

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 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 year ended 31 December 2016. The figures presented below have not been audited.

	Group			Group		
	4Q 2016	4Q 2015	Increase/ (Decrease)	FY 2016	FY 2015	Increase/ (Decrease)
	\$'000	\$'000		\$'000	\$'000	
Revenue	153,321	155,090	-1.1%	614,995	624,149	-1.5%
Cost of sales	<u>(67,816)</u>	<u>(72,277)</u>	-6.2%	<u>(277,508)</u>	<u>(293,916)</u>	-5.6%
Gross profit	85,505	82,813	3.3%	337,487	330,233	2.2%
Other income	8,995	2,015	346.4%	33,786	16,279	107.5%
Interest income	421	2,113	-80.1%	1,162	4,005	-71.0%
Distribution and selling expenses	(69,419)	(62,221)	11.6%	(256,396)	(248,415)	3.2%
Administrative expenses	(12,571)	(12,843)	-2.1%	(79,562)	(70,099)	13.5%
Interest expense	<u>(1,354)</u>	<u>(1,328)</u>	2.0%	<u>(5,931)</u>	<u>(5,322)</u>	11.4%
Profit before tax and share of results of joint ventures	11,577	10,549	9.7%	30,546	26,681	14.5%
Share of results of associates	(1,387)	(994)	39.5%	(1,960)	(1,933)	1.4%
Share of results of joint ventures	<u>360</u>	<u>322</u>	11.8%	<u>1,130</u>	<u>628</u>	79.9%
Profit before tax	10,550	9,877	6.8%	29,716	25,376	17.1%
Taxation	<u>(4,684)</u>	<u>(5,635)</u>	-16.9%	<u>(12,119)</u>	<u>(10,768)</u>	12.5%
Profit after tax	<u>5,866</u>	<u>4,242</u>	38.3%	<u>17,597</u>	<u>14,608</u>	20.5%
Attributable to:						
Shareholders of the Company	4,430	1,146	286.6%	11,436	7,602	50.4%
Non-controlling interests	<u>1,436</u>	<u>3,096</u>	-53.6%	<u>6,161</u>	<u>7,006</u>	-12.1%
	<u>5,866</u>	<u>4,242</u>	38.3%	<u>17,597</u>	<u>14,608</u>	20.5%
Other comprehensive income:						
Foreign currency translation	<u>1,192</u>	<u>(995)</u>	N.M	<u>(594)</u>	<u>1,571</u>	N.M
Other comprehensive (loss) income for the period, net of tax	<u>1,192</u>	<u>(995)</u>	N.M	<u>(594)</u>	<u>1,571</u>	N.M
Total comprehensive income for the period	<u>7,058</u>	<u>3,247</u>	117.4%	<u>17,003</u>	<u>16,179</u>	5.1%
Attributable to:						
Shareholders of the Company	5,622	151	N.M	10,842	9,173	18.2%
Non-controlling interests	<u>1,436</u>	<u>3,096</u>	-53.6%	<u>6,161</u>	<u>7,006</u>	-12.1%
	<u>7,058</u>	<u>3,247</u>	117.4%	<u>17,003</u>	<u>16,179</u>	5.1%

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		
	4Q 2016	4Q 2015	Increase/ (Decrease)	FY 2016	FY 2015	Increase/ (Decrease)
	\$'000	\$'000		\$'000	\$'000	
Depreciation and amortisation	11,691	12,199	-4.2%	48,307	49,584	-2.6%
Foreign exchange (gain)/loss, net	(586)	682	N.M.	604	575	5.0%
Fair value gain in investment property	(2)	(628)	-99.7%	(2)	(628)	-99.7%
Gain on divestment of investment securities	-	-	N.M.	(8,841)	-	N.M.
Government grant	(150)	(271)	-44.6%	(3,899)	(2,374)	64.2%
Impairment on investment securities	41	21	95.2%	208	21	890.5%
Impairment/(Write back) of loan and receivables						
- trade receivables	-	(283)	N.M.	(181)	91	N.M.
- other receivables	(275)	200	N.M.	87	277	-68.6%
Impairment loss on goodwill	-	1,009	N.M.	-	1,009	N.M.
Impairment loss on plant and equipment	779	1,048	-25.7%	779	1,048	-25.7%
Inventories written off	113	35	222.9%	102	131	-22.1%
(Gain)/loss on disposal of property, plant and equipment	(324)	(84)	285.7%	1,438	165	771.5%
Operating lease expenses	34,700	36,810	-5.7%	145,809	147,780	-1.3%
Personnel expenses	47,772	40,233	18.7%	187,702	167,817	11.8%
Property, plant and equipment written off (Note 1)	232	659	-64.8%	6,586	3,217	104.7%
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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	180,663	205,696	71,252	72,593
Investment property	22,984	24,053	-	-
Intangible assets	6,433	6,903	-	-
Investment securities	72,878	90,309	825	1,000
Investment in subsidiaries	-	-	21,158	24,206
Investment in associates	27,033	26,322	-	-
Investment in joint ventures	8,234	7,553	-	-
Other receivables	22	546	-	-
Due from related corporations	-	-	29,906	-
Deferred tax assets	2,749	4,444	-	-
	<u>320,996</u>	<u>365,826</u>	<u>123,141</u>	<u>97,799</u>

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
Current assets				
Investment securities	17,222	7,224	-	-
Inventories	9,806	9,878	-	-
Trade and other receivables	59,243	60,039	4,269	336
Prepayments	4,858	5,726	123	116
Due from related corporations	1,094	1,046	61,885	32,999
Amount due from minority shareholders of subsidiaries (non-trade)	509	506	-	-
Cash and cash equivalents	120,589	94,896	8,486	2,516
	<u>213,321</u>	<u>179,315</u>	<u>74,763</u>	<u>35,967</u>
Current liabilities				
Trade and other payables	86,818	94,123	1,955	1,553
Other liabilities	71,400	57,544	3,971	2,042
Provision for reinstatement cost	14,417	15,002	27	25
Due to related corporations	3,903	4,522	30,674	32,084
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	7,215	38,321	-	10,000
Current portion of long-term loans	24,238	43,679	4,122	4,122
Tax payable	9,854	8,879	551	180
	<u>218,045</u>	<u>262,270</u>	<u>41,300</u>	<u>50,006</u>
Net current (liabilities)/assets	(4,724)	(82,955)	33,463	(14,039)
Non-current liabilities				
Long-term loans	74,857	119,685	39,798	43,920
Notes payables	75,000	-	75,000	-
Loan from a minority shareholder of a subsidiary	549	538	-	-
Other liabilities	9,597	12,282	-	-
Deferred tax liabilities	4,324	3,942	1,791	1,103
	<u>164,327</u>	<u>136,447</u>	<u>116,589</u>	<u>45,023</u>
Net assets	<u>151,945</u>	<u>146,424</u>	<u>40,015</u>	<u>38,737</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(587)	(378)	(587)	(378)
Accumulated profits	93,966	90,545	6,779	5,375
Other reserves	5,328	5,728	520	437
	<u>132,010</u>	<u>129,198</u>	<u>40,015</u>	<u>38,737</u>
Non-controlling interests	19,935	17,226	-	-
Total equity	<u>151,945</u>	<u>146,424</u>	<u>40,015</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 31.12.2016	
Secured	Unsecured
\$'000	\$'000
19,456	12,197

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

Amount repayable after one year

As at 31.12.2016	
Secured	Unsecured
\$'000	\$'000
71,350	79,056

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

Details of any collateral

- (1) As at 31 December 2016, a total amount of \$91.3 million of the Group's bank borrowings are unsecured.
- (2) The remaining bank loans are secured by the following:
 - a closed legal mortgage in favour of the bank over the property at Private Lot A0135906 at Plot 1A, Tai Seng Street in Paya Lebar Industrial Estate;
 - certain investment securities.
 - certain machineries and equipment

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	4Q 2016	4Q 2015	FY 2016	FY 2015
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	10,550	9,877	29,716	25,376
Adjustments for:				
Amortisation of intangible assets	146	208	514	571
Allowance for inventory obsolescence	-	168	-	168
Bad debts written off	1,565	-	1,565	-
Depreciation of property, plant and equipment	11,545	11,991	47,793	49,013
Fair value gain on investment property	(2)	(628)	(2)	(628)
Gain on divestment of investment securities	-	-	(8,841)	-
(Gain)/loss on disposal of property, plant and equipment	(324)	(84)	1,438	165
Write off of intangible assets	-	-	133	-
Impairment loss on goodwill	-	1,009	-	1,009
Impairment loss on property, plant and equipment	779	1,048	779	1,048
Impairment loss on investment securities	41	(3)	208	21
Interest expense	1,354	1,328	5,931	5,322
Interest income	(421)	(2,113)	(1,162)	(4,005)
Inventories written off	113	35	102	131
Property, plant and equipment written off	232	659	6,586	3,217
Share based payment expenses	2	(235)	164	59
Share of results of associates	1,387	994	1,960	1,933
Share of results of joint ventures	(360)	(322)	(1,130)	(628)
(Write back)/impairment loss on trade receivables	-	(283)	(181)	91
(Write back)/impairment loss on other receivables	(275)	200	87	277
Write back of provision for reinstatement cost	(241)	(27)	(292)	(35)
Exchange differences	(1,781)	1,861	2,687	(215)
Operating cash flow before working capital changes	24,310	25,683	88,055	82,890

	Group		Group	
	4Q 2016 \$'000	4Q 2015 \$'000	FY 2016 \$'000	FY 2015 \$'000
(Increase)/decrease in:				
Inventories	(82)	273	(29)	452
Trade and other receivables	(4,744)	3,494	(421)	(1,916)
Prepayments	(589)	(1,515)	868	57
Amount due from joint ventures (trade)	(89)	(179)	(189)	(79)
Amount due from associate (trade)	2	7	2	-
Increase/(decrease) in:				
Trade and other payables	5,917	3,525	(2,731)	(995)
Other liabilities	4,721	(6,333)	12,456	(6,728)
Amount due to a joint venture (trade)	403	182	279	(369)
Cash generated from operations	29,849	25,137	98,290	73,312
Tax paid	(2,407)	(133)	(9,100)	(6,850)
Net cash flow from operating activities	27,442	25,004	89,190	66,462
Cash flows from investing activities				
Interest income received	288	483	1,162	2,507
Dividends received from a joint venture	-	449	363	1,189
Dividends received from an associate	-	-	98	-
Purchase of property, plant and equipment	(6,645)	(8,773)	(37,285)	(37,569)
Proceeds from disposal of property, plant and equipment	560	72	616	89
Additions to intangible assets	(320)	(371)	(375)	(795)
Cash paid for reinstatement expenses	(423)	(85)	(2,339)	(366)
Amount due from joint ventures (non-trade)	(322)	(214)	140	224
Amount due to joint ventures (non-trade)	(45)	(62)	(59)	(118)
Amount due to associates (non-trade)	(55)	1,106	(838)	(158)
Investment in an associate	-	(845)	(2,769)	(2,507)
Proceeds from divestment of investment securities	-	-	16,334	-
Purchase of investment securities	-	(1,000)	-	(11,875)
Subscription of junior bonds	-	-	-	(8,496)
Net cash flow (used in) investing activities	(6,962)	(9,240)	(24,952)	(57,875)
Cash flows from financing activities				
Interest paid	(1,354)	(1,327)	(5,931)	(5,321)
Dividends paid to minority shareholders of a subsidiary	(1,640)	(3,559)	(1,640)	(3,559)
Dividends paid to shareholders of the company	-	-	(8,015)	(4,228)
Loan due to minority shareholder	30	62	11	62
Purchase of treasury shares	(133)	-	(830)	(651)
Proceeds from short-term loans	2,701	149	8,039	32,167
Repayment of short-term loans	(5,033)	(3,725)	(39,407)	(26,423)
Proceeds from long-term loans	9	186	3,602	19,939
Proceeds from term notes	-	-	75,000	-
Repayment of long-term loans	(8,329)	(4,771)	(67,839)	(22,086)
Capital contribution from non-controlling interests	-	-	-	150
Acquisition of non-controlling interests	-	-	(1,163)	(16)
Net cash flow (used in) from financing activities	(13,749)	(12,985)	(38,173)	(9,966)
Net increase in cash and cash equivalents	6,731	2,779	26,065	(1,379)
Effect of exchange rate changes on cash and cash equivalents	1,361	(738)	(372)	823
Cash and cash equivalents at beginning of financial period	112,497	92,855	94,896	95,452
Cash and cash equivalents at end of financial period	120,589	94,896	120,589	94,896

Note A: Cash and cash equivalents comprise:

	Group	
	31.12.2016 \$'000	31.12.2015 \$'000
Cash on hand and at bank	115,572	94,890
Short term FD	5,017	6
	<u>120,589</u>	<u>94,896</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

Attributable to Shareholders of the Company

Group	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2016	33,303	(378)	90,545	5,728	129,198	17,226	146,424
Profit for the period	-	-	7,006	-	7,006	4,725	11,731
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	(1,786)	(1,786)	-	(1,786)
Total other comprehensive income, net of tax	-	-	-	(1,786)	(1,786)	-	(1,786)
Total comprehensive income for the period	-	-	7,006	(1,786)	5,220	4,725	9,945
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	162	162	-	162
Dividends paid	-	-	(8,015)	-	(8,015)	-	(8,015)
Purchase of treasury shares	-	(697)	-	-	(697)	-	(697)
Treasury shares transferred on vesting of restricted share grant	-	81	-	(81)	-	-	-
Total contributions by and distributions to owners	-	(616)	(8,015)	81	(8,550)	-	(8,550)
<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)
Total changes in ownership interests in a subsidiary	-	-	-	111	111	(1,812)	(1,701)
Balance at 30 September 2016	33,303	(994)	89,536	4,134	125,979	20,139	146,118
Profit for the period	-	-	4,430	-	4,430	1,436	5,866
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	1,192	1,192	-	1,192
Total other comprehensive income, net of tax	-	-	-	1,192	1,192	-	1,192
Total comprehensive income for the period	-	-	4,430	1,192	5,622	1,436	7,058
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	2	2	-	2
Dividends paid	-	-	-	-	-	(1,640)	(1,640)
Purchase of treasury shares	-	(133)	-	-	(133)	-	(133)
Total contributions by and distributions to owners	-	(133)	-	2	(131)	(1,640)	(1,771)
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	540	-	-	540	-	540
Total changes in ownership interests in a subsidiary	-	540	-	-	540	-	540
Balance at 31 December 2016	33,303	(587)	93,966	5,328	132,010	19,935	151,945

Group	Attributable to Shareholders of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000			
Balance at 1 January 2015	33,303	(3)	87,261	4,687	125,248	13,242	138,490
Profit for the period	-	-	6,456	-	6,456	3,910	10,366
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	2,566	2,566	-	2,566
Total other comprehensive income, net of tax	-	-	-	2,566	2,566	-	2,566
Total comprehensive income for the period	-	-	6,456	2,566	9,022	3,910	12,932
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserves	-	-	(95)	95	-	-	-
Share-based payments	-	-	-	294	294	-	294
Dividends paid	-	-	(4,228)	-	(4,228)	-	(4,228)
Purchase of treasury shares	-	(651)	-	-	(651)	-	(651)
Treasury shares transferred on vesting of restricted share grant	-	276	-	(276)	-	-	-
Total contributions by and distributions to owners	-	(375)	(4,323)	113	(4,585)	-	(4,585)
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	150	150
Acquisition of non-controlling interests without a change in control	-	-	-	(403)	(403)	387	(16)
Total changes in ownership interests in a subsidiary	-	-	-	(403)	(403)	537	134
Balance at 30 September 2015	33,303	(378)	89,394	6,963	129,282	17,689	146,971
Profit for the period	-	-	1,146	-	1,146	3,096	4,242
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(995)	(995)	-	(995)
Total other comprehensive income, net of tax	-	-	-	(995)	(995)	-	(995)
Total comprehensive income for the period	-	-	1,146	(995)	151	3,096	3,247
<u>Contributions by and distributions to owners</u>							
Transfer to statutory reserves	-	-	5	(5)	-	-	-
Share-based payments	-	-	-	(235)	(235)	-	(235)
Dividends paid	-	-	-	-	-	(3,559)	(3,559)
Purchase of treasury shares	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	5	(240)	(235)	(3,559)	(3,794)
Balance at 31 December 2015	33,303	(378)	90,545	5,728	129,198	17,226	146,424

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits (losses) \$'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	-	-	6,561	-	6,561
Total comprehensive income for the period	-	-	6,561	-	6,561
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	162	162
Dividend paid	-	-	(8,015)	-	(8,015)
Purchase of treasury shares	-	(697)	-	-	(697)
Treasury shares transferred on vesting of restricted share grant	-	81	-	(81)	-
Total contributions by and distributions to owners	-	(616)	(8,015)	81	(8,550)
Balance at 30 September 2016	33,303	(994)	3,921	518	36,748
Profit for the period	-	-	2,858	-	2,858
Total comprehensive income for the period	-	-	2,858	-	2,858
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	2	2
Purchase of treasury shares	-	(133)	-	-	(133)
Treasury shares transferred on acquisition	-	540	-	-	540
Total contributions by and distributions to owners	-	407	-	2	409
Balance at 31 December 2016	33,303	(587)	6,779	520	40,015

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

Note B: Other reserves

	Group		Company	
	31.12.2016 \$'000	31.12.2015 \$'000	31.12.2016 \$'000	31.12.2015 \$'000
Statutory reserve fund	2,954	2,954	-	-
Translation reserve	3,295	3,889	-	-
Fair value adjustment reserve	-	-	-	-
Capital reserve	177	177	177	177
Share based compensation reserve	343	260	343	260
Premium on acquisition of non-controlling interests	(1,441)	(1,552)	-	-
	5,328	5,728	520	437

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

There were no changes in the share capital of the Company in 4Q 2016.

There were a total of 579,060 treasury shares held as at 31 December 2016 (31 December 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 31 December 2016, the Company's issued and paid up capital, excluding 579,060 (31 December 2015: 337,570) treasury shares held, comprises 281,314,178 (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			
	4Q 2016	4Q 2015	FY 2016	FY 2015
Balance at beginning of financial period	1,079,060	337,570	337,570	3,090
Purchase of treasury shares	-	-	816,400	534,400
Treasury shares transferred on vesting of restricted share grant	-	-	(74,910)	(199,920)
Treasury shares transferred on acquisition of non controlling interest	(500,000)	-	(500,000)	-
Balance at end of financial period	<u>579,060</u>	<u>337,570</u>	<u>579,060</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	
	4Q 2016	4Q 2015	FY 2016	FY 2015
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.57 cents	0.41 cent	4.07 cents	2.70 cents
Weighted average number of ordinary shares	281,314,178	281,555,668	281,300,341	281,734,128
(b) On a fully diluted basis	1.57 cents	0.41 cent	4.06 cents	2.69 cents
Adjusted weighted average number of ordinary shares	281,425,718	282,258,038	281,411,716	282,407,801

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

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset value per ordinary share based on issued share capital as at the end of period	54.0 cents	52.0 cents	14.2 cents	13.8 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2016 is computed based on the total number of issued shares (excluding 579,060 treasury shares) of 281,314,178 (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 FY2016 declined marginally by 1.5% Y/Y from \$624.1 million to \$615.0 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 7.8% Y/Y to \$83.6 million with EBITDA margin improving to 13.6% (FY2015: 12.4%). Profit After Tax and Minority Interests ("PATMI") for FY2016 improved 50.4% from \$7.6 million to \$11.4 million. PATMI margin rose to 1.9% (FY2015: 1.2%).

In line with the consolidation strategy of the Bakery Division, revenue declined slightly by 0.7% Y/Y to \$305.9 million for FY2016, while EBITDA for the Division rose 35.5% Y/Y to \$30.3 million. EBITDA margin also improved to 9.9% (FY2015: 7.3%) 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 as well as our International franchise business. Outlet count stood at 862, unchanged Y/Y, but with greater proportion of franchise outlets.

Food Atrium revenue declined 8.2% Y/Y to \$158.9 million. Same store sales growth remained healthy in Singapore with recovery in Thailand. While same store sales declined across our China outlets during the year, meaningful recovery was observed during 2H FY2016. At the end of FY2016, the Division operated 57 outlets, following the opening of 2 new outlets (both in Shanghai) and closure of 10 outlets (5 of which, were premature closures in Mainland China) during the year. As a result, FY2016 EBITDA declined 31.8% Y/Y to \$12.2 million with EBITDA margin lower at 7.7% (FY2015: 10.3%).

Restaurant Division delivered 4.9% revenue growth Y/Y to \$150.2 million, as same store sales growth momentum continues, recovery at Ramen Play and higher contribution from Din Tai Fung Thailand. Total outlets for FY2016 stands at 32, attributed to 3 new opening and 1 closure of Din Tai Fung outlets in Singapore during the year. FY2016 EBITDA was 9.9% lower Y/Y to \$30.5 million on mainly on higher staff cost with EBITDA margin at 20.3% (FY2015: 23.7%).

Interest income decreased by \$2.8 million primarily due to lower return on investment securities, while interest expense increased slightly by \$0.6 million, mainly due to higher average interest cost, partly mitigated by repayment of outstanding borrowings.

Earnings per share (EPS) on a fully diluted basis was 4.06 cents for FY2016 compared to 2.69 cents for FY2015. Net asset value (NAV) per share was 54.0 cents as at 31 December 2016 compared to 52.0 cents as at 31 December 2015.

Number of outlets including franchise under the Group:

	31.12.2016	31.12.2015	Net increase / (decrease)
Bakery	862	862	0.0%
- Direct operated stores	260	266	-2.3%
- Franchise	602	596	1.0%
Food Atrium	57	65	-12.3%
Restaurant	32	30	6.7%

(B) Balance Sheet

As at 31 December 2016,

Non-current assets declined by \$44.8 million or 12.2% from \$365.8 million to \$321.0 million mainly due to decrease in:

- (i) property, plant and equipment by \$25.0 million, mainly attributed to depreciation and outlets closure;
- (ii) investment securities by \$17.2 million following the reclassification of investment in TripleOne Somerset from non-current to current in view of the divestment in FY2017;
- (iii) investment property by \$1.1 million from downward foreign exchange revaluation; and
- (iv) deferred tax assets by 1.7 million.

Current assets increased by \$34.0 million or 19.0% from \$179.3 million to \$213.3 million mainly due to increase in:

- (i) cash and cash equivalents by \$25.7 million;
- (ii) investment securities by \$17.2 million following the reclassification of investment in TripleOne Somerset from non-current to current in view of the divestment in FY2017;

offset by a decrease in:

- (i) investment securities by \$7.2 million following the divestment of 112 Katong; and
- (ii) prepayments by \$0.9 million.

Current liabilities decreased by \$44.3 million or 16.9% from \$262.3 million to \$218.0 million mainly due to decrease in:

- (i) trade and other payables by \$7.3 million; and
- (ii) short term loans and current portion of long term loans by \$50.5 million;

offset by increase in other current liabilities by \$13.6 million.

Non-current liabilities increased by \$27.9 million or 20.5% from \$136.4 million to \$164.3 million mainly due to the issuance of medium term notes of \$75.0 million, offset by decrease in:

- (i) long term loans by \$44.8 million; and
- (ii) other non-current liabilities by \$2.3 million.

(C) Cash Flow Statement

The Group generated net cash flow from operating activities of \$89.2 million in FY2016, an improvement of \$22.7 million from the \$66.5 million generated in FY2015, a reflection of the strong cash generating ability of the underlying core business.

Net cash flow used in investing activities was \$25.0 million in FY2016, significantly lower than the \$57.9 million used in FY2015, 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 \$37.3 million, slightly lower than FY2015.

The Group has been disciplined in paring down its debt over the course of the year. FY2016 saw a net repayment of both short-term and long-term bank borrowings of \$95.6 million, compared to the net drawdown of both short-term and long-term bank borrowings of \$3.6 million in FY2015. The accelerated pace of loan repayment resulted in a net cash flow used in financing activities of \$38.2 million in FY2016 compared to \$10.0 million in FY2015.

Overall, the Group generated a net increase in cash and cash equivalents of \$26.1 million in FY2016, ending the period with a cash and cash equivalents of \$120.6 million.

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 efforts that the Group has invested in to streamline our operations, better manage our supply chain and control cost have seen initial payoffs with the earnings recovery witnessed over the past few quarters.

Apart from continuing to drive higher same store sales growth in its existing direct operated stores, the Bakery Division has 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 at the Food Atrium Division has largely come under control. The team has put in place key action plans to reduce outlet stall vacancy, improve our tenant mix and profile, as well as drive same store sales growth. New outlets slated for opening in FY2017 will also be situated in cities where we already have strong operating track record, with capital expenditures being more stringently controlled to ensure the desired payback periods are achieved.

Restaurant Division continues to see steady performance at Din Tai Fung Singapore and Thailand. However, we expect to incur some pre-opening cost as we work on the opening of our first Din Tai Fung outlet in the United Kingdom.

On the back of the consolidation strategy that the Group is pursuing, focusing on earnings quality in the form of profitability and better margins, the Group believes we are well positioned to navigate the still challenging food and beverage retail landscape in FY2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of dividend	Interim (Special)	Interim	Final
Dividend type	Cash	Cash	Cash
Dividend amount per ordinary share	1.35 Singapore cent (tax exempt one-tier)	0.5 Singapore cent (tax exempt one-tier)	2.0 Singapore cent (tax exempt one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

15 June 2017, subject to shareholders' approval at the upcoming Annual General Meeting on 20 April 2017.

(d) Books closure date

1 June 2017.

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	426	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	631	

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

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

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

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

(a) By Business Segments

	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
YTD Dec 2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	305,855	158,910	150,230	-	-	-	614,995
Inter-segment sales	1,445	2,103	-	-	-	(3,548)	-
Total revenue	307,300	161,013	150,230	-	-	(3,548)	614,995
Results							
Profit from operations	12,585	(7,450)	23,195	8,915	(1,103)	(827)	35,315
Interest income	87	409	878	791	1,211	(2,214)	1,162
Interest expense	(1,908)	(376)	(20)	(4,144)	(1,025)	1,542	(5,931)
Share of associates' results	-	-	-	-	(1,960)	-	(1,960)
Share of joint ventures'	887	243	-	-	-	-	1,130
Segment profit	11,651	(7,174)	24,053	5,562	(2,877)	(1,499)	29,716
Tax expense							(12,119)
Profit after tax							17,597
Segment assets	180,956	106,028	111,692	92,204	189,716	(149,028)	531,568
Deferred tax assets							2,749
Total Assets							534,317
Segment liabilities	127,013	120,170	34,892	84,173	158,083	(156,137)	368,194
Tax payable							9,854
Deferred tax liabilities							4,324
Total liabilities							382,372
Investment in an associate	-	-	-	-	27,033	-	27,033
Investment in joint ventures	7,574	660	-	-	-	-	8,234
Additions to non-current assets ⁽³⁾	15,884	10,296	5,216	-	2,173	-	33,569
Depreciation & Amortisation	17,719	19,644	7,351	-	3,593	-	48,307
Other non-cash expenses	1,629	8,413	78	-	165	-	10,285

YTD Dec 2015	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	307,902	173,097	143,150	-	-	-	624,149
Inter-segment sales	529	3,156	-	-	-	(3,685)	-
Total revenue	<u>308,431</u>	<u>176,253</u>	<u>143,150</u>	<u>-</u>	<u>-</u>	<u>(3,685)</u>	<u>624,149</u>
Results							
Profit from operations	5,148	(2,884)	25,815	(15)	(135)	69	27,998
Interest income	176	419	613	3,211	618	(1,032)	4,005
Interest expense	(452)	(750)	(467)	(1,793)	(2,906)	1,046	(5,322)
Share of associates' results	-	-	-	(29)	(1,904)	-	(1,933)
Share of joint ventures'	434	194	-	-	-	-	628
Segment profit	<u>5,306</u>	<u>(3,021)</u>	<u>25,961</u>	<u>1,374</u>	<u>(4,327)</u>	<u>83</u>	<u>25,376</u>
Tax expense							<u>(10,768)</u>
Profit after tax							<u><u>14,608</u></u>
Segment assets	185,310	117,267	96,076	124,753	127,271	(109,980)	540,697
Tax recoverable							4,444
Deferred tax assets							<u>4,444</u>
Total Assets							<u><u>545,141</u></u>
Segment liabilities	136,455	119,448	33,726	98,075	143,812	(145,620)	385,896
Tax payable							8,879
Deferred tax liabilities							3,942
Total liabilities							<u><u>398,717</u></u>
Investment in an associate	-	-	-	22,685	3,637	-	26,322
Investment in joint ventures	7,119	434	-	-	-	-	7,553
Additions to non-current assets ⁽³⁾	16,585	15,546	5,052	-	879	-	38,062
Depreciation & Amortisation	17,214	20,759	8,086	-	3,525	-	49,584
Other non-cash expenses	1,446	2,344	734	-	1,069	-	5,593

(b) By Geographical Segments

	External Sales		Non-current assets ⁽³⁾	
	FY 2016 \$'000	FY 2015 \$'000	FY 2016 \$'000	FY 2015 \$'000
Singapore	336,481	329,983	127,865	138,108
Mainland China	174,530	192,077	62,205	72,313
Hong Kong	66,385	74,155	12,676	14,243
Rest of the world	37,599	27,934	7,334	11,988
	<u>614,995</u>	<u>624,149</u>	<u>210,080</u>	<u>236,652</u>

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

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

(3) Non-current assets information presented above consist of property, plant and equipment, investment property and intangible assets.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to section 8 for details.

16. Breakdown of revenue and profit after tax

	Group		
	FY 2016 \$'000	FY 2015 \$'000	Increase (%)
(a) Sales reported for first half year	304,330	307,335	-1.0%
(b) Operating profit after tax before deducting minority interests reported for first half year	6,377	6,963	-8.4%
(c) Sales reported for second half year	310,665	316,814	-1.9%
(d) Operating profit after tax before deducting minority interests reported for second half year	11,220	7,645	46.8%

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

Annual Dividend (in \$ million)	FY 2016	FY 2015
Ordinary dividend		
- Interim	1.4	1.4
- Final #	5.6	2.8
Special dividend	3.8	-
Total:	10.8	4.2

2016 final dividend is estimated based on number of shares (excluding treasury shares) outstanding as at the end of the financial year.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Frankie Quek Sw ee Heng	50	Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder)	Country CEO (ASEAN) with effect from 15 October 2013, responsible for Administration, Legal and R&D matters of operations in ASEAN	NA

BY ORDER OF THE BOARD

Ms. Shirley Tan Sey Liy
 Company Secretary
 22 February 2017