                 |                 |                 |                 |
| Interest income received                                     | 339             | 215             | 874             | 2,024           |
| Dividends received from a joint venture                      | 363             | (11)            | 363             | 740             |
| Dividend income from an associate                            | -               | -               | 98              | -               |
| Purchase of property, plant and equipment                    | (12,900)        | (7,866)         | (30,640)        | (28,796)        |
| Proceeds from disposal of property, plant and equipment      | 3               | -               | 56              | 17              |
| Additions to intangible assets                               | (4)             | (134)           | (55)            | (424)           |
| Cash paid for reinstatement expenses                         | (997)           | (18)            | (1,916)         | (281)           |
| Amount due from joint ventures (non-trade)                   | 270             | 686             | 462             | 438             |
| Amount due to joint ventures (non-trade)                     | (37)            | (55)            | (14)            | (56)            |
| Investment in an associate                                   | (1,364)         | -               | (2,769)         | (1,662)         |
| Proceeds from divestment of investment securities            | -               | -               | 16,334          | -               |
| Purchase of investment securities                            | -               | -               | -               | (10,875)        |
| Subscription of junior bonds                                 | -               | -               | -               | (8,496)         |
| <b>Net cash flow (used in) investing activities</b>          | <b>(14,327)</b> | <b>(7,183)</b>  | <b>(17,207)</b> | <b>(47,371)</b> |
| <b>Cash flows from financing activities</b>                  |                 |                 |                 |                 |
| Interest paid  | (1,509)         | (1,531)         | (4,577)         | (3,994)         |
| Dividends paid to shareholders of the company                | (5,203)         | (1,409)         | (8,015)         | (4,228)         |
| Repayment of loan due to minority shareholder                | 6               | -               | (19)            | -               |
| Purchase of treasury shares                                  | (334)           | (375)           | (697)           | (651)           |
| Proceeds from short-term loans                               | 64              | 252             | 5,338           | 32,018          |
| Repayment of short-term loans                                | (886)           | (13,768)        | (34,374)        | (22,698)        |
| Proceeds from long-term loans                                | 3,593           | 814             | 3,593           | 19,753          |
| Proceeds from term notes                                     | -               | -               | 75,000          | -               |
| Repayment of long-term loans                                 | (13,254)        | (5,295)         | (59,510)        | (17,315)        |
| Capital contribution from non-controlling interest           | -               | -               | -               | 150             |
| Acquisition of non-controlling interests                     | (1,703)         | (16)            | (1,703)         | (16)            |
| <b>Net cash flow (used in) from financing activities</b>     | <b>(19,226)</b> | <b>(21,328)</b> | <b>(24,964)</b> | <b>3,019</b>    |
| Net increase in cash and cash equivalents                    | 485             | (5,979)         | 19,334          | (4,158)         |
| Effect of exchange rate changes on cash and cash equivalents | 41              | 727             | (1,733)         | 1,561           |
| Cash and cash equivalents at beginning of financial period   | 111,971         | 98,107          | 94,896          | 95,452          |
| <b>Cash and cash equivalents at end of financial period</b>  | <b>112,497</b>  | <b>92,855</b>   | <b>112,497</b>  | <b>92,855</b>   |

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

|                          | Group          |               |
|--------------------------|----------------|---------------|
|                          | 30.09.2016     | 30.09.2015    |
|                          | \$000          | \$000         |
| Cash on hand and at bank | 112,491        | 92,849        |
| Short term FD            | 6              | 6             |
|                          | <u>112,497</u> | <u>92,855</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<br>\$000 | Non-<br>controlling<br>interests<br>\$000 | Total equity<br>\$000 |
|---|---|-----------------------------|---------------------------------|--|----------------|---|-----------------------|
|   | Share capital<br>\$000                      | Treasury<br>shares<br>\$000 | Accumulated<br>profits<br>\$000 | Other<br>reserves<br>(Note B)<br>\$000 |                |   |                       |
| <b>Balance at 1 January 2016</b>                                      | <b>33,303</b>                               | <b>(378)</b>                | <b>90,545</b>                   | <b>5,728</b>                           | <b>129,198</b> | <b>17,226</b>                             | <b>146,424</b>        |
| Profit for the period   | -   | -                           | 3,750                           | -                                      | 3,750          | 2,627                                     | 6,377                 |
| <u>Other comprehensive income</u>                                     |   |                             |                                 |  |                |   |                       |
| Net gain on fair value changes of available-for-sale financial assets | -   | -                           | -                               | 39                                     | 39             | -   | 39                    |
| Foreign currency translation  | -   | -                           | -                               | (2,393)                                | (2,393)        | -   | (2,393)               |
| Total other comprehensive income, net of tax                          | -   | -                           | -                               | (2,354)                                | (2,354)        | -   | (2,354)               |
| <b>Total comprehensive income for the period</b>                      | <b>-</b>                                    | <b>-</b>                    | <b>3,750</b>                    | <b>(2,354)</b>                         | <b>1,396</b>   | <b>2,627</b>                              | <b>4,023</b>          |
| <u>Contributions by and distributions to owners</u>                   |   |                             |                                 |  |                |   |                       |
| Share-based payments  | -   | -                           | -                               | 121                                    | 121            | -   | 121                   |
| Dividends paid  | -   | -                           | (2,812)                         | -                                      | (2,812)        | -   | (2,812)               |
| Purchase of treasury shares   | -   | (363)                       | -                               | -                                      | (363)          | -   | (363)                 |
| Treasury shares transferred on vesting of restricted share grant      | -   | 80                          | -                               | (80)                                   | -              | -   | -                     |
| <b>Total contributions by and distributions to owners</b>             | <b>-</b>                                    | <b>(283)</b>                | <b>(2,812)</b>                  | <b>41</b>                              | <b>(3,054)</b> | <b>-</b>                                  | <b>(3,054)</b>        |
| <b>Balance at 30 June 2016</b>  | <b>33,303</b>                               | <b>(661)</b>                | <b>91,483</b>                   | <b>3,415</b>                           | <b>127,540</b> | <b>19,853</b>                             | <b>147,393</b>        |
| Profit for the period   | -   | -                           | 3,256                           | -                                      | 3,256          | 2,098                                     | 5,354                 |
| <u>Other comprehensive income</u>                                     |   |                             |                                 |  |                |   |                       |
| Net loss on fair value changes of available-for-sale financial assets | -   | -                           | -                               | (39)                                   | (39)           | -   | (39)                  |
| Foreign currency translation  | -   | -                           | -                               | 607                                    | 607            | -   | 607                   |
| Total other comprehensive income, net of tax                          | -   | -                           | -                               | 568                                    | 568            | -   | 568                   |
| <b>Total comprehensive income for the period</b>                      | <b>-</b>                                    | <b>-</b>                    | <b>3,256</b>                    | <b>568</b>                             | <b>3,824</b>   | <b>2,098</b>                              | <b>5,922</b>          |
| <u>Contributions by and distributions to owners</u>                   |   |                             |                                 |  |                |   |                       |
| Share-based payments  | -   | -                           | -                               | 40                                     | 40             | -   | 40                    |
| Dividends paid  | -   | -                           | (5,203)                         | -                                      | (5,203)        | -   | (5,203)               |
| Purchase of treasury shares   | -   | (333)                       | -                               | -                                      | (333)          | -   | (333)                 |
| Treasury shares transferred on vesting of restricted share grant      | -   | -                           | -                               | -                                      | -              | -   | -                     |
| <b>Total contributions by and distributions to owners</b>             | <b>-</b>                                    | <b>(333)</b>                | <b>(5,203)</b>                  | <b>40</b>                              | <b>(5,496)</b> | <b>-</b>                                  | <b>(5,496)</b>        |
| <u>Changes in ownership interests in a subsidiary</u>                 |   |                             |                                 |  |                |   |                       |
| Acquisition of non-controlling interests without a change in control  | -   | -                           | -                               | 111                                    | 111            | (1,812)                                   | (1,701)               |
| <b>subsidiary</b>   | <b>-</b>                                    | <b>-</b>                    | <b>-</b>                        | <b>111</b>                             | <b>111</b>     | <b>(1,812)</b>                            | <b>(1,701)</b>        |
| <b>Balance at 30 September 2016</b>                                   | <b>33,303</b>                               | <b>(994)</b>                | <b>89,536</b>                   | <b>4,134</b>                           | <b>125,979</b> | <b>20,139</b>                             | <b>146,118</b>        |

| Group   | Attributable to Shareholders of the Company |                             |                                 |  | Total<br>\$000 | Non-<br>controlling<br>interests<br>\$000 | Total equity<br>\$000 |
|---|---|-----------------------------|---------------------------------|--|----------------|---|-----------------------|
|   | Share capital<br>\$000                      | Treasury<br>shares<br>\$000 | Accumulated<br>profits<br>\$000 | Other<br>reserves<br>(Note B)<br>\$000 |                |   |                       |
| <b>Balance at 1 January 2015</b>                                      | <b>33,303</b>                               | <b>(3)</b>                  | <b>87,261</b>                   | <b>4,687</b>                           | <b>125,248</b> | <b>13,242</b>                             | <b>138,490</b>        |
| Profit for the period   | -   | -                           | 4,888                           | -                                      | 4,888          | 2,075                                     | 6,963                 |
| <u>Other comprehensive income</u>                                     |   |                             |                                 |  |                |   |                       |
| Net gain on fair value changes of available-for-sale financial assets | -   | -                           | -                               | 3                                      | 3              | -   | 3                     |
| Foreign currency translation  | -   | -                           | -                               | 851                                    | 851            | -   | 851                   |
| Total other comprehensive income, net of tax                          | -   | -                           | -                               | 854                                    | 854            | -   | 854                   |
| <b>Total comprehensive income for the period</b>                      | <b>-</b>                                    | <b>-</b>                    | <b>4,888</b>                    | <b>854</b>                             | <b>5,742</b>   | <b>2,075</b>                              | <b>7,817</b>          |
| <u>Contributions by and distributions to owners</u>                   |   |                             |                                 |  |                |   |                       |
| Transfer to statutory reserves  | -   | -                           | (94)                            | 94                                     | -              | -   | -                     |
| Share-based payments  | -   | -                           | -                               | 194                                    | 194            | -   | 194                   |
| Dividends paid  | -   | -                           | (2,819)                         | -                                      | (2,819)        | -   | (2,819)               |
| Purchase of treasury shares   | -   | (276)                       | -                               | -                                      | (276)          | -   | (276)                 |
| Treasury shares transferred on vesting of restricted share grant      | -   | 276                         | -                               | (276)                                  | -              | -   | -                     |
| <b>Total contributions by and distributions to owners</b>             | <b>-</b>                                    | <b>-</b>                    | <b>(2,913)</b>                  | <b>12</b>                              | <b>(2,901)</b> | <b>-</b>                                  | <b>(2,901)</b>        |
| <u>Changes in ownership interests in a subsidiary</u>                 |   |                             |                                 |  |                |   |                       |
| Issuance of new shares to non-controlling interest                    | -   | -                           | -                               | -                                      | -              | 150                                       | 150                   |
| <b>Total changes in ownership interests in a subsidiary</b>           | <b>-</b>                                    | <b>-</b>                    | <b>-</b>                        | <b>-</b>                               | <b>-</b>       | <b>150</b>                                | <b>150</b>            |
| <b>Balance at 30 June 2015</b>  | <b>33,303</b>                               | <b>(3)</b>                  | <b>89,236</b>                   | <b>5,553</b>                           | <b>128,089</b> | <b>15,467</b>                             | <b>143,556</b>        |
| Profit for the period   | -   | -                           | 1,568                           | -                                      | 1,568          | 1,835                                     | 3,403                 |
| <u>Other comprehensive income</u>                                     |   |                             |                                 |  |                |   |                       |
| Net loss on fair value changes of available-for-sale financial assets | -   | -                           | -                               | (3)                                    | (3)            | -   | (3)                   |
| Foreign currency translation  | -   | -                           | -                               | 1,715                                  | 1,715          | -   | 1,715                 |
| Total other comprehensive income, net of tax                          | -   | -                           | -                               | 1,712                                  | 1,712          | -   | 1,712                 |
| <b>Total comprehensive income for the period</b>                      | <b>-</b>                                    | <b>-</b>                    | <b>1,568</b>                    | <b>1,712</b>                           | <b>3,280</b>   | <b>1,835</b>                              | <b>5,115</b>          |
| <u>Contributions by and distributions to owners</u>                   |   |                             |                                 |  |                |   |                       |
| Transfer to statutory reserves  | -   | -                           | (1)                             | 1                                      | -              | -   | -                     |
| Share-based payments  | -   | -                           | -                               | 100                                    | 100            | -   | 100                   |
| Dividends paid  | -   | -                           | (1,409)                         | -                                      | (1,409)        | -   | (1,409)               |
| Purchase of treasury shares   | -   | (375)                       | -                               | -                                      | (375)          | -   | (375)                 |
| <b>Total contributions by and distributions to owners</b>             | <b>-</b>                                    | <b>(375)</b>                | <b>(1,410)</b>                  | <b>101</b>                             | <b>(1,684)</b> | <b>-</b>                                  | <b>(1,684)</b>        |
| <u>Changes in ownership interests in a subsidiary</u>                 |   |                             |                                 |  |                |   |                       |
| Acquisition of non-controlling interests without a change in control  | -   | -                           | (409)                           | 6                                      | (403)          | 387                                       | (16)                  |
| <b>Total changes in ownership interests in a subsidiary</b>           | <b>-</b>                                    | <b>-</b>                    | <b>(409)</b>                    | <b>6</b>                               | <b>(403)</b>   | <b>387</b>                                | <b>(16)</b>           |
| <b>Balance at 30 September 2015</b>                                   | <b>33,303</b>                               | <b>(378)</b>                | <b>88,985</b>                   | <b>7,372</b>                           | <b>129,282</b> | <b>17,689</b>                             | <b>146,971</b>        |

| <b>Company</b>   | <b>Share capital</b><br>\$000 | <b>Treasury shares</b><br>\$000 | <b>Accumulated profits (losses)</b><br>\$000 | <b>Other reserves (Note B)</b><br>\$000 | <b>Total</b><br>\$000 |
|--|-------------------------------|---------------------------------|--|---|-----------------------|
| <b>As at 1 January 2016</b>                                      | <b>33,303</b>                 | <b>(378)</b>                    | <b>5,375</b>                                 | <b>437</b>                              | <b>38,737</b>         |
| Profit for the period  | -                             | -                               | 816  | -                                       | 816                   |
| <b>Total comprehensive income for the period</b>                 | -                             | -                               | 816  | -                                       | 816                   |
| <u>Contributions by and distributions to owners</u>              |                               |                                 |  |   |                       |
| Share-based payments   | -                             | -                               | -  | 121                                     | 121                   |
| Dividend paid  | -                             | -                               | (2,812)                                      | -                                       | (2,812)               |
| Purchase of treasury shares                                      | -                             | (363)                           | -  | -                                       | (363)                 |
| Treasury shares transferred on vesting of restricted share grant | -                             | 80                              | -  | (80)                                    | -                     |
| <b>Total contributions by and distributions to owners</b>        | -                             | (283)                           | (2,812)                                      | 41                                      | (3,054)               |
| <b>Balance at 30 June 2016</b>                                   | <b>33,303</b>                 | <b>(661)</b>                    | <b>3,379</b>                                 | <b>478</b>                              | <b>36,499</b>         |
| Profit for the period  | -                             | -                               | 5,745  | -                                       | 5,745                 |
| <b>Total comprehensive income for the period</b>                 | -                             | -                               | 5,745  | -                                       | 5,745                 |
| <u>Contributions by and distributions to owners</u>              |                               |                                 |  |   |                       |
| Share-based payments   | -                             | -                               | -  | 40                                      | 40                    |
| Dividend paid  | -                             | -                               | (5,203)                                      | -                                       | (5,203)               |
| Purchase of treasury shares                                      | -                             | (333)                           | -  | -                                       | (333)                 |
| Treasury shares transferred on vesting of restricted share grant | -                             | -                               | -  | -                                       | -                     |
| <b>Total contributions by and distributions to owners</b>        | -                             | (333)                           | (5,203)                                      | 40                                      | (5,496)               |
| <b>Balance at 30 September 2016</b>                              | <b>33,303</b>                 | <b>(994)</b>                    | <b>3,921</b>                                 | <b>518</b>                              | <b>36,748</b>         |



| Company  | Share capital<br>\$000 | Treasury<br>shares<br>\$000 | Accumulated<br>profits<br>\$000 | Other<br>reserves<br>(Note B)<br>\$000 | Total<br>\$000 |
|--|------------------------|-----------------------------|---------------------------------|--|----------------|
| <b>As at 1 January 2015</b>                                      | <b>33,303</b>          | <b>(3)</b>                  | <b>9,008</b>                    | <b>663</b>                             | <b>42,971</b>  |
| Profit for the period  | -                      | -                           | 878                             | -                                      | 878            |
| <b>Total comprehensive income for the period</b>                 | <b>-</b>               | <b>-</b>                    | <b>878</b>                      | <b>-</b>                               | <b>878</b>     |
| <u>Contributions by and distributions to owners</u>              |                        |                             |                                 |  |                |
| Share-based payments   | -                      | -                           | -                               | 194                                    | 194            |
| Dividends paid   | -                      | -                           | (2,819)                         | -                                      | (2,819)        |
| Purchase of treasury shares                                      | -                      | (276)                       | -                               | -                                      | (276)          |
| Treasury shares transferred on vesting of restricted share grant | -                      | 276                         | -                               | (276)                                  | -              |
| <b>Total contributions by and distributions to owners</b>        | <b>-</b>               | <b>-</b>                    | <b>(2,819)</b>                  | <b>(82)</b>                            | <b>(2,901)</b> |
| <b>Balance at 30 June 2015</b>                                   | <b>33,303</b>          | <b>(3)</b>                  | <b>7,067</b>                    | <b>581</b>                             | <b>40,948</b>  |
| Profit for the period  | -                      | -                           | 718                             | -                                      | 718            |
| <b>Total comprehensive income for the period</b>                 | <b>-</b>               | <b>-</b>                    | <b>718</b>                      | <b>-</b>                               | <b>718</b>     |
| <u>Contributions by and distributions to owners</u>              |                        |                             |                                 |  |                |
| Share-based payments   | -                      | -                           | -                               | 100                                    | 100            |
| Dividends paid   | -                      | -                           | (1,409)                         | -                                      | (1,409)        |
| Purchase of treasury shares                                      | -                      | (375)                       | -                               | -                                      | (375)          |
| <b>Total contributions by and distributions to owners</b>        | <b>-</b>               | <b>(375)</b>                | <b>(1,409)</b>                  | <b>100</b>                             | <b>(1,684)</b> |
| <b>Balance at 30 September 2015</b>                              | <b>33,303</b>          | <b>(378)</b>                | <b>6,376</b>                    | <b>681</b>                             | <b>39,982</b>  |

**Note B: Other reserves**

|   | Group               |                     | Company             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 30.09.2016<br>\$000 | 30.09.2015<br>\$000 | 30.09.2016<br>\$000 | 30.09.2015<br>\$000 |
| Statutory reserve fund                              | 2,954               | 2,959               | -                   | -                   |
| Translation reserve                                 | 2,104               | 4,875               | -                   | -                   |
| Fair value adjustment reserve                       | -                   | -                   | -                   | -                   |
| Capital reserve                                     | 178                 | 177                 | 178                 | 177                 |
| Share based compensation reserve                    | 340                 | 504                 | 340                 | 504                 |
| Premium on acquisition of non-controlling interests | (1,442)             | (1,143)             | -                   | -                   |
|   | <b>4,134</b>        | <b>7,372</b>        | <b>518</b>          | <b>681</b>          |

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

There were no changes in the share capital of the Company in 3Q 2016.

There were a total of 1,079,060 treasury shares held as at 30 September 2016 (30 September 2015: 337,570).

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

As at 30 September 2016, the Company's issued and paid up capital, excluding 1,079,060 (31 December 2015: 337,570) treasury shares held, comprises 280,814,178 (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 |                |                  |                 |
|--|---------------------------|----------------|------------------|-----------------|
|  | 3Q 2016                   | 3Q 2015        | YTD<br>Sep 2016  | YTD<br>Sep 2015 |
| Balance at beginning of financial period                         | 612,060                   | 3,070          | 337,570          | 3,090           |
| Purchase of treasury shares                                      | 467,000                   | 334,500        | 816,400          | 534,400         |
| Treasury shares transferred on vesting of restricted share grant | -                         | -              | (74,910)         | (199,920)       |
| Balance at end of financial period                               | <u>1,079,060</u>          | <u>337,570</u> | <u>1,079,060</u> | <u>337,570</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       |             | Group           |                 |
|--|-------------|-------------|-----------------|-----------------|
|  | 3Q 2016     | 3Q 2015     | YTD<br>Sep 2016 | YTD<br>Sep 2015 |
| Earnings per ordinary share for the period:                      |             |             |                 |                 |
| (a) Based on weighted average number of ordinary shares in issue | 1.16 cents  | 0.56 cent   | 2.49 cents      | 2.29 cents      |
| Weighted average number of ordinary shares                       | 281,125,511 | 281,667,168 | 281,295,729     | 281,793,615     |
| (b) On a fully diluted basis                                     | 1.16 cents  | 0.56 cent   | 2.49 cents      | 2.29 cents      |
| Adjusted weighted average number of ordinary shares              | 281,237,051 | 282,369,538 | 281,407,049     | 282,457,722     |

**7. Net asset value (for the issuer and the group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 30.09.2016 | 31.12.2015 | 30.09.2016 | 31.12.2015 |
| Net asset value per ordinary share based on issued share capital as at the end of period | 52.0 cents | 52.0 cents | 13.1 cents | 13.8 cents |

Note: The net asset value per ordinary share of the Group and the Company as at 30 September 2016 is computed based on the total number of issued shares (excluding 1,079,060 treasury shares) of 280,814,178 (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 9M FY2016 declined marginally by 1.6% Y/Y from \$469.1 million to \$461.7 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 6.8% Y/Y to \$59.4 million with EBITDA margin improving to 12.9% (9M FY2015: 11.9%). Profit After Tax and Minority Interests ("PATMI") for 9M FY2016 improved 8.5% from \$6.5 million to \$7.0 million. PATMI margin rose to 1.5% (9M FY2015: 1.4%).

Despite a drop in Bakery Division revenue of 1.4% Y/Y to \$229.2 million for 9M FY2016, EBITDA for the Division rose 52.8% Y/Y to \$24.5 million. EBITDA margin also improved to 10.7% (9M FY2015: 6.9%) on the back of better gross margin, tighter cost control and productivity gains. The drop in revenue was primarily attributed to weakness in the China franchise business, which is mitigated by strong performance of our direct operated stores in Singapore and Shanghai. Outlet count stood at 847 (9M FY2015: 835).

Food Atrium revenue declined 7.3% Y/Y to \$120.8 million. Same store sales growth remained healthy in Singapore and Malaysia with recovery in Thailand. At the end of 9M FY2016, the Division operated 57 outlets. During the first nine months of FY2016, the Division closed a total of 9 outlets with new opening of 1 outlet (at Shanghai Disneyland). Of the 9 outlets closed, 4 were premature closures in Mainland China, which contributed \$4.8 million in property, plant and equipment write-off for the period. As a result, 9M FY2016 EBITDA declined 63.6% Y/Y to \$5.4 million with EBITDA margin lower at 4.5% (9M FY2015: 11.5%).

Restaurant Division delivered 4.9% revenue growth Y/Y to \$111.7 million, as same store sales growth momentum continues, recovery at Ramen Play and higher contribution from Din Tai Fung Thailand. Total outlets for 9M FY2016 stands at 32, attributed to 3 new opening and 1 closure of Din Tai Fung outlets in Singapore during the nine months. 9M FY2016 EBITDA rose 8.0% Y/Y to \$21.9 million with EBITDA margin improving to 19.6% (9M FY2015: 19.1%).

Interest income decreased by \$1.2 million primarily due to lower return on investment securities, while interest expense increased slightly by \$0.6 million, mainly due to higher interest cost associated with the medium term notes, partly mitigated by repayment of outstanding borrowings.

Earnings per share (EPS) on a fully diluted basis was 2.49 cents for 9M FY2016 compared to 2.29 cents for 9M FY2015.

Net asset value (NAV) per share was 52.0 cents as at 30 September 2016 compared to 52.0 cents as at 31 December 2015.

Number of outlets including franchise under the Group:

|             | 30.09.2016 | 31.12.2015 | Net increase /<br>(decrease) | 30.09.2015 | Net increase /<br>(decrease) |
|-------------|------------|------------|------------------------------|------------|------------------------------|
| Bakery      | 847        | 862        | -1.7%                        | 835        | 1.4%                         |
| Food Atrium | 57         | 65         | -12.3%                       | 64         | -10.9%                       |
| Restaurant  | 32         | 30         | 6.7%                         | 33         | -3.0%                        |
| Total       | 936        | 957        | -2.2%                        | 932        | 0.4%                         |

## **(B) Balance Sheet**

As at 30 September 2016,

Non-current assets declined by \$21.3 million or 5.8% from \$365.8 million to \$344.5 million mainly due to decrease in:

- (i) property, plant and equipment by \$19.7 million, mainly attributed to depreciation and outlets closure;
- (ii) investment property by \$1.5 million from downward foreign exchange revaluation; and
- (iii) deferred tax assets by 1.1 million.

Current assets increased by \$4.2 million or 2.3% from \$179.3 million to \$183.5 million mainly due to increase in cash and cash equivalents by \$17.6 million, offset by decrease in:

- (i) investment securities by \$7.2 million following the divestment of 112 Katong;
- (ii) trade and other receivables by \$4.4 million with improved collection; and
- (iii) prepayments by \$1.5 million.

Current liabilities decreased by \$56.3 million or 21.5% from \$262.3 million to \$206.0 million mainly due to decrease in:

- (i) trade and other payables by \$12.2 million; and
- (ii) short term loans and current portion of long term loans by \$52.0 million;

offset by increase in other current liabilities by \$9.6 million.

Non-current liabilities increased by \$39.4 million or 28.9% from \$136.4 million to \$175.9 million mainly due to the issuance of medium term notes of \$75.0 million, offset by decrease in:

- (i) long term loans by \$33.0 million; and
- (ii) other non-current liabilities by \$2.6 million

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

The Group generated net cash flow from operating activities of \$61.5 million in 9M FY2016, an improvement of \$21.3 million from the \$40.2 million generated in 9M FY2015, a testimony to the underlying strength of the core business.

Net cash flow used in investing activities was \$17.2 million in 9M FY2016, boosted by the \$16.3 million proceeds from divestment of investment securities in January 2016. Cash used in the purchase of property, plant and equipment was \$30.6 million.

Following the successful issuance of \$75.0 million, 3-year medium term notes on 1 April 2016, the Group stepped up its loan repayment momentum. Total repayment of both short-term and long-term borrowings during 9M FY2016 amounted to \$93.9 million. During the period, the Group also paid out \$8.0 million in dividends, related to the 1.0 cents per share final dividend for FY2015, the 1.35 cents per share special dividend declared in 1Q FY2016, as well as the 0.5 cents interim dividend declared in 2Q FY2016. As a result, net cash flow used in financing activities in 9M FY2016 was \$25.0 million.

Overall, the Group generated a net increase in cash and cash equivalents of \$19.3 million in 9M FY2016, ending the period with a cash and cash equivalents of \$112.5 million.

**(D) Segment Information**

|  | <b>Bakery<sup>(1)</sup></b> | <b>Food atrium</b> | <b>Restaurant</b> | <b>Investment</b> | <b>Others<sup>(2)</sup></b> | <b>Elimination</b> | <b>Group</b>          |
|--|-----------------------------|--------------------|-------------------|-------------------|-----------------------------|--------------------|-----------------------|
| <b>YTD Sep 2016</b>                            | \$'000                      | \$'000             | \$'000            | \$'000            | \$'000                      | \$'000             | \$'000                |
| <b>Revenue</b>                                 |                             |                    |                   |                   |                             |                    |                       |
| External sales                                 | 229,240                     | 120,784            | 111,650           | -                 | -                           | -                  | 461,674               |
| Inter-segment sales                            | 371                         | 2,274              | -                 | -                 | -                           | (2,645)            | -                     |
| Total revenue                                  | <u>229,611</u>              | <u>123,058</u>     | <u>111,650</u>    | <u>-</u>          | <u>-</u>                    | <u>(2,645)</u>     | <u>461,674</u>        |
| <b>Results</b>                                 |                             |                    |                   |                   |                             |                    |                       |
| Profit from operations                         | 11,100                      | (9,616)            | 16,382            | 8,422             | (2,355)                     | (1,128)            | 22,805                |
| Interest income                                | 143                         | 297                | 644               | 411               | 813                         | (1,567)            | 741                   |
| Interest expense                               | (1,426)                     | (388)              | (17)              | (2,995)           | (816)                       | 1,065              | (4,577)               |
| Share of associates' results                   | -                           | -                  | -                 | -                 | (573)                       | -                  | (573)                 |
| Share of joint ventures'                       | 567                         | 203                | -                 | -                 | -                           | -                  | 770                   |
| Segment profit                                 | <u>10,384</u>               | <u>(9,504)</u>     | <u>17,009</u>     | <u>5,838</u>      | <u>(2,931)</u>              | <u>(1,630)</u>     | <u>19,166</u>         |
| Tax expense                                    |                             |                    |                   |                   |                             |                    | <u>(7,435)</u>        |
| Profit after tax                               |                             |                    |                   |                   |                             |                    | <u><u>11,731</u></u>  |
| Segment assets                                 | 176,419                     | 102,159            | 105,570           | 92,918            | 208,845                     | (161,297)          | 524,614               |
| Tax recoverable                                |                             |                    |                   |                   |                             |                    | 38                    |
| Deferred tax assets                            |                             |                    |                   |                   |                             |                    | 3,322                 |
| Total Assets                                   |                             |                    |                   |                   |                             |                    | <u><u>527,974</u></u> |
| Segment liabilities                            | 126,973                     | 114,915            | 30,905            | 82,474            | 211,643                     | (197,588)          | 369,322               |
| Tax payable                                    |                             |                    |                   |                   |                             |                    | 8,523                 |
| Deferred tax liabilities                       |                             |                    |                   |                   |                             |                    | 4,011                 |
| Total liabilities                              |                             |                    |                   |                   |                             |                    | <u><u>381,856</u></u> |
| Investment in an associate                     | -                           | -                  | -                 | -                 | 28,420                      | -                  | 28,420                |
| Investment in joint ventures                   | 7,094                       | 635                | -                 | -                 | -                           | -                  | 7,729                 |
| Additions to non-current assets <sup>(3)</sup> | 11,957                      | 9,089              | 4,508             | -                 | 2,081                       | -                  | 27,635                |
| Depreciation & Amortisation                    | 13,382                      | 15,053             | 5,542             | -                 | 2,639                       | -                  | 36,616                |
| Other non-cash expenses                        | 1,215                       | 6,992              | 25                | -                 | 349                         | -                  | 8,581                 |

| <b>YTD Sep 2015</b>                            | <b>Bakery<sup>(1)</sup></b> | <b>Food atrium</b> | <b>Restaurant</b> | <b>Investment</b> | <b>Others<sup>(2)</sup></b> | <b>Elimination</b> | <b>Group</b>   |
|--|-----------------------------|--------------------|-------------------|-------------------|-----------------------------|--------------------|----------------|
|  | <b>\$'000</b>               | <b>\$'000</b>      | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>               | <b>\$'000</b>      | <b>\$'000</b>  |
| <b>Revenue</b>                                 |                             |                    |                   |                   |                             |                    |                |
| External sales                                 | 232,416                     | 130,232            | 106,411           | -                 | -                           | -                  | 469,059        |
| Inter-segment sales                            | 421                         | 2,311              | -                 | -                 | -                           | (2,732)            | -              |
| <b>Total revenue</b>                           | <b>232,837</b>              | <b>132,543</b>     | <b>106,411</b>    | <b>-</b>          | <b>-</b>                    | <b>(2,732)</b>     | <b>469,059</b> |
| <b>Results</b>                                 |                             |                    |                   |                   |                             |                    |                |
| Profit from operations                         | 3,182                       | (627)              | 14,073            | 36                | 1,623                       | (53)               | 18,234         |
| Interest income                                | 144                         | 305                | 416               | 1,166             | 601                         | (740)              | 1,892          |
| Interest expense                               | (344)                       | (613)              | (456)             | (1,277)           | (2,054)                     | 750                | (3,994)        |
| Share of associates' results                   | -                           | -                  | -                 | -                 | (939)                       | -                  | (939)          |
| Share of joint ventures'                       | 223                         | 83                 | -                 | -                 | -                           | -                  | 306            |
| <b>Segment profit</b>                          | <b>3,205</b>                | <b>(852)</b>       | <b>14,033</b>     | <b>(75)</b>       | <b>(769)</b>                | <b>(43)</b>        | <b>15,499</b>  |
| Tax expense                                    |                             |                    |                   |                   |                             |                    | (5,133)        |
| <b>Profit after tax</b>                        |                             |                    |                   |                   |                             |                    | <b>10,366</b>  |
| <br>   |                             |                    |                   |                   |                             |                    |                |
| Segment assets                                 | 186,141                     | 118,009            | 96,426            | 122,261           | 121,981                     | (124,346)          | 520,472        |
| Tax recoverable                                |                             |                    |                   |                   |                             |                    | 53             |
| Deferred tax assets                            |                             |                    |                   |                   |                             |                    | 4,952          |
| <b>Total Assets</b>                            |                             |                    |                   |                   |                             |                    | <b>525,477</b> |
| <br>   |                             |                    |                   |                   |                             |                    |                |
| Segment liabilities                            | 145,274                     | 115,536            | 64,723            | 97,436            | 111,733                     | (141,253)          | 393,449        |
| Tax payable                                    |                             |                    |                   |                   |                             |                    | 5,164          |
| Deferred tax liabilities                       |                             |                    |                   |                   |                             |                    | 2,639          |
| <b>Total liabilities</b>                       |                             |                    |                   |                   |                             |                    | <b>401,252</b> |
| <br>   |                             |                    |                   |                   |                             |                    |                |
| Investment in an associate                     | -                           | -                  | -                 | -                 | 26,442                      | -                  | 26,442         |
| Investment in joint ventures                   | 7,469                       | 319                | -                 | -                 | -                           | -                  | 7,788          |
| Additions to non-current assets <sup>(3)</sup> | 10,928                      | 13,334             | 1,749             | -                 | 496                         | -                  | 26,507         |
| Depreciation & Amortisation                    | 12,837                      | 15,572             | 6,014             | 377               | 2,585                       | -                  | 37,385         |
| Other non-cash expenses                        | 1,183                       | 2,009              | 163               | -                 | 294                         | -                  | 3,649          |

## Geographical Information

|                   | External Sales |                | Non-current assets <sup>(3)</sup> |                |
|-------------------|----------------|----------------|-----------------------------------|----------------|
|                   | 2016           | 2015           | 2016                              | 2015           |
|                   | \$'000         | \$'000         | \$'000                            | \$'000         |
| Singapore         | 251,027        | 245,576        | 131,096                           | 141,971        |
| Mainland China    | 130,931        | 146,678        | 61,413                            | 73,748         |
| Hong Kong         | 52,093         | 55,832         | 13,834                            | 13,461         |
| Rest of the world | 27,623         | 20,973         | 8,504                             | 12,228         |
|                   | <u>461,674</u> | <u>469,059</u> | <u>214,847</u>                    | <u>241,408</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 Group has embarked on a consolidation path in its business, especially in China, in view of a still challenging food and beverage retail environment in that market.

With its efforts in tightening cost controls and improving its supply chain operations having borne fruits, the Bakery Division has also commenced the review of its existing franchise portfolio with the aim to consolidate its operations and position the franchise business for future expansion.

The under-performance situation at the Food Atrium Division has largely come under control, with a clear turnaround plan in place. New outlets openings to be committed over the next 12 months will largely be focused on key cities where we have existing strong operating track record and capital expenditures on such outlets will be more stringently controlled to shorten the payback period.

Restaurant Division continues to see steady performance. It will also explore new opportunities for growth both in existing and new markets.

### 11. Dividend

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

Any dividend recommended for the current financial period reported on? No

#### (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

Not applicable

#### (d) Books closure date

Not applicable

### 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<br>- Purchase of artwork             | 323   | Not applicable - the Group does not have a shareholders' mandate under Rule 920   |
| (2) Kung Fu Kitchen<br>- Food court rental income/miscellaneous charges | 474   |   |

**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 third quarter and period ended 30 September 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  
2 November 2016