

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The First Quarter Ended 31 March 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

The Board of Directors of BreadTalk Group Limited is pleased to announce the consolidated results of the Group for the first quarter ended 31 March 2017. The figures presented below have not been audited.

	Group		Increase/ (Decrease)
	1Q 2017 \$'000	1Q 2016 \$'000	
Revenue	147,626	154,563	-4.5%
Cost of sales	<u>(66,675)</u>	<u>(73,491)</u>	-9.3%
Gross profit	80,951	81,072	-0.1%
Other income	15,204	14,329	6.1%
Interest income	417	240	73.8%
Distribution and selling expenses	(59,787)	(64,908)	-7.9%
Administrative expenses	(20,790)	(23,340)	-10.9%
Interest expense	(1,371)	(1,364)	0.5%
Profit before tax and share of results of joint ventures	<u>14,624</u>	<u>6,029</u>	142.6%
Share of results of associates	190	(453)	N.M
Share of results of joint ventures	<u>189</u>	<u>121</u>	56.2%
Profit before tax	15,003	5,697	163.3%
Taxation	<u>(2,570)</u>	<u>(2,284)</u>	12.5%
Profit after tax	<u><u>12,433</u></u>	<u><u>3,413</u></u>	264.3%
Attributable to:			
Shareholders of the Company	10,690	2,445	337.2%
Non-controlling interests	<u>1,743</u>	<u>968</u>	80.1%
	<u><u>12,433</u></u>	<u><u>3,413</u></u>	264.3%
Other comprehensive income:			
Net gain on available-for-sale financial assets	11	18	-38.9%
Foreign currency translation	(997)	(1,616)	-38.3%
Other comprehensive (loss) income for the period, net of tax	<u>(986)</u>	<u>(1,598)</u>	-38.3%
Total comprehensive income for the period	<u><u>11,447</u></u>	<u><u>1,815</u></u>	530.7%
Attributable to:			
Shareholders of the Company	9,704	847	N.M
Non-controlling interests	<u>1,743</u>	<u>968</u>	80.1%
	<u><u>11,447</u></u>	<u><u>1,815</u></u>	530.7%

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

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

	Group		
	1Q 2017	1Q 2016	Increase/ (Decrease)
	\$'000	\$'000	
Depreciation and amortisation	10,641	12,811	-16.9%
Foreign exchange (gain)/loss, net	636	939	-32.3%
(Gain)/loss on disposal of property, plant and equipment	(1,771)	62	N.M.
Gain on divestment of investment securities	(8,601)	(8,522)	0.9%
Government grant	(838)	(1,627)	-48.5%
Impairment/(Write back) of loan and receivables			
- trade receivables	41	-	N.M.
- other receivables	86	-	N.M.
Intangible assets written off	-	133	N.M.
Operating lease expenses	35,263	37,898	-7.0%
Personnel expenses	47,205	52,364	-9.9%
Property, plant and equipment written off (Note 1)	294	586	-49.8%

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	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	173,938	180,663	70,619	71,252
Investment property	22,388	22,984	-	-
Intangible assets	6,326	6,433	-	-
Investment securities	72,889	72,878	825	825
Investment in subsidiaries	-	-	24,311	24,296
Investment in associates	28,647	27,033	-	-
Investment in joint ventures	8,336	8,234	-	-
Other receivables	3,160	1,413	-	-
Due from related corporations	-	-	37,017	26,768
Deferred tax assets	2,719	2,749	-	-
	<u>318,403</u>	<u>322,387</u>	<u>132,772</u>	<u>123,141</u>
Current assets				
Investment securities	-	17,222	-	-
Inventories	9,980	9,806	-	-
Trade and other receivables	75,920	57,472	2,758	4,269
Prepayments	5,578	4,824	116	123
Due from related corporations	1,154	1,094	76,012	61,885
Amount due from minority shareholders of subsidiaries (non-trade)	521	509	-	-
Cash and cash equivalents	109,155	120,589	3,190	8,486
	<u>202,308</u>	<u>211,516</u>	<u>82,076</u>	<u>74,763</u>
Current liabilities				
Trade and other payables	76,943	86,404	982	1,955
Other liabilities	69,303	69,612	5,197	3,971
Provision for reinstatement cost	16,045	14,417	27	27
Due to related corporations	3,277	3,903	47,166	30,674
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	8,703	7,215	-	-
Current portion of long-term loans	20,938	24,238	4,122	4,122
Tax payable	11,345	9,854	851	551
	<u>206,754</u>	<u>215,843</u>	<u>58,345</u>	<u>41,300</u>
Net current (liabilities)/assets	(4,446)	(4,327)	23,731	33,463
Non-current liabilities				
Long-term loans	61,397	74,857	38,768	39,798
Notes payables	75,000	75,000	75,000	75,000
Loan from a minority shareholder of a subsidiary	531	549	-	-
Other liabilities	9,374	11,385	-	-
Deferred tax liabilities	4,235	4,324	1,791	1,791
	<u>150,537</u>	<u>166,115</u>	<u>115,559</u>	<u>116,589</u>
Net assets	<u>163,420</u>	<u>151,945</u>	<u>40,944</u>	<u>40,015</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(587)	(587)	(587)	(587)
Accumulated profits	104,656	93,966	7,678	6,779
Other reserves	4,372	5,328	550	520
	<u>141,744</u>	<u>132,010</u>	<u>40,944</u>	<u>40,015</u>
Non-controlling interests	21,676	19,935	-	-
Total equity	<u>163,420</u>	<u>151,945</u>	<u>40,944</u>	<u>40,015</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 31.3.2017		
Secured		Unsecured
\$'000		\$'000
19,582		10,259

As at 31.12.2016		
Secured		Unsecured
\$'000		\$'000
19,456		12,197

Amount repayable after one year

As at 31.3.2017		
Secured		Unsecured
\$'000		\$'000
58,085		78,843

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

Details of any collateral

- (1) As at 31 March 2017, a total amount of \$89.1 million of the Group's bank borrowings are unsecured.
- (2) The remaining bank loans are secured by the following:
 - a closed legal mortgage in favour of the bank over the property at Private Lot A0135906 at Plot 1A, Tai Seng Street in Paya Lebar Industrial Estate;
 - certain investment securities.
 - certain machineries and equipment

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

	Group	
	1Q 2017 \$'000	1Q 2016 \$'000
Cash flows from operating activities		
Profit before tax	15,003	5,697
Adjustments for:		
Amortisation of intangible assets	95	127
Depreciation of property, plant and equipment	10,546	12,684
Gain on divestment of investment securities	(8,601)	(8,522)
(Gain)/loss on disposal of property, plant and equipment	(1,771)	62
Intangible assets written off	-	133
Interest expense	1,371	1,364
Interest income	(417)	(240)
Property, plant and equipment written off	294	586
Share based payment expenses	30	71
Share of results of associates	(190)	453
Share of results of joint ventures	(189)	(121)
(Write back)/impairment loss on trade receivables	41	-
(Write back)/impairment loss on other receivables	86	-
Write back of provision for reinstatement cost	-	(19)
Exchange differences	2,764	2,925
Operating cash flow before working capital changes	19,062	15,200

	Group	
	1Q 2017	1Q 2016
	\$'000	\$'000
(Increase)/decrease in:		
Amount due from associate (trade)	(3)	-
Amount due from joint ventures (trade)	102	97
Inventories	(175)	389
Prepayments	(754)	(259)
Trade and other receivables	4,198	(409)
Increase/(decrease) in:		
Amount due to a joint venture (trade)	(544)	(576)
Other liabilities	(1,098)	4,302
Trade and other payables	(3,290)	(6,794)
Cash generated from operations	<u>17,498</u>	<u>11,950</u>
Tax paid	(1,177)	(704)
Net cash flow from operating activities	<u>16,321</u>	<u>11,246</u>
Cash flows from investing activities		
Additions to intangible assets	(1)	(18)
Amount due from joint ventures (non-trade)	(159)	354
Amount due to joint ventures (non-trade)	(43)	14
Amount due to associates (non-trade)	(39)	(1,472)
Cash paid for reinstatement expenses	(68)	(631)
Dividends received from a joint venture	-	98
Interest income received	417	373
Investment in an associate	(1,424)	(1,405)
Proceeds from disposal of property, plant and equipment	2,302	31
Proceeds from divestment of investment securities	1,326	16,015
Purchase of property, plant and equipment	(12,189)	(11,556)
Net cash flow (used in)/from investing activities	<u>(9,878)</u>	<u>1,803</u>
Cash flows from financing activities		
Interest paid	(1,371)	(1,364)
Proceeds from short-term loans	9,144	5,021
Purchase of treasury shares	-	(56)
Repayment of loan due to minority shareholder	(18)	(25)
Repayment of long-term loans	(16,713)	(4,419)
Repayment of short-term loans	(7,797)	(5,157)
Net cash flow (used in) financing activities	<u>(16,755)</u>	<u>(6,000)</u>
Net (decrease)/increase in cash and cash equivalents	(10,312)	7,049
Effect of exchange rate changes on cash and cash equivalents	(1,122)	(1,249)
Cash and cash equivalents at beginning of financial period	120,589	94,896
Cash and cash equivalents at end of financial period	<u>109,155</u>	<u>100,696</u>

Note A: Cash and cash equivalents comprise:

	Group	
	31.3.2017	31.3.2016
	\$'000	\$'000
Cash on hand and at bank	109,149	100,690
Short term FD	6	6
	<u>109,155</u>	<u>100,696</u>

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

Group	Attributable to Shareholders of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000			
Balance at 1 January 2017	33,303	(587)	93,966	5,328	132,010	19,935	151,945
Profit for the period	-	-	10,690	-	10,690	1,743	12,433
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	11	11	-	11
Foreign currency translation	-	-	-	(997)	(997)	-	(997)
Total other comprehensive income, net of tax	-	-	-	(986)	(986)	-	(986)
Total comprehensive income for the period	-	-	10,690	(986)	9,704	1,743	11,447
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	30	30	-	30
Total contributions by and distributions to owners	-	-	-	30	30	-	30
Balance at 31 March 2017	33,303	(587)	104,656	4,372	141,744	21,678	163,422

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

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000	Total \$'000
As at 1 January 2017	33,303	(587)	6,779	520	40,015
Profit for the period	-	-	899	-	899
Total comprehensive income for the period	-	-	899	-	899
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	30	30
Total contributions by and distributions to owners	-	-	-	30	30
Balance at 31 March 2017	33,303	(587)	7,678	550	40,944

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

Note B: Other reserves

	Group		Company	
	31.3.2017 \$000	31.3.2016 \$000	31.3.2017 \$000	31.3.2016 \$000
Statutory reserve fund	2,954	2,954	-	-
Translation reserve	2,298	2,274	-	-
Fair value adjustment reserve	11	18	-	-
Capital reserve	177	177	177	177
Share based compensation reserve	373	331	373	331
Premium on acquisition of non-controlling interests	(1,441)	(1,553)	-	-
	4,372	4,201	550	508

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

There were no changes in the share capital of the Company in 1Q 2017.

There were a total of 579,060 treasury shares held as at 31 March 2017 (31 March 2016: 387,770).

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

As at 31 March 2017, the Company's issued and paid up capital, excluding 579,060 (31 December 2016: 579,060) treasury shares held, comprises 281,314,178 (31 December 2016: 281,314,178) ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon

	Number of Treasury Shares	
	1Q 2017	1Q 2016
Balance at beginning of financial period	579,060	337,570
Purchase of treasury shares	-	50,200
Balance at end of financial period	579,060	387,770

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 2016, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2017.

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 2017. The adoption of the new and revised FRS did not result in any material impact on the Group's and the Company's financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	1Q 2017	1Q 2016
Earnings per ordinary share for the period:		
(a) Based on weighted average number of ordinary shares in issue	3.80 cents	0.87 cent
Weighted average number of ordinary shares	281,314,178	281,505,468
(b) On a fully diluted basis	3.80 cents	0.87 cent
Adjusted weighted average number of ordinary shares	281,425,718	281,616,348

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	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
Net asset value per ordinary share based on issued share capital as at the end of period	58.1 cents	54.0 cents	14.6 cents	14.2 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 March 2017 is computed based on the total number of issued shares (excluding 579,060 treasury shares) of 281,314,178 (31 December 2016: 281,314,178).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Overview

(A) Statement of Comprehensive Income

Group revenue for 1Q FY2017 declined 4.5% Y/Y from \$154.6 million to \$147.6 million. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group rose 31.3% Y/Y to \$26.2 million with EBITDA margin improving to 17.8% (1Q FY2016: 12.9%). Profit After Tax and Minority Interests ("PATMI") for 1Q FY2017 improved 337.2% from \$2.4 million to \$10.7 million. PATMI margin rose to 7.2% (1Q FY2016: 1.6%).

1Q FY2017 saw the recognition of \$9.3 million in net capital gain from the divestment of the Group's investment in TripleOne Somerset, while 1Q FY2016 saw the recognition of \$8.8 million in net capital gain from the divestment of 112 Katong Mall. Excluding one-off items, core Food & Beverage (F&B) business net profit for 1Q FY2017 would have been \$3.1 million, a turnaround from a loss of \$5.4 million in 1Q FY2016.

Revenue declined 3.0% Y/Y to \$73.6 million during the quarter at the Bakery Division. The decline was primarily due to lower China franchise revenue contribution as the Division moved ahead with its plan to eliminate underperforming franchisees. Direct operated stores remained relatively unchanged at 261 while franchise outlets saw a net reduction of 8 Y/Y to 594. EBITDA margin normalised slightly from 8.9% to 8.0%, with EBITDA for the quarter at \$5.9 million.

While revenue declined 13.1% Y/Y to \$36.3 million on Y/Y lower outlet count, EBITDA for the Food Atrium Division recovered strongly by 417%, from \$0.9 million to \$4.9 million, helped by strong recovery across the entire China portfolio, elimination of profitability drag by underperforming outlets, as well as strong performance in Singapore. EBITDA margin for the quarter improved to 13.5% (1Q FY2016: 2.3%). Outlet count was unchanged during the quarter at 57.

Restaurant Division revenue growth momentum continued during the quarter, improving 2.3% Y/Y to \$37.8 million, with incremental revenue contribution from 3 new outlets this year – Punggol Waterway Point, City Square Mall and Centrepoint. EBITDA improved 13.9% Y/Y to \$7.4 million, with EBITDA margin rising from 17.7% to 19.7%. During the quarter, outlet count was unchanged at 32, although we converted one RamenPlay outlet at Nex Serangoon on 31 March 2017 to a new concept ramen store by the brand name “Sō”.

Interest income rose 73.8% to \$0.4 million on higher coupon return on investment securities, while interest expense was largely unchanged Y/Y at \$1.4 million, despite a higher interest rate environment as total borrowings reduced by \$30.8 million Y/Y to \$166.8 million.

Earnings per share (EPS) on a fully diluted basis was 3.80 cents for 1Q FY2017 compared to 0.87 cents for 1Q FY2016.

Net asset value (NAV) per share was 58.1 cents as at 31 March 2017 compared to 54.0 cents as at 31 December 2016.

Number of outlets including franchise under the Group:

	31.3.2017	31.12.2016	Net increase / (decrease)	31.03.2016	Net increase / (decrease)
Bakery	855	862	-0.8%	858	-0.3%
- <i>Direct operated stores</i>	261	260	0.4%	264	-1.1%
- <i>Franchise</i>	594	602	-1.3%	594	0.0%
Food Atrium	57	57	0.0%	60	-5.0%
Restaurant	32	32	0.0%	30	6.7%

(B) Balance Sheet

As at 31 March 2017,

Non-current assets declined by \$4.0 million or 1.2% from \$322.4 million to \$318.4 million mainly due to decrease in: property, plant and equipment by \$6.7 million, due to depreciation;

offset by an increase in:

- (i) investment in associates by \$1.6 million; and
- (ii) other receivables by \$1.7 million.

Current assets decreased by \$9.2 million or 4.4% from \$211.5 million to \$202.3 million mainly due to decrease in:

- (i) investment securities by \$17.2 million following the divestment of investment in TripleOne Somerset;
- (ii) cash and cash equivalents by \$11.4 million, mainly attributable to repayment of bank loans;

offset by an increase in:

- (i) other receivables by \$18.4 million, pending receipt of the balance proceeds from the divestment in TripleOne Somerset; and
- (ii) prepayments by \$0.8 million.

Current liabilities decreased by \$9.1 million or 4.2% from \$215.8 million to \$206.8 million mainly due to decrease in:

- (i) trade and other payables by \$9.5 million;
- (ii) short term loans and current portion of long term loans by \$1.8 million;

offset by an increase in:

- (i) provision for reinstatement cost by \$1.6 million; and
- (ii) tax payable by \$1.5 million.

Non-current liabilities decreased by \$15.6 million or 9.4% from \$166.1 million to \$150.5 million mainly due to decrease in:

- (i) long term loans by \$13.5 million; and
- (ii) other non-current liabilities by \$2.0 million.

(C) Cash Flow Statement

The Group generated net cash flow of \$16.3 million from operating activities in 1Q FY2017, an improvement of \$5.1 million from the \$11.2 million generated in 1Q FY2016, a reflection of the strong cash generating ability of the underlying core business.

Net cash flow used in investing activities for 1Q FY2017 was \$9.9 million compared to positive investing activities cash flow of \$1.8 million for 1Q FY2016, mainly due to the receipt of divestment proceeds for 112 Katong in 1Q FY2016, whilst the balance proceeds from the divestment of TripleOne Somerset is expected to be received in 2Q FY2017.

The Group continues its effort to pare down its debt. For 1Q FY2017, there was a net repayment of \$15.4 million of bank borrowings compared to a net repayment of \$4.6 million in 1Q FY2016. The accelerated pace of loan repayment resulted in a net cash flow used in financing activities of \$16.8 million for the quarter as compared to \$6.0 million for 1Q FY2016.

Overall, the Group registered a net decrease in cash and cash equivalents of \$10.3 million for the period ended 31 March FY2017, ending the period with a cash and cash equivalents of \$109.2 million.

(D) Special Dividend

The Board is pleased to declare a special dividend of 2.0 cents per share (\$5.6 million) following the divestment of TripleOne Somerset, a non-core real estate investment. The dividend represents approximately 60% of the divestment gain.

(D) Segment Information

	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
1Q 2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	73,565	36,305	37,756	-	-	-	147,626
Inter-segment sales	338	475	-	-	-	(813)	-
Total revenue	<u>73,903</u>	<u>36,780</u>	<u>37,756</u>	<u>-</u>	<u>-</u>	<u>(813)</u>	<u>147,626</u>
Results							
Profit from operations	2,041	714	5,783	8,589	(1,549)	-	15,578
Interest income	43	114	235	302	382	(659)	417
Interest expense	(448)	(23)	(2)	(1,000)	(543)	645	(1,371)
Share of associates' results	-	-	-	-	190	-	190
Share of joint ventures'	135	54	-	-	-	-	189
Segment profit	<u>1,771</u>	<u>859</u>	<u>6,016</u>	<u>7,891</u>	<u>(1,520)</u>	<u>(14)</u>	<u>15,003</u>
Tax expense							<u>(2,570)</u>
Profit after tax							<u><u>12,433</u></u>
Segment assets	181,452	99,830	113,660	100,733	193,662	(171,345)	517,992
Tax recoverable							-
Deferred tax assets							<u>2,719</u>
Total Assets							<u><u>520,711</u></u>
Segment liabilities	133,946	114,237	30,825	84,815	161,057	(183,169)	341,711
Tax payable							<u>11,345</u>
Deferred tax liabilities							<u>4,235</u>
Total liabilities							<u><u>357,291</u></u>
Investment in an associate	-	-	-	-	28,647	-	28,647
Investment in joint ventures	7,636	700	-	-	-	-	8,336
Additions to non-current assets ⁽³⁾	2,503	3,490	409	-	265	-	6,667
Depreciation & Amortisation	3,872	4,182	1,664	-	923	-	10,641
Other non-cash expenses	331	(1,682)	-	-	30	-	(1,321)

1Q 2016	Bakery⁽¹⁾	Food atrium	Restaurant	Investment	Others⁽²⁾	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	75,870	41,796	36,897	-	-	-	154,563
Inter-segment sales	101	725	-	-	-	(826)	-
Total revenue	<u>75,971</u>	<u>42,521</u>	<u>36,897</u>	<u>-</u>	<u>-</u>	<u>(826)</u>	<u>154,563</u>
Results							
Profit from operations	1,892	(4,279)	4,687	8,476	(2,676)	(947)	7,153
Interest income	32	98	190	144	48	(272)	240
Interest expense	(102)	(181)	(10)	(514)	(829)	272	(1,364)
Share of associates' results	-	-	-	-	(453)	-	(453)
Share of joint ventures'	64	57	-	-	-	-	121
Segment profit	<u>1,886</u>	<u>(4,305)</u>	<u>4,867</u>	<u>8,106</u>	<u>(3,910)</u>	<u>(947)</u>	<u>5,697</u>
Tax expense							<u>(2,284)</u>
Profit after tax							<u><u>3,413</u></u>
Segment assets	173,908	109,029	95,982	123,116	127,457	(100,621)	528,871
Tax recoverable							15
Deferred tax assets							3,881
Total Assets							<u><u>532,767</u></u>
Segment liabilities	129,577	116,649	28,795	89,317	142,866	(136,592)	370,612
Tax payable							9,762
Deferred tax liabilities							4,139
Total liabilities							<u><u>384,513</u></u>
Investment in an associate	-	-	-	-	27,176	-	27,176
Investment in joint ventures	6,927	514	-	-	-	-	7,441
Additions to non-current assets ⁽³⁾	2,845	2,285	1,417	-	52	-	6,599
Depreciation & Amortisation	4,864	5,226	1,849	-	872	-	12,811
Other non-cash expenses	242	609	(70)	-	70	-	851

	External Sales		Non-current assets ⁽³⁾	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Singapore	77,059	81,330	124,715	135,307
Mainland China	41,264	45,721	59,863	67,689
Hong Kong	13,563	18,081	11,302	12,397
Rest of the world	15,740	9,431	6,772	10,679
	<u>147,626</u>	<u>154,563</u>	<u>202,652</u>	<u>226,072</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

Consistent with earlier guidance, the Bakery Division will continue to evaluate its franchise portfolio during the year and look to work with better quality partners with the objective of delivering franchise income that has longer term growth potential. Efforts are also already underway to address underperforming direct operated stores across the portfolio.

Vacancy rate at our Food Atrium Division has hit a record low, following intense marketing efforts to fill up vacant stores and improve tenant mix and profile. The recovery in profitability seen at the Division during the quarter is encouraging, and is strong testimony to the fact that the business plans we put in place are sound.

Profitability at the Restaurant Division continues to improve, driven by Din Tai Fung in Singapore and Thailand, with the losses at RamenPlay narrowing significantly. Initial performance of our recently launched, new ramen concept – "Sō", appears encouraging, and we should be able to provide more update in the next quarter.

The Group has seen strong recovery in its core business supported by its commitment to slow down its pace of outlet expansion amidst a more cautious F&B / retail environment, streamline our operations and better control our costs. The focus shall remain on profitability and the quality of earnings in FY2017.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Special
Dividend type	Cash
Dividend amount per ordinary share	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? Yes.

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

(c) Date payable

The special dividend will be paid on 4 July 2017.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 21 June 2017 ("Book Closure Date") for the purpose of determining the Company's shareholders' entitlement to the special dividend.

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	5	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	168	

14. Negative confirmation by the board pursuant to Rule 705(5) of the SGX Listing Manual

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the financial results for the first quarter ended 31 March 2017 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
3 May 2017