

# BREADTALK GROUP LIMITED

## Financial Statement and Dividend Announcement For The Year Ended 31 December 2018

### 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 2018. The figures presented below have not been audited.

	Group			Group		
	4Q 2018	4Q 2017	Increase/ (Decrease)	12M 2018	12M 2017	Increase/ (Decrease)
	\$'000	(Restated) \$'000		\$'000	(Restated) \$'000	
Revenue	154,773	150,094	3.1%	609,796	599,579	1.7%
Cost of sales	<u>(67,124)</u>	<u>(65,623)</u>	2.3%	<u>(266,650)</u>	<u>(266,465)</u>	0.1%
Gross profit	87,649	84,471	3.8%	343,146	333,114	3.0%
Other income	8,230	7,043	16.9%	32,854	33,178	-1.0%
Interest income	639	1,097	-41.8%	3,158	2,234	41.4%
Distribution and selling expenses	(59,843)	(62,333)	-4.0%	(243,264)	(241,674)	0.7%
Administrative expenses	(22,769)	(18,630)	22.2%	(93,746)	(80,850)	16.0%
Interest expense	(1,898)	(1,786)	6.3%	(9,206)	(5,420)	69.9%
Profit before tax and share of results of joint ventures	<u>12,008</u>	<u>9,862</u>	21.8%	<u>32,942</u>	<u>40,582</u>	-18.8%
Share of results of associates	(418)	(212)	97.2%	(1,165)	(883)	31.9%
Share of results of joint ventures	<u>(533)</u>	<u>277</u>	N.M	<u>(634)</u>	<u>1,097</u>	N.M
Profit before tax	11,057	9,927	11.4%	31,143	40,796	-23.7%
Taxation	<u>(3,244)</u>	<u>(2,814)</u>	15.3%	<u>(11,425)</u>	<u>(11,047)</u>	3.4%
Profit after tax	<u><u>7,813</u></u>	<u><u>7,113</u></u>	9.8%	<u><u>19,718</u></u>	<u><u>29,749</u></u>	-33.7%
Attributable to:						
<b>Shareholders of the Company</b>	<b>8,880</b>	<b>4,865</b>	82.5%	<b>15,191</b>	<b>21,680</b>	-29.9%
Non-controlling interests	<u>(1,067)</u>	<u>2,248</u>	N.M	<u>4,527</u>	<u>8,069</u>	-43.9%
	<u><u>7,813</u></u>	<u><u>7,113</u></u>	9.8%	<u><u>19,718</u></u>	<u><u>29,749</u></u>	-33.7%
<b>Other comprehensive income:</b>						
Net gain on investment securities	(9)	(2)	350.0%	(15)	15	N.M
Foreign currency translation	405	(250)	N.M	196	(1,656)	N.M
Other comprehensive (loss) income for the period, net of tax	<u>396</u>	<u>(252)</u>	N.M	<u>181</u>	<u>(1,641)</u>	N.M
Total comprehensive income for the period	<u><u>8,209</u></u>	<u><u>6,861</u></u>	19.6%	<u><u>19,899</u></u>	<u><u>28,108</u></u>	-29.2%
Attributable to:						
<b>Shareholders of the Company</b>	<b>9,276</b>	<b>4,613</b>	101.1%	<b>15,372</b>	<b>20,039</b>	-23.3%
Non-controlling interests	<u>(1,067)</u>	<u>2,248</u>	N.M	<u>4,527</u>	<u>8,069</u>	-43.9%
	<u><u>8,209</u></u>	<u><u>6,861</u></u>	19.6%	<u><u>19,899</u></u>	<u><u>28,108</u></u>	-29.2%

## 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 2018	4Q 2017 (Restated)	Increase/ (Decrease)	12M 2018	12M 2017 (Restated)	Increase/ (Decrease)
	\$'000	\$'000		\$'000	\$'000	
Depreciation and amortisation	12,351	8,815	40.1%	41,270	40,482	1.9%
Foreign exchange (gain)/loss, net	(500)	(134)	273.1%	(389)	466	N.M.
Loss/(gain) on disposal of property, plant and equipment	(18)	(192)	-90.6%	(67)	(2,331)	-97.1%
Loss/(gain) on divestment of investment securities	-	(76)	-100.0%	1,683	(8,714)	N.M.
Government grant	(30)	(252)	-88.1%	(1,156)	(1,713)	-32.5%
Fair value gain on investment securities	(1,597)	-	N.M.	(1,918)	-	N.M.
Impairment/(Write back) of loan and receivables						
- trade receivables	33	169	-80.5%	(178)	210	N.M.
- other receivables	(55)	(85)	-35.3%	138	-	N.M.
Operating lease expenses	34,487	34,992	-1.4%	137,949	136,617	1.0%
Personnel expenses	51,508	49,866	3.3%	191,778	188,841	1.6%
Property, plant and equipment written off (Note 1)	(501)	(76)	559.2%	1,536	2,569	-40.2%

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	
	31.12.2018	31.12.2017 (Restated)	1.1.2017 (Restated)	31.12.2018	31.12.2017
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	173,413	169,097	180,663	77,597	73,228
Investment property	39,748	39,463	22,984	-	-
Intangible assets	6,071	6,089	6,433	-	-
Investment securities	83,149	72,068	72,878	-	-
Investment in subsidiaries	-	-	-	24,509	24,418
Investment in associates	26,226	26,682	27,033	-	-
Investment in joint ventures	8,684	10,040	8,234	-	-
Other receivables	1,225	1,107	1,413	-	-
Due from related corporations	-	-	-	30,692	30,692
Deferred tax assets	2,340	2,559	2,749	-	-
	<u>340,856</u>	<u>327,105</u>	<u>322,387</u>	<u>132,798</u>	<u>128,338</u>

	31.12.2018	Group	1.1.2017	Company	
	\$'000	31.12.2017 (Restated) \$'000	(Restated) \$'000	31.12.2018 \$'000	31.12.2017 \$'000
<b>Current assets</b>					
Investment securities	4,797	12,886	17,222	-	-
Inventories	11,304	9,721	9,806	-	-
Trade and other receivables	56,512	51,952	52,049	5,534	2,417
Prepayments	6,238	6,771	4,824	489	92
Tax recoverable	315	280	-	-	-
Due from related corporations	1,376	1,128	1,094	169,312	105,149
Amount due from minority shareholders of subsidiaries (non-trade)	1,986	525	509	-	-
Cash and cash equivalents	184,975	141,245	120,589	15,729	1,278
	<u>267,503</u>	<u>224,508</u>	<u>206,093</u>	<u>191,064</u>	<u>108,936</u>
<b>Current liabilities</b>					
Trade and other payables	97,032	90,326	86,404	3,369	2,175
Other liabilities	78,303	78,710	69,612	7,609	7,588
Provision for reinstatement cost	15,768	15,846	14,417	27	27
Due to related corporations	3,016	3,881	3,903	65,964	57,787
Loan from a minority shareholder of a subsidiary	200	200	200	-	-
Short term loans	5,944	19,237	7,215	-	10,000
Notes payables	75,000	-	-	75,000	-
Current portion of long-term loans	16,873	37,864	24,238	3,348	4,122
Tax payable	12,186	10,660	9,854	1,032	565
	<u>304,322</u>	<u>256,724</u>	<u>215,843</u>	<u>156,349</u>	<u>82,264</u>
<b>Net current (liabilities)/assets</b>	<b>(36,819)</b>	<b>(32,216)</b>	<b>(9,750)</b>	<b>34,715</b>	<b>26,672</b>
<b>Non-current liabilities</b>					
Long-term loans	28,607	50,533	74,857	16,020	35,676
Notes payables	99,511	75,000	75,000	99,511	75,000
Loan from a minority shareholder of a subsidiary	535	508	549	-	-
Other liabilities	7,995	9,392	11,385	-	-
Deferred tax liabilities	4,653	4,576	4,324	2,391	2,391
	<u>141,301</u>	<u>140,009</u>	<u>166,115</u>	<u>117,922</u>	<u>113,067</u>
Net assets	<u>162,736</u>	<u>154,880</u>	<u>146,522</u>	<u>49,591</u>	<u>41,943</u>
<b>Share capital and reserves</b>					
Share capital	33,303	33,303	33,303	33,303	33,303
Treasury shares	(247)	(460)	(587)	(247)	(460)
Accumulated profits	96,128	93,342	88,543	15,742	8,332
Other reserves	4,476	3,216	5,328	793	768
	<u>133,660</u>	<u>129,401</u>	<u>126,587</u>	<u>49,591</u>	<u>41,943</u>
Non-controlling interests	29,076	25,479	19,935	-	-
Total equity	<u>162,736</u>	<u>154,880</u>	<u>146,522</u>	<u>49,591</u>	<u>41,943</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 31.12.2018	
Secured	Unsecured
\$'000	\$'000
16,360	81,657

As at 31.12.2017	
Secured	Unsecured
\$'000	\$'000
36,502	20,799

### Amount repayable after one year

As at 31.12.2018	
Secured	Unsecured
\$'000	\$'000
27,985	100,668

As at 31.12.2017	
Secured	Unsecured
\$'000	\$'000
49,740	76,301

### Details of any collateral

- (1) As at 31 December 2018, a total amount of \$182.3 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 2018	4Q 2017 (Restated)	12M 2018	12M 2017 (Restated)
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	11,057	9,927	31,143	40,796
Adjustments for:				
Amortisation of intangible assets	112	108	414	437
Allowance for inventory obsolescence	-	5	-	5
Bad debts written off	856	-	841	-
Depreciation of property, plant and equipment	12,239	8,707	40,856	40,045
Dividend income from quoted investment equity	-	(57)	-	(57)
Fair value gain on investment property	(1,081)	(118)	(1,081)	(118)
Loss/(gain) on divestment of investment securities	-	(76)	1,683	(8,714)
(Gain)/loss on disposal of property, plant and equipment	(18)	(192)	(67)	(2,331)
(Write back)/impairment loss on property, plant and equipment	(171)	123	(241)	(438)
Impairment loss on investment in associates	-	1,800	-	1,800
Fair value gain on investment securities	(1,597)	-	(1,918)	-
Intangible assets written off	-	-	77	-
Interest expense	1,898	1,786	9,206	5,420
Interest income	(639)	(1,097)	(3,158)	(2,234)
Inventories written off	1	-	2	7
Property, plant and equipment written off	(501)	(76)	1,536	2,569
Share based payment expenses	39	99	238	375
Share of results of associates	418	212	1,165	883
Share of results of joint ventures	533	(277)	634	(1,097)
Write off of trade and other receivables	-	15	-	15
(Write back)/impairment loss on trade receivables	33	169	(178)	210
(Write back)/impairment loss on other receivables	(55)	(85)	138	-
(Write back)/writedown of inventories	3	-	12	-
Write back of provision for reinstatement cost	(16)	(16)	(99)	(82)
Exchange differences	1,317	(604)	858	1,179
Operating cash flow before working capital changes	24,428	20,353	82,061	78,670

	Group		Group	
	4Q 2018	4Q 2017 (Restated)	12M 2018	12M 2017 (Restated)
	\$'000	\$'000	\$'000	\$'000
(Increase)/decrease in:				
Amount due from associate (trade)	-	-	9	(3)
Amount due from joint ventures (trade)	-	290	(55)	411
Inventories	(327)	736	(1,597)	73
Prepayments	1,489	1,871	533	(1,947)
Trade and other receivables	(662)	(1,370)	(4,569)	(258)
Increase/(decrease) in:				
Amount due to a joint venture (trade)	136	(123)	(392)	(159)
Other liabilities	2,060	6,333	(1,665)	6,879
Trade and other payables	3,968	696	875	4,008
Cash generated from operations	31,092	28,786	75,200	87,674
Tax paid	(252)	(346)	(9,570)	(10,124)
<b>Net cash flow from operating activities</b>	<b>30,840</b>	<b>28,440</b>	<b>65,630</b>	<b>77,550</b>
<b>Cash flows from investing activities</b>				
Additions to intangible assets	(472)	(86)	(500)	(109)
Amount due from non-controlling interests (non-trade)	(1,466)	-	(1,466)	-
Amount due from joint ventures (non-trade)	(841)	(20)	(47)	(441)
Amount due to joint ventures (non-trade)	1	(49)	(37)	(103)
Amount due to associates (non-trade)	588	199	(589)	240
Cash paid for reinstatement expenses	(386)	(308)	(1,001)	(927)
Dividends received from a joint venture	825	-	825	348
Dividends received from an associate	-	-	60	-
Dividend income from quoted investment security	-	57	-	57
Interest income received	639	1,018	3,158	2,155
Investment in an associate	-	(40)	(477)	(2,273)
Investment in a joint venture	-	-	-	(1,005)
Proceeds from disposal of property, plant and equipment	18	274	128	3,361
Proceeds from divestment of investment securities	(323)	633	19,832	27,438
Purchase of investment property	-	(16,681)	-	(16,681)
Purchase of property, plant and equipment	(23,132)	(6,730)	(47,949)	(30,166)
Purchase of investment securities	(3,649)	(5,571)	(23,439)	(12,886)
<b>Net cash flow used in investing activities</b>	<b>(28,198)</b>	<b>(27,304)</b>	<b>(51,502)</b>	<b>(30,992)</b>
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interests	-	-	(419)	-
Capital contribution from non-controlling interests	839	-	7,102	-
Dividends paid to minority shareholders of a subsidiary	-	(3,444)	-	(3,444)
Dividends paid to shareholders of the company	-	(2,814)	(11,264)	(16,881)
Interest paid	(1,898)	(1,786)	(9,206)	(5,420)
Proceeds from long-term loans	403	13,500	879	13,500
Proceeds from short-term loans	306	19,320	42,863	37,657
Proceeds from medium term notes	-	-	100,000	-
Repayment of loan due to minority shareholder	(404)	(7)	27	(41)
Repayment of long-term loans	(1,192)	(2,447)	(43,800)	(24,126)
Repayment of short-term loans	(26,226)	(6,999)	(56,159)	(25,691)
<b>Net cash flow (used in)/from financing activities</b>	<b>(28,172)</b>	<b>15,323</b>	<b>30,023</b>	<b>(24,446)</b>
Net increase in cash and cash equivalents	(25,530)	16,459	44,151	22,112
Effect of exchange rate changes on cash and cash equivalents	(167)	22	(421)	(1,456)
Cash and cash equivalents at beginning of financial period	210,672	124,764	141,245	120,589
<b>Cash and cash equivalents at end of financial period</b>	<b>184,975</b>	<b>141,245</b>	<b>184,975</b>	<b>141,245</b>

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

	Group	
	31.12.2018	31.12.2017
	\$'000	\$'000
Cash on hand and at bank	184,968	141,239
Short term FD	7	6
	<u>184,975</u>	<u>141,245</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	Treasury shares	Accumulated profits	Other reserves (Note B)	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2018, as previously reported</b>	<b>33,303</b>	<b>(460)</b>	<b>98,933</b>	<b>3,216</b>	<b>134,992</b>	<b>25,479</b>	<b>160,471</b>
Impact of adopting SFRS(I) 9	-	-	(1,141)	-	(1,141)	-	(1,141)
Impact of adopting SFRS(I) 15	-	-	(5,591)	-	(5,591)	-	(5,591)
<b>Balance at 1 January 2018 (Restated)</b>	<b>33,303</b>	<b>(460)</b>	<b>92,201</b>	<b>3,216</b>	<b>128,260</b>	<b>25,479</b>	<b>153,739</b>
Profit for the period	-	-	6,311	-	6,311	5,594	11,905
<u>Other comprehensive income</u>							
Net loss on fair value changes of investment securities	-	-	-	(6)	(6)	-	(6)
Foreign currency translation	-	-	-	(209)	(209)	-	(209)
Total other comprehensive income, net of tax	-	-	-	(215)	(215)	-	(215)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>6,311</b>	<b>(215)</b>	<b>6,096</b>	<b>5,594</b>	<b>11,690</b>
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	198	198	-	198
Dividends paid	-	-	(11,264)	-	(11,264)	-	(11,264)
Treasury shares transferred on vesting of restricted share grant	-	213	-	(213)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>213</b>	<b>(11,264)</b>	<b>(15)</b>	<b>(11,066)</b>	<b>-</b>	<b>(11,066)</b>
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	6,880	6,880
Acquisition of non-controlling interests without a change in control	-	-	-	1,054	1,054	(1,473)	(419)
<b>Total changes in ownership interests in a subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,054</b>	<b>1,054</b>	<b>5,407</b>	<b>6,461</b>
<b>Balance at 30 September 2018</b>	<b>33,303</b>	<b>(247)</b>	<b>87,248</b>	<b>4,040</b>	<b>124,344</b>	<b>36,480</b>	<b>160,824</b>
Profit for the period	-	-	8,880	-	8,880	(1,067)	7,813
<u>Other comprehensive income</u>							
Net loss on fair value changes of investment securities	-	-	-	(9)	(9)	-	(9)
Foreign currency translation	-	-	-	405	405	-	405
Total other comprehensive income, net of tax	-	-	-	396	396	-	396
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>8,880</b>	<b>396</b>	<b>9,276</b>	<b>(1,067)</b>	<b>8,209</b>
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	40	40	-	40
Dividends	-	-	-	-	-	(6,560)	(6,560)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>(6,560)</b>	<b>(6,520)</b>
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	223	223
<b>Total changes in ownership interests in a subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223</b>	<b>223</b>
<b>Balance at 31 December 2018</b>	<b>33,303</b>	<b>(247)</b>	<b>96,128</b>	<b>4,476</b>	<b>133,660</b>	<b>29,076</b>	<b>162,736</b>

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			
<b>Balance at 1 January 2017, as previously reported</b>	<b>33,303</b>	<b>(587)</b>	<b>93,966</b>	<b>5,328</b>	<b>132,010</b>	<b>19,935</b>	<b>151,945</b>
Impact of adopting SFRS(I) 15	-	-	(5,423)	-	(5,423)	-	(5,423)
<b>Balance at 1 January 2017 (Restated)</b>	<b>33,303</b>	<b>(587)</b>	<b>88,543</b>	<b>5,328</b>	<b>126,587</b>	<b>19,935</b>	<b>146,522</b>
Profit for the period (Restated)	-	-	16,815	-	16,815	5,821	22,636
<u>Other comprehensive income</u>							
Net gain on fair value changes of investment securities	-	-	-	15	15	-	15
Foreign currency translation	-	-	-	(1,405)	(1,405)	-	(1,405)
Total other comprehensive income, net of tax	-	-	-	(1,390)	(1,390)	-	(1,390)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>16,815</b>	<b>(1,390)</b>	<b>15,425</b>	<b>5,821</b>	<b>21,246</b>
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	276	276	-	276
Dividends paid	-	-	(14,067)	-	(14,067)	-	(14,067)
Treasury shares transferred on vesting of restricted share grant	-	127	-	(127)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>127</b>	<b>(14,067)</b>	<b>149</b>	<b>(13,791)</b>	<b>-</b>	<b>(13,791)</b>
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	-	-	(719)	(719)	919	200
<b>Total changes in ownership interests in a subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(719)</b>	<b>(719)</b>	<b>919</b>	<b>200</b>
<b>Balance at 30 September 2017</b>	<b>33,303</b>	<b>(460)</b>	<b>91,291</b>	<b>3,368</b>	<b>127,502</b>	<b>26,675</b>	<b>154,177</b>
Profit for the period (Restated)	-	-	4,865	-	4,865	2,248	7,113
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(251)	(251)	-	(251)
Total other comprehensive income, net of tax	-	-	-	(251)	(251)	-	(251)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,865</b>	<b>(251)</b>	<b>4,614</b>	<b>2,248</b>	<b>6,862</b>
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	99	99	-	99
Dividends paid	-	-	(2,814)	-	(2,814)	(3,444)	(6,258)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(2,814)</b>	<b>99</b>	<b>(2,715)</b>	<b>(3,444)</b>	<b>(6,159)</b>
<b>Balance at 31 December 2017</b>	<b>33,303</b>	<b>(460)</b>	<b>93,342</b>	<b>3,216</b>	<b>129,401</b>	<b>25,479</b>	<b>154,880</b>

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000	Total \$'000
<b>Balance at 1 January 2018, as previously reported</b>	<b>33,303</b>	<b>(460)</b>	<b>8,332</b>	<b>768</b>	<b>41,943</b>
Profit for the period	-	-	4,073	-	4,073
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,073</b>	<b>-</b>	<b>4,073</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	199	199
Dividend paid	-	-	(11,264)	-	(11,264)
Treasury shares transferred on vesting of restricted share grant	-	213	-	(213)	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>213</b>	<b>(11,264)</b>	<b>(14)</b>	<b>(11,065)</b>
<b>Balance at 30 September 2018</b>	<b>33,303</b>	<b>(247)</b>	<b>1,141</b>	<b>754</b>	<b>34,951</b>
Profit for the period	-	-	14,601	-	14,601
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>14,601</b>	<b>-</b>	<b>14,601</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	39	39
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>39</b>
<b>Balance at 31 December 2018</b>	<b>33,303</b>	<b>(247)</b>	<b>15,742</b>	<b>793</b>	<b>49,591</b>

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves (Note B) \$'000	Total \$'000
<b>Balance at 1 January 2017, as previously reported</b>	<b>33,303</b>	<b>(587)</b>	<b>6,779</b>	<b>520</b>	<b>40,015</b>
Profit for the period	-	-	10,674	-	10,674
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>10,674</b>	<b>-</b>	<b>10,674</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	276	276
Dividends paid	-	-	(14,067)	-	(14,067)
Treasury shares transferred on vesting of restricted share grant	-	127	-	(127)	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>127</b>	<b>(14,067)</b>	<b>149</b>	<b>(13,791)</b>
<b>Balance at 30 September 2017</b>	<b>33,303</b>	<b>(460)</b>	<b>3,386</b>	<b>669</b>	<b>36,898</b>
Profit for the period	-	-	7,760	-	7,760
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>7,760</b>	<b>-</b>	<b>7,760</b>
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	99	99
Dividends paid	-	-	(2,814)	-	(2,814)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(2,814)</b>	<b>99</b>	<b>(2,715)</b>
<b>Balance at 31 December 2017</b>	<b>33,303</b>	<b>(460)</b>	<b>8,332</b>	<b>768</b>	<b>41,943</b>



**Note B: Other reserves**

	Group		Company	
	31.12.2018 \$000	31.12.2017 \$000	31.12.2018 \$000	31.12.2017 \$000
Statutory reserve fund	2,954	2,954	-	-
Translation reserve	1,838	1,639	-	-
Fair value adjustment reserve	-	15	-	-
Capital reserve	177	177	177	177
Share based compensation reserve	616	591	616	591
Premium on acquisition of non-controlling interests	(1,109)	(2,160)	-	-
	<u>4,476</u>	<u>3,216</u>	<u>793</u>	<u>768</u>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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**

<b><u>Share Capital - Ordinary Shares</u></b>	<b>Number of Ordinary Shares</b>	<b>Issued and Paid-up Share Capital S\$000</b>
At 1 January 2018	281,638,550	33,303
Shares arising from share split <sup>1</sup>	281,638,550	-
At 31 December 2018	<u>563,277,100</u>	<u>33,303</u>

Note: <sup>1</sup> On 17 May 2018, the Company completed the share split of every one (1) ordinary share in the capital of the company into two (2) ordinary shares. The Company now has an issued and paid-up share capital of approximately \$33,302,915, comprising 563,786,476 shares (31 Dec 2017: 563,786,476), including 509,376 treasury shares (31 December 2017: 915,908) as at 31 December 2018. The Company did not have any subsidiary holdings or other convertibles as at 31 December 2018.

**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 2018, the Company's issued and paid up capital, excluding 509,376 (31 December 2017: 915,908) treasury shares held, comprises 563,277,100 (31 December 2017: 562,870,568) ordinary shares as adjusted for the share split.

**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 2018	4Q 2017	12M 2018	12M 2017
Balance at beginning of financial period as adjusted for share split	509,376	915,908	915,908	1,158,120
Treasury shares transferred on vesting of restricted share grant as adjusted for share split	-	-	(406,532)	(242,212)
Balance at end of financial period as adjusted for share split	<u>509,376</u>	<u>915,908</u>	<u>509,376</u>	<u>915,908</u>

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

**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 Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group and Company has adopted the new financial reporting framework on 1 January 2018 and adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective on 1 January 2018.

**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 2018. 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.

Other than the adoption of SFRS(I) which are effective for its financial year beginning 1 January 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application. The impact of adopting the following SFRS(I) which are effective for financial year beginning 1 January 2018, are detailed as follows:

SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)

On transition to SFRS(I), the Group restated comparative periods financial statements to retrospectively apply SFRS(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

SFRS(I) 9 – Financial Instruments

The Group and Company adopted SFRS(I) 9 and elected to apply the standard prospectively from effective date and recognized the difference between the previous carrying amount and the carrying amount at the beginning of the year in the opening retained earnings.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group and Company adopted SFRS(I) 15 using the full retrospective approach and applied all practical expedients available.

Summary of Impact

Group \$'000	Adjustments arising from:		1 January 2017 (Restated)	
	1 January 2017	SFRS(I) 9		SFRS(I) 15
<b>Current Assets</b>				
Trade and Other Receivables	57,472	-	(5,423)	52,049
<b>Equity</b>				
Accumulated Profits	93,966	-	(5,423)	88,543
Group \$'000	Adjustments arising from:		31 December 2017 (Restated)	
	31 December 2017	SFRS(I) 9		SFRS(I) 15
<b>Current Assets</b>				
Trade and Other Receivables	57,543	-	(5,591)	51,952
<b>Equity</b>				
Accumulated Profits	98,933	-	(5,591)	93,342
Group \$'000	Adjustments arising from:		12M 2017 (Restated)	
	12M 2017	SFRS(I) 9		SFRS(I) 15
<b>Profit and Loss</b>				
Revenue	599,747	-	(168)	599,579

Group \$'000	Adjustments arising from:		1 January 2018 (Restated)	
	1 January 2018	SFRS(I) 9		SFRS(I) 15
<b>Current Assets</b>				
Trade and Other Receivables <sup>(1)</sup>	51,952	(306)	-	51,646
Investment Securities	12,886	(383)	-	12,503
<b>Non Current Assets</b>				
Investment Securities	72,068	(452)	-	71,616
<b>Equity</b>				
Accumulated Profits	98,933	(1,141)	-	92,201

(1) Amount is including restatement impact of FY2017

**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 2018	4Q 2017 (Restated)	12M 2018	12M 2017 (Restated)
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	1.58 cents	0.86 cent	2.70 cents	3.85 cents
Weighted average number of ordinary shares	563,277,100	562,870,568	563,209,345	562,789,831
(b) On a fully diluted basis	1.58 cents	0.86 cent	2.70 cents	3.85 cents
Adjusted weighted average number of ordinary shares	563,591,884	563,185,352	563,524,129	563,081,689

Note: For better comparison of the Group's financial performance, the weighted average number of ordinary shares for the current and prior financial periods has been adjusted for the increase in the number of ordinary shares resulting from the share split.

**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	
	31.12.2018	31.12.2017 (Restated)	31.12.2018	31.12.2017
Net asset value per ordinary share based on issued share capital as at the end of period	28.9 cents	27.5 cents	8.8 cents	7.5 cents

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2018 is computed based on the total number of issued shares (excluding 509,376 treasury shares) of 563,277,100 (31 December 2017: 562,870,568) as adjusted for the share split.

**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 FY2018 rose 1.7% Y/Y from \$599.6 million to \$609.8 million, led by growth from the Food Atrium and Restaurant Divisions as well as contribution by the 4orh Division, offset by decline at the Bakery Division. Profit After Tax and Minority Interests ("PATMI") for FY2018 declined 29.9% from \$21.7 million to \$15.2 million, as FY2017 saw the recognition of \$9.3 million in net capital gain from the divestment of the Group's investment in TripleOne Somerset. Excluding the divestment gain, core net profit of the Group would have been 1.1% higher Y/Y.

Bakery Division revenue declined 5.1% Y/Y to \$282.0 million during FY2018, attributed to lower revenue from direct operated stores in Shanghai, Beijing and Hong Kong, as well as lower franchise revenue from China. This was mitigated by stronger revenue from direct operated stores in Singapore and higher international franchise revenue. Direct operated outlets count decreased during FY2018 from 240 to 221, while franchise outlets count increased from 631 to 642 during the same period. Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Division declined 1.8%

Y/Y to \$22.6 million, with EBITDA margin at 8.0% (FY2017: 7.8%), primarily attributed to weaknesses in profitability at the China operations.

Food Atrium Division revenue grew 5.1% Y/Y to \$156.9 million. During FY2018, the Division opened 1 food atrium in Shenzhen, 1 in Hong Kong as well as our inaugural food atrium in Cambodia. We closed our only outlet in Hangzhou. During the year, the Division has also been aggressively adding a new revenue stream as it adapts its business model into smaller store formats in shopping malls with the opening of 3 additional Direct Operated Restaurants (DOR). The Division now operates 5 DORs under the “Sergeant Kitchen” brand. Same store sales growth remained generally strong across the entire portfolio. EBITDA improved 24.3% Y/Y to \$31.2 million with EBITDA margin better at 19.9% (FY2017: 16.8%), helped mainly by higher revenue driven by low stall vacancy.

Restaurant Division revenue rose 8.2% Y/Y to \$152.3 million for FY2018, with the addition of 4 more outlets – 1 in Singapore and 2 in Thailand and our first outlet in the United Kingdom during the year. We closed 1 outlet in Singapore upon the expiry of the lease. EBITDA declined by 6.6% Y/Y to \$28.1 million primarily due to higher staff and administrative costs related to the starting up of the United Kingdom operations. As a result, EBITDA margin declined from 21.4% to 18.5%. Excluding the one-off expenses, both EBITDA and EBITDA margin for the period would have been higher Y/Y.

4orh Division turned in a revenue of \$14.2 million for FY2018. The business division currently comprises 5 Sō Ramen, 1 TaiGai and 1 Nayuki outlets in Singapore, 4 Song Fa Bak Kut Teh (“Song Fa”) and 1 Wu Pao Chun Bakery outlets in China. The Division reported an EBITDA loss of \$2.9 million primarily attributed to pre-opening expenses incurred ahead of several new outlets opening towards 4Q FY2018. On a standalone basis, Sō Ramen has been contributing positive net profit to the Division during the year.

Overall interest expense for FY2018 increased 69.9% Y/Y to \$9.2 million on higher total debt as the Group issued \$100 million of 5-year, 4.00% Medium Term Note in January 2018, in anticipation of our capital expenditure requirements for FY2018 and FY2019. Plans are already underway for the construction of our new integrated central production facility in China which will provide greater production capacity to support the growth of our existing and new businesses. Notably, close to 77% of the Group’s total borrowings are locked in on fixed rate, which largely immunizes the Group against the current rising interest rate environment. Through prudent treasury management, interest income also rose 41.4% to \$3.2 million which partially helped to mitigate the impact of higher interest cost.

Share of results of associates and joint ventures were weaker in FY2018, contributing a combined loss of \$1.8 million compared to a profit of \$0.2 million in FY2017.

Earnings per share (EPS) on a fully diluted basis for FY2018 was 2.70 cents compared to 3.85 cents for FY2017.

Net asset value (NAV) per share was 28.9 cents as at 31 December 2018 compared to 27.5 cents as at 31 December 2017.

Number of outlets including franchise under the Group:

	31.12.2018	31.12.2017	Net increase / (decrease)
Bakery	863	871	-0.9%
- <i>Direct operated stores</i>	221	240	-7.9%
- <i>Franchise</i>	642	631	1.7%
Food Atrium	60	55	9.1%
- <i>Food courts</i>	55	53	3.8%
- <i>Direct operated restaurants</i>	5	2	150.0%
Restaurant	28	25	12.0%
4orh	12	5	140.0%
Total	963	956	0.7%

## **(B) Balance Sheet**

As at 31 December 2018,

Non-current assets increased by \$13.8 million or 4.2% from \$327.1 million to \$340.9 million mainly due to increase in:

- (i) investment securities by \$11.1 million; and
- (ii) property, plant and equipment by \$4.3 million;

offset by a decrease in investment in joint ventures by \$1.4 million.

Current assets increased by \$43.0 million or 19.2% from \$224.5 million to \$267.5 million mainly due to increase in:

- (i) cash and cash equivalents by \$43.7 million;
- (ii) trade and other receivables by \$4.6 million; and
- (iii) inventories by \$1.6 million;

offset by a decrease in investment securities by \$8.1 million.

Current liabilities increased by \$47.6 million or 18.5% from \$256.7 million to \$304.3 million mainly due to increase in:

- (i) notes payable by \$75 million which is due on 1 April 2019; and
- (ii) trade and other payables by \$6.7 million;

offset by a decrease in:

- (i) current portion of long term loans by \$21.0 million;
- (ii) short term loans by \$13.3 million.

Non-current liabilities increased by \$1.3 million or 0.9% from \$140.0 million to \$141.3 million mainly due to increase in notes payable of \$24.5 million due to the issuance of a \$100.0 million Medium Term Note in January 2018.

offset by a decrease in:

- (i) long term loans by \$21.9 million; and
- (ii) other liabilities by \$1.4 million;

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

The Group generated net cash flow from operating activities of \$65.6 million in FY2018, demonstrating the underlying strength of the core business to generate positive cash flow.

Net cash flow used in investing activities was \$51.5 million in FY2018. Net cash flow was used primarily in the purchase of property, plant and equipment amounting to \$47.9 million and net outflow of \$3.6 million from the purchase and divestment of investment securities.

In FY2018, following the successful issuance of the \$100.0 million Medium Term Note, close to \$56.2 million of net repayment in short and long term loans. During the period, the Group also paid out \$11.3 million in dividends. As a result, net cash flow generated in financing activities in FY2018 was \$30.0 million.

Overall, the Group generated a net increase in cash and cash equivalents of \$44.2 million in FY2018, ending the period with a cash and cash equivalents of \$185.0 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 significant trends and 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

During the year, the Group saw strong momentum in adding new growth frontiers to our core food and beverage (F&B) businesses, with a series of joint ventures and partnerships. The Bakery business re-entered India and Chongqing, China with new franchisee partners and brought ToastBox into Indonesia with a local partner. The Food Atrium business entered Cambodia as a new market while diversifying its revenue streams by adding more DORs which further strengthened our “Sergeant Kitchen” brand name. The Restaurant team successfully delivered our first Din Tai Fung in the United Kingdom and deepened our penetration in the Thailand market at the same time. And the 4th Division added new growth engines to the Group with a new spectrum of well known F&B brands, including Song Fa Bak Kut Teh, Nayuki, TaiGai, and Wu Pao Chun Bakery. This expansion strategy will continue into FY2019.

The management team is mindful of the significant headwinds that we faced during the year at our Bakery business. Starting FY2019, we have taken a more aggressive stance to turnaround the business and it will be all hands on deck, with the Group CEO personally leading the efforts. Our centralised procurement efforts have been gaining traction in delivering cost savings. Greater efforts have also been placed into R&D to create a stronger pipeline of products that will help drive revenue.

### **Adoption of SFRS(I) 16**

Commencing FY2019, the Group will be adopting SFRS(I) 16 – Leases for the accounting treatment of all our leases, in line with the new standards. The new accounting standards is expected to have wide ranging implications on retailers, including ourselves, whose business models rely heavily on leases (for our operating premises).

Generally, the new standard will result in the frontloading of lease-related expenses into the profit or loss account compared to the previous standard of accounting for leases on a straight-line amortisation basis. The lease expense which used to be a single operating line item above the EBITDA line will, henceforth, be recognised across 3 different lines, i.e. lease expense (operating, above EBITDA), depreciation (operating, below EBITDA), interest expense (financing, below EBITDA). We expect this to inject some volatility into our FY2019 reported profit or loss, and that certain profitability figures in FY2019 may no longer be meaningful when compared against those of FY2018 and earlier.

Over at the balance sheet, we will be required to capitalise the respective “right-of-use” assets and liabilities that will be amortised over the tenure of the leases. All things equal, the transition may potentially bring about higher gearing ratios.

We will keep our shareholders informed of the impact of the transition as we enter into the reporting cycle in FY2019. The management team has also done the necessary preparation work to ensure that we will not be falling short of any loan covenants upon the transition, but leave sufficient debt headroom should that be required to fund the Group’s expansion plans.

## 11. Dividend

### (a) Current Financial Period Reported On

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

### (b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	Special	Interim	Final
Dividend type	Cash	Cash	Cash
Dividend amount per ordinary share as adjusted for share split	1.5 Singapore cents (tax exempt one-tier)	1.0 Singapore cent (tax exempt one-tier)	1.0 Singapore cent (tax exempt one-tier)

**(c) Date payable**

15 May 2019, subject to shareholders' approval at the upcoming Annual General Meeting on 22 April 2019.

**(d) Books closure date**

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 3 May 2019 ("Book Closure Date") for the purpose of determining members' entitlement to the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, up to 5.00 p.m. on 3 May 2019 will be registered before entitlements to the dividend are determined.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

Name of Interested Person	Aggregate value (\$'000) of all IPTs during the financial year under review	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
(1) Sky One Art Investment Pte Ltd - Purchase of artwork	314	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Kung Fu Kitchen - Food court rental income/miscellaneous charges	470	

**14. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Frankie Quek Swee Heng	52	Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder)	Head, Real Estate with effect from 1 July 2017, responsible for leasing arrangements in Singapore, and the management of BreadTalk IHQ building	N.A.

**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.



**16. 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**

	<b>Bakery<sup>(1)</sup></b>	<b>Food Atrium</b>	<b>Restaurant</b>	<b>4orth</b>	<b>Real Estate Investment</b>	<b>Others<sup>(2)</sup></b>	<b>Elimination</b>	<b>Group</b>
<b>12M 2018</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>								
External sales	282,004	156,895	152,316	14,173	-	4,408	-	609,796
Inter-segment sales	1,606	3,320	-	15	-	2,960	(7,901)	-
Total revenue	<u>283,610</u>	<u>160,215</u>	<u>152,316</u>	<u>14,188</u>	<u>-</u>	<u>7,368</u>	<u>(7,901)</u>	<u>609,796</u>
<b>Results</b>								
Profit from operations	6,487	16,577	22,231	(3,724)	6,551	(8,930)	(202)	38,990
Interest income	357	190	1,168	42	1,806	2,237	(2,642)	3,158
Interest expense	(685)	(278)	(105)	(198)	(6,483)	(4,089)	2,632	(9,206)
Share of associates' results	(48)	-	-	-	-	(1,117)	-	(1,165)
Share of joint ventures' results	(911)	277	-	-	-	-	-	(634)
Segment profit	<u>5,200</u>	<u>16,766</u>	<u>23,294</u>	<u>(3,880)</u>	<u>1,874</u>	<u>(11,899)</u>	<u>(212)</u>	<u>31,143</u>
Tax expense								<u>(11,425)</u>
Profit after tax								<u><u>19,718</u></u>
Segment assets	157,142	133,771	113,100	82,531	190,039	207,920	(278,799)	605,704
Tax recoverable								315
Deferred tax assets								2,340
Total Assets								<u><u>608,359</u></u>
Segment liabilities	141,336	128,693	48,165	59,119	124,014	216,851	(289,394)	428,784
Tax payable								12,186
Deferred tax liabilities								4,653
Total liabilities								<u><u>445,623</u></u>
Investment in associate	-	-	-	-	-	26,226	-	26,226
Investment in joint ventures	8,225	459	-	-	-	-	-	8,684
Additions to non-current assets								
<sup>(3)</sup>	17,084	5,873	11,225	3,458	160	10,386	-	48,186
Depreciation & Amortisation	16,115	14,630	5,918	830	1,823	1,954	-	41,270
Other non-cash expenses	321	1,522	(5)	27	38	238	-	2,141

(a) **By Business Segments (cont'd)**

	<b>Bakery<sup>(1)</sup></b>	<b>Food Atrium</b>	<b>Restaurant</b>	<b>4orth</b>	<b>Real Estate Investment</b>	<b>Others<sup>(2)</sup></b>	<b>Elimination</b>	<b>Group</b>
<b>12M 2017 (Restated)</b>	<b>\$'000</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	297,020	149,346	140,732	7,859	-	4,622	-	599,579
Inter-segment sales	369	3,143	-	-	-	-	(3,512)	-
Total revenue	<u>297,389</u>	<u>152,489</u>	<u>140,732</u>	<u>7,859</u>	<u>-</u>	<u>4,622</u>	<u>(2,751)</u>	<u>599,579</u>
<b>Results</b>								
Profit from operations	9,463	8,897	24,434	(332)	12,658	(11,141)	(211)	43,768
Interest income	51	307	1,243	3	1,428	2,156	(2,954)	2,234
Interest expense	(785)	(418)	(2)	(22)	(4,793)	(2,382)	2,982	(5,420)
Share of associates' results	-	-	-	-	-	(883)	-	(883)
Share of joint ventures' results	873	224	-	-	-	-	-	1,097
Segment profit	<u>9,602</u>	<u>9,010</u>	<u>25,675</u>	<u>(351)</u>	<u>9,293</u>	<u>(12,250)</u>	<u>(183)</u>	<u>40,796</u>
Tax expense								<u>(11,047)</u>
Profit after tax								<u>29,749</u>
Segment assets	167,509	134,912	115,226	27,804	106,310	154,603	(157,310)	549,054
Deferred tax assets								2,559
Total Assets								<u>551,613</u>
Segment liabilities	133,635	133,927	26,564	29,380	25,127	172,407	(139,543)	381,497
Tax payable								10,660
Deferred tax liabilities								4,576
Total liabilities								<u>396,733</u>
Investment in associate	40	-	-	-	-	26,642	-	26,682
Investment in joint ventures	9,138	902	-	-	-	-	-	10,040
Additions to non-current assets <sup>(3)</sup>	7,025	11,821	7,841	231	-	5,823	-	32,741
Depreciation & Amortisation	13,560	16,205	5,699	865	1,959	2,194	-	40,482
Other non-cash expenses	2,138	1,013	134	321	-	375	-	3,981

**(b) By Geographical Segments**

	External Sales		Non-current Assets <sup>(3)</sup>	
	2018	2017 (Restated)	2018	2017
	\$'000	\$'000	\$'000	\$'000
Singapore	354,470	340,144	141,475	143,559
Mainland China	160,060	164,207	54,041	55,687
Hong Kong	49,696	53,908	8,582	8,731
Rest of the world	45,570	41,320	15,134	6,672
	<u>609,796</u>	<u>599,579</u>	<u>219,232</u>	<u>214,649</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 associated companies.

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

**17. Breakdown of revenue and profit after tax**

	Group		
	FY 2018 \$'000	FY 2017 (Restated) \$'000	Increase (%)
(a) Sales reported for first half year	297,366	295,401	0.7%
(b) Operating profit after tax before deducting minority interests reported for first half year	7,993	16,642	-52.0%
(c) Sales reported for second half year	312,430	304,178	2.7%
(d) Operating profit after tax before deducting minority interests reported for second half year	11,725	13,107	-10.5%

**18. 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)	FY2018	FY2017
Ordinary dividend		
- Interim	2.8	5.6
- Final #	5.6	5.6
Special dividend	0	8.4
<b>Total:</b>	<b>8.4</b>	<b>19.6</b>

# 2018 Final dividend are estimated based on number of shares (excluding treasury shares) outstanding as at the end of the financial year.

**BY ORDER OF THE BOARD**

Ms. Shirley Tan Sey Liy  
Company Secretary  
19 February 2019