



BREADTALK GROUP LIMITED

Financial Statements and Dividend Announcement
For The Third Quarter and Period Ended 30 September 2019

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

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

The Board of Directors of BreadTalk Group Limited is pleased to announce the consolidated results of the Group for the third quarter and period ended 30 September 2019. The figures presented below have not been audited.

	Group			Group		
	3Q 2019	3Q 2018	Change	9M 2019	9M 2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	173,601	157,657	10.1	494,559	455,023	8.7
Cost of sales	(57,784)	(68,523)	(15.7)	(163,264)	(199,526)	(18.2)
Gross profit	115,817	89,134	29.9	331,295	255,497	29.7
Other income	8,535	10,844	(21.3)	26,015	24,624	5.6
Interest income	428	509	(15.9)	1,322	2,519	(47.5)
Distribution and selling expenses	(83,182)	(62,051)	34.1	(252,386)	(183,421)	37.6
Administrative expenses	(30,419)	(29,063)	4.7	(74,896)	(71,397)	4.9
Interest expense						
<i>borrowings</i>	(2,261)	(1,976)	14.4	(6,376)	(6,888)	(7.4)
<i>leases (Note 1)</i>	(4,340)	-	N.M.	(11,599)	-	N.M.
Profit before tax and share of results						
of associate and joint ventures	4,578	7,397	(38.1)	13,375	20,934	(36.1)
Share of results of associates	217	(117)	N.M.	149	(747)	N.M.
Share of results of joint ventures	(152)	(206)	(26.2)	(221)	(101)	118.8
Profit before tax	4,643	7,074	(34.4)	13,303	20,086	(33.8)
Taxation	(2,669)	(3,162)	(15.6)	(8,048)	(8,181)	(1.6)
Profit after tax	1,974	3,912	(49.5)	5,255	11,905	(55.9)
Attributable to:						
Shareholders of the Company	513	2,696	(81.0)	2,853	6,311	(54.8)
Non-controlling interests	1,461	1,216	20.1	2,402	5,594	(57.1)
	1,974	3,912	(49.5)	5,255	11,905	(55.9)
Other comprehensive income:						
Net gain on investment securities	-	-	N.M.	-	(6)	N.M.
Foreign currency translation	(249)	(556)	(55.2)	(1,141)	(209)	445.9
Other comprehensive (loss) income						
for the period, net of tax	(249)	(556)	(55.2)	(1,141)	(215)	430.7
Total comprehensive income for the period	1,725	3,356	(48.6)	4,114	11,690	(64.8)
Attributable to:						
Shareholders of the Company	264	2,140	(87.7)	1,712	6,096	(71.9)
Non-controlling interests	1,461	1,216	20.1	2,402	5,594	(57.1)
	1,725	3,356	(48.6)	4,114	11,690	(64.8)

N.M. – Not meaningful

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

	Group			Group		
	3Q 2019	3Q 2018	Change	9M 2019	9M 2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation and amortisation						
- property, plant and equipment	9,817	10,963	(10.5)	28,016	28,919	(3.1)
- right-of-use assets (Note 1)	38,698	-	N.M.	98,044	-	N.M.
Foreign exchange (gain)/loss, net	(394)	146	N.M.	(848)	324	N.M.
Loss/(gain) on disposal of property, plant and equipment	56	5	N.M.	56	(49)	N.M.
(Gain)/loss on divestment of investment securities	-	(415)	N.M.	(8)	1,470	N.M.
Government grant	(306)	(186)	64.5	(1,362)	(1,126)	21.0
Fair value gain on investment securities	-	-	N.M.	-	(321)	N.M.
Impairment/(Write back) of loan and receivables						
- trade receivables	(16)	(33)	(51.5)	(8)	(211)	(96.2)
- other receivables	(1)	(148)	(99.3)	67	193	(65.3)
Operating lease expenses	4,231	46,952	(91.0)	11,544	116,007	(90.0)
Personnel expenses	53,640	48,954	9.6	157,340	140,270	12.2
Property, plant and equipment written off (Note 2)	110	574	(80.8)	518	2,037	(74.6)

*N.M. – Not meaningful***Notes:**

- (1) With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 *Leases*. The detailed impact from the adoption is detailed in paragraph 5, page 13 of this financial statement.
- (2) The property, plant and equipment were written off as a result of closure, relocation or upgrading of outlets.

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	193,493	173,413	76,527	77,597
Investment property	39,221	39,748	-	-
Intangible assets	7,509	6,071	-	-
Investment securities	86,512	83,149	-	-
Investment in subsidiaries	-	-	24,614	24,509
Investment in associates	25,977	26,226	-	-
Investment in joint ventures	4,508	8,684	-	-
Other receivables	892	838	-	-
Due from related corporations	-	-	-	30,773
Deferred tax assets	2,288	2,340	-	-
Right-of-use assets	378,107	-	-	-
	<u>738,507</u>	<u>340,469</u>	<u>101,141</u>	<u>132,879</u>
Current assets				
Investment securities	16,819	4,797	-	-
Inventories	16,685	11,304	-	-
Trade and other receivables	76,257	57,947	7,181	5,534
Prepayments	7,285	5,942	371	489
Tax recoverable	270	315	-	-
Due from related corporations	1,051	1,124	251,207	169,231
Amount due from minority shareholders of subsidiaries (non- Cash and cash equivalents	1,008	1,986	-	-
	<u>124,227</u>	<u>184,975</u>	<u>4,203</u>	<u>15,729</u>
	<u>243,602</u>	<u>268,390</u>	<u>262,962</u>	<u>190,983</u>
Current liabilities				
Trade and other payables	87,359	97,524	2,548	3,369
Other liabilities	67,907	78,657	4,045	7,609
Provision for reinstatement cost	17,791	15,768	27	27
Due to related corporations	2,441	3,024	82,041	65,964
Loan from a minority shareholder of a subsidiary	200	200	-	-
Short term loans	31,157	5,944	28,000	-
Notes payables	-	75,000	-	75,000
Current portion of long-term loans	29,678	16,631	28,521	3,348
Tax payable	10,713	12,186	1,163	1,032
Lease liabilities	122,520	-	-	-
	<u>369,766</u>	<u>304,934</u>	<u>146,345</u>	<u>156,349</u>
Net current (liabilities)/assets	(126,164)	(36,544)	116,617	34,634

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	Group		Company	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Long-term loans	77,175	28,849	65,197	16,020
Notes payables	99,601	99,511	99,601	99,511
Loan from a minority shareholder of a subsidiary	155	535	-	-
Other liabilities	-	7,641	-	-
Deferred tax liabilities	5,100	4,653	3,116	3,116
Lease liabilities	283,183	-	-	-
	<u>465,214</u>	<u>141,189</u>	<u>167,914</u>	<u>118,647</u>
Net assets	<u>147,129</u>	<u>162,736</u>	<u>49,844</u>	<u>48,866</u>
Share capital and reserves				
Share capital	33,303	33,303	33,303	33,303
Treasury shares	(304)	(247)	(304)	(247)
Accumulated profits	74,902	96,128	16,045	15,017
Translation reserve				
Other reserves	2,722	4,476	800	793
	<u>110,623</u>	<u>133,660</u>	<u>49,844</u>	<u>48,866</u>
Non-controlling interests	36,506	29,076	-	-
Total equity	<u>147,129</u>	<u>162,736</u>	<u>49,844</u>	<u>48,866</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30.9.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
4,098	56,937	16,360	81,657

Amount repayable after one year

As at 30.9.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
24,938	151,993	27,985	100,668

Details of any collateral

- (1) As at 30 September 2019, a total amount of \$208.9 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;
 - a first legal mortgage in favour of the bank over the property at 22/22A Lorong Mambong Singapore 277681.

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

	Group		Group	
	3Q 2019	3Q 2018	9M 2019	9M 2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	4,643	7,074	13,303	20,086
Adjustments for:				
Amortisation of intangible assets	185	94	492	302
Allowance for inventory obsolescence	886	-	895	-
Bad debts written off	-	(16)	3	(15)
Depreciation of property, plant and equipment	9,633	10,869	27,525	28,617
Depreciation of right-of-use assets	38,698	-	98,044	-
Loss/(gain) on divestment of investment securities	-	(415)	(8)	1,470
(Gain)/loss on disposal of property, plant and equipment	56	5	56	(49)
(Write back)/impairment loss on property, plant and equipment	-	(23)	(202)	(70)
Impairment loss on investment in associates	238	-	398	-
Fair value gain on investment securities	-	-	-	(321)
Intangible assets written off	-	77	-	77
Interest expense from borrowings	2,261	2,396	6,376	7,308
Interest expense from lease liabilities	4,340	-	11,599	-
Interest income	(428)	(509)	(1,322)	(2,519)
Inventories written off	1	-	6	1
Property, plant and equipment written off	110	574	518	2,037
Share based payment expenses	118	40	261	199
Share of results of associates	(217)	117	(149)	747
Share of results of joint ventures	152	206	221	101
(Write back)/impairment loss on trade receivables	(16)	(33)	(8)	(211)
(Write back)/impairment loss on other receivables	(1)	(148)	67	193
(Write back)/writedown of inventories	-	179	-	9
Write back of provision for reinstatement cost	-	-	-	(83)
Exchange differences	(680)	180	(303)	(246)
Operating cash flow before working capital changes	59,979	20,667	157,772	57,633
(Increase)/decrease in:				
Amount due from associate (trade)	-	-	-	9
Amount due from joint ventures (trade)	-	-	4	(55)
Inventories	(1,571)	39	(6,282)	(1,270)
Prepayments	2,810	(401)	(1,343)	(956)
Trade and other receivables	(5,811)	975	(18,425)	(3,907)
(Decrease)/increase in:				
Amount due to a joint venture (trade)	(658)	(53)	(810)	(528)
Other liabilities	(4,272)	2,962	(12,580)	(3,725)
Trade and other payables	14,244	(1,170)	(10,758)	(3,093)
Cash generated from operations	64,721	23,019	107,578	44,108
Tax paid	(4,058)	(4,489)	(8,941)	(9,318)
Net cash flow from operating activities	60,663	18,530	98,637	34,790

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	Group		Group	
	3Q 2019	3Q 2018	9M 2019	9M 2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Additions to intangible assets	(153)	-	(493)	(28)
Amount due from non-controlling interests (non-trade)	-	-	795	-
Amount due from joint ventures (non-trade)	(695)	19	69	794
Amount due to joint ventures (non-trade)	(1)	(3)	(1)	(38)
Amount due to associates (non-trade)	301	(445)	227	(1,177)
Cash paid for reinstatement expenses	(236)	(171)	(461)	(615)
Dividends received from an associate	-	-	-	60
Interest income received	428	509	1,322	2,519
Investment in a joint venture	(1,451)	(477)	(1,451)	(477)
Loan to an investee	(1)	-	(1)	-
Proceeds from disposal of property, plant and equipment	-	7	-	110
Proceeds from divestment of investment securities	-	3,037	4,947	20,155
Purchase of fixed assets	(14,217)	(10,434)	(38,166)	(24,817)
Purchase of investment securities	-	(3,537)	(20,324)	(19,790)
Net cash flow (used in)/from investing activities	(16,025)	(11,495)	(53,537)	(23,304)
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	(150)	(419)
Capital contribution from non-controlling interests	4,558	6,263	4,558	6,263
Dividends paid to shareholders of the company	(2,818)	(2,816)	(8,456)	(11,264)
Interest from borrowings paid	(2,261)	(2,396)	(6,376)	(7,308)
Interest expense from lease liabilities paid	(4,340)	-	(11,599)	-
Proceeds from long-term loans	22,000	109	87,000	476
Proceeds from short-term loans	4,194	16,024	45,385	42,557
(Repayment)/proceeds from medium term notes	-	-	(75,000)	100,000
Purchase of treasury shares	(311)	-	(311)	-
Repayment of lease obligations	(58,175)	-	(94,206)	-
Repayment of loan due to minority shareholder	(131)	2	(380)	431
Repayment of long-term loans	(6,613)	(19,413)	(25,661)	(42,608)
Repayment of short-term loans	(4,444)	(21)	(20,293)	(29,933)
Net cash flow (used in)/from financing activities	(48,341)	(2,248)	(105,489)	58,195
Net (decrease)/increase in cash and cash equivalents	(3,703)	4,787	(60,389)	69,681
Effect of exchange rate changes on cash and cash equivalents	(199)	(707)	(359)	(254)
Cash and cash equivalents at beginning of financial period	128,129	206,592	184,975	141,245
Cash and cash equivalents at end of financial period	124,227	210,672	124,227	210,672

Note A: Cash and cash equivalents comprise:

	Group	
	30.09.2019	31.12.2018
	\$'000	\$'000
Cash on hand and at bank	124,220	184,968
Short term FD	7	7
	<u>124,227</u>	<u>184,975</u>

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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				Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated profits	Other reserves (Note B)			Total
	\$'000	\$'000	\$'000	\$'000			\$'000
Balance at 1 January 2019, as previously reported	33,303	(247)	96,128	4,476	133,660	29,076	162,736
Impact of adopting SFRS(I) 16	-	-	(15,622)	-	(15,622)	-	(15,622)
Balance at 1 January 2019 (Restated)	33,303	(247)	80,506	4,476	118,038	29,076	147,114
Profit for the period	-	-	2,340	-	2,340	941	3,281
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(892)	(892)	-	(892)
Total other comprehensive income, net of tax	-	-	-	(892)	(892)	-	(892)
Total comprehensive income for the period	-	-	2,340	(892)	1,448	941	2,389
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	143	143	-	143
Dividends paid	-	-	(5,638)	-	(5,638)	-	(5,638)
Treasury shares transferred on vesting of restricted share grant	-	234	-	(234)	-	-	-
Total contributions by and distributions to owners	-	234	(5,638)	(91)	(5,495)	-	(5,495)
<u>Changes in ownership interests in a subsidiary</u>							
Acquisition of non-controlling interests without a change in control	-	-	-	(620)	(620)	470	(150)
Total changes in ownership interests in a subsidiary	-	-	-	(620)	(620)	470	(150)
Balance at 30 June 2019	33,303	(13)	77,208	2,873	113,371	30,487	143,858
Balance at 1 July 2019	33,303	(13)	77,208	2,873	113,371	30,487	143,858
Profit for the period	-	-	513	-	513	1,461	1,974
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(249)	(249)	-	(249)
Total other comprehensive income, net of tax	-	-	-	(249)	(249)	-	(249)
Total comprehensive income for the period	-	-	513	(249)	264	1,461	1,725
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	118	118	-	118
Dividends	-	-	(2,819)	-	(2,819)	-	(2,819)
Purchase of treasury shares	-	(311)	-	-	(311)	-	(311)
Total contributions by and distributions to owners	-	(311)	(2,819)	118	(3,012)	-	(3,012)
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	4,558	4,558
Total changes in ownership interests in a subsidiary	-	-	-	-	-	4,558	4,558
Balance at 30 September 2019	33,303	(324)	74,902	2,742	110,623	36,506	147,129

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Group	Attributable to Shareholders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Other reserves (Note B)			
	\$'000	\$'000	\$'000	\$'000			
Balance at 1 January 2018, as previously reported	33,303	(460)	98,933	3,216	134,992	25,479	160,471
Impact of adopting SFRS(I) 9	-	-	(1,141)	-	(1,141)	-	(1,141)
Impact of adopting SFRS(I) 15	-	-	(5,591)	-	(5,591)	-	(5,591)
Balance at 1 January 2018 (Restated)	33,303	(460)	92,201	3,216	128,260	25,479	153,739
Profit for the period (Restated)	-	-	3,615	-	3,615	4,378	7,993
<u>Other comprehensive income</u>							
Net gain on fair value changes of investment securities	-	-	-	(6)	(6)	-	(6)
Foreign currency translation	-	-	-	347	347	-	347
Total other comprehensive income, net of tax	-	-	-	341	341	-	341
Total comprehensive income for the period	-	-	3,615	341	3,956	4,378	8,334
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	159	159	-	159
Dividends paid	-	-	(8,448)	-	(8,448)	-	(8,448)
Treasury shares transferred on vesting of restricted share grant	-	213	-	(213)	-	-	-
Total contributions by and distributions to owners	-	213	(8,448)	(54)	(8,289)	-	(8,289)
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	1,020	1,020
Acquisition of non-controlling interests without a change in control	-	-	-	1,054	1,054	(1,472)	(418)
Total changes in ownership interests in a subsidiary	-	-	-	1,054	1,054	(452)	602
Balance at 30 June 2018	33,303	(247)	87,368	4,557	124,981	29,405	154,386
Balance at 1 July 2018	33,303	(247)	87,368	4,557	124,981	29,405	154,386
Profit for the period (Restated)	-	-	2,696	-	2,696	1,216	3,912
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(556)	(556)	-	(556)
Total other comprehensive income, net of tax	-	-	-	(556)	(556)	-	(556)
Total comprehensive income for the period	-	-	2,696	(556)	2,140	1,216	3,356
<u>Contributions by and distributions to owners</u>							
Share-based payments	-	-	-	39	39	-	39
Dividends paid	-	-	(2,816)	-	(2,816)	-	(2,816)
Total contributions by and distributions to owners	-	-	(2,816)	39	(2,777)	-	(2,777)
<u>Changes in ownership interests in a subsidiary</u>							
Issuance of new shares to non-controlling interest	-	-	-	-	-	5,860	5,860
Total changes in ownership interests in a subsidiary	-	-	-	-	-	5,860	5,860
Balance at 30 September 2018	33,303	(247)	87,248	4,040	124,344	36,481	160,825

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Company	Share capital	Treasury shares	Accumulate d profits	Other reserves (Note B)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019	33,303	(247)	15,017	793	48,866
Profit for the period	-	-	6,643	-	6,643
Total comprehensive income for the period	-	-	6,643	-	6,643
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	143	143
Dividend paid	-	-	(5,638)	-	(5,638)
Treasury shares transferred on vesting of restricted share grant	-	234	-	(234)	-
Total contributions by and distributions to owners	-	234	(5,638)	(91)	(5,495)
Balance at 30 June 2019	33,303	(13)	16,022	702	50,014
As at 1 July 2019	33,303	(13)	16,022	702	50,014
Profit for the period	-	-	2,842	-	2,842
Total comprehensive income for the period	-	-	2,842	-	2,842
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	118	118
Dividend paid	-	-	(2,819)	-	(2,819)
Purchase of treasury shares	-	(311)	-	-	(311)
Total contributions by and distributions to owners	-	(311)	(2,819)	118	(3,012)
Balance at 30 September 2019	33,303	(324)	16,045	820	49,844
Balance at 1 January 2018	33,303	(460)	8,332	768	41,943
Profit for the period	-	-	2,965	-	2,965
Total comprehensive income for the period	-	-	2,965	-	2,965
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	159	159
Dividends paid	-	-	(8,448)	-	(8,448)
Treasury shares transferred on vesting of restricted share grant	-	213	-	(213)	-
Total contributions by and distributions to owners	-	213	(8,448)	(54)	(8,289)
Balance at 30 June 2018	33,303	(247)	2,849	714	36,619
As at 1 April 2018	33,303	(247)	2,849	714	36,619
Profit for the period	-	-	1,108	-	1,108
Total comprehensive income for the period	-	-	1,108	-	1,108
<u>Contributions by and distributions to owners</u>					
Share-based payments	-	-	-	40	40
Dividends paid	-	-	(2,816)	-	(2,816)
Total contributions by and distributions to owners	-	-	(2,816)	40	(2,776)
Balance at 30 September 2018	33,303	(247)	1,141	754	34,951

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Note B: Other reserves

	Group		Company	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	\$000	\$000	\$000	\$000
Statutory reserve fund	2,954	2,954	-	-
Translation reserve	694	1,835	-	-
Capital reserve	177	177	177	177
Share based compensation reserve	623	616	623	616
Premium on acquisition of non-controlling interests	(1,726)	(1,106)	-	-
	2,722	4,476	800	793

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- 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**

There were no changes in the share capital of the Company in 3Q 2019. There were a total of 519,134 treasury shares held as at 30 September 2019 (30 September 2018: 509,376). The Company did not have any subsidiary holdings or other convertibles as at 30 June 2019.

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

As at 30 September 2019, the Company's issued and paid up capital, excluding 519,134 (31 December 2018: 509,376) treasury shares held, comprises 563,267,342 (31 December 2018: 563,277,100) ordinary shares.

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

	Number of Treasury Shares			
	3Q 2019	3Q 2018	9M 2019	9M 2018
Balance at beginning of financial period as adjusted for share split	24,134	915,908	509,376	915,908
Purchase of treasury shares	495,000	-	495,000	-
Treasury shares transferred on vesting of restricted share grant as adjusted for share split	-	(406,532)	(485,242)	(406,532)
Balance at end of financial period as adjusted for share split	<u>519,134</u>	<u>509,376</u>	<u>519,134</u>	<u>509,376</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 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 2018, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 January 2019.

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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 SFRS(I) which are effective for its financial year beginning 1 January 2019. The impact of adopting the following SFRS(I) which are effective for financial year beginning 1 January 2019, are detailed as follows:

SFRS(I) 16 – Leases

The Group and Company adopted SFRS(I) 16 and elected to apply the standard retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 January 2019. In addition, the Group elected the following practical expedients:

- (i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- (ii) to apply the exemption not to recognize right-of-use asset and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019
- (iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Summary of Impact

Group	\$'000		
	1 January 2019	SFRS(I) 16	1 January 2019 (Restated)
Non Current Assets			
Right-of-use assets	-	352,716	352,716
Non Current Liabilities			
Lease liabilities	-	256,346	256,346
Current Liabilities			
Lease liabilities	-	108,607	108,607
Equity			
Accumulated Profits	96,128	(15,622)	80,506

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

	Group		Group	
	3Q 2019	3Q 2018	9M 2019	9M 2018
Earnings per ordinary share for the period:				
(a) Based on weighted average number of ordinary shares in issue	0.09 cent	0.48 cent	0.51 cent	1.12 cents
Weighted average number of ordinary shares	563,597,342	563,277,100	563,545,595	563,186,760
(b) On a fully diluted basis	0.09 cent	0.48 cent	0.51 cent	1.12 cents
Adjusted weighted average number of ordinary shares	564,284,579	563,591,884	564,234,579	563,501,544

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

	Group		Company	
	30.9.2019	31.12.2018	30.9.2019	31.12.2018
Net asset value per ordinary share based on issued share capital as at the end of period	26.1 cents	28.9 cents	8.8 cents	8.7 cents

Note: The net asset value per ordinary share of the Group and the Company as at 30 September 2019 is computed based on the total number of issued shares (excluding 519,134 treasury shares) of 563,267,342 (31 December 2018: 563,277,100).

- 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**

(A) Statement of Comprehensive Income

Group revenue for 9M FY2019 rose 8.7% Y/Y from \$455.0 million to \$494.6 million, led by growth across all business divisions. Following the adoption of SFRS(I) 16 this financial year, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group during 9M FY2019 stood at S\$156.1 million, 185.7% higher Y/Y, as a significant portion of lease-related expenses that were earlier classified as operating expenses are now recognised as depreciation and interest expense. Profit After Tax and Minority Interests ("PATMI") for 9M FY2019 declined 54.8% from \$6.3 million to \$2.9 million.

Bakery Division revenue rose 3.3% Y/Y to \$218.9 million during 9M FY2019, with the consolidation of revenue from the Thailand Bakery business following the acquisition of the 50% interest in BTM (Thailand) Ltd from Minor Food Group. Excluding that, revenue would have been lower by 4.9% Y/Y, attributed to lower revenue from both the direct operated stores and the franchise business in China, partly offset by stronger revenue by the direct operated stores in Singapore and the international franchise business. The Division reported Profit Before Tax ("PBT") loss of S\$3.4 million in 9M FY2019 as compared to a profit of S\$4.8 million in 9M FY2018.

Food Atrium Division revenue grew 2.0% Y/Y to \$119.6 million. During 9M FY2019, the Division opened 3 food courts in Chongqing, Hong Kong and Bangkok respectively. Same store sales growth remained generally strong across the entire portfolio with North China, East China and Thailand providing the main thrust. Hong Kong same store sales declined due to the ongoing social unrest. Stall vacancy remains low despite the challenges in Hong Kong. PBT for the period rose 5.9% Y/Y from \$10.4 million to \$11.1 million.

Restaurant Division revenue rose 14.8% Y/Y to \$129.6 million for 9M FY2019, with the addition of 5 more outlets – 4 in Singapore (Republic Plaza, Great World City, Marina Bay Sands and Jewel Changi Airport) and 1 in Thailand (Terminal 21). Despite United Kingdom operations not having turned profitable yet, PBT for the period came in at \$19.5 million, which was 6.1% higher Y/Y due to strong performance in the Singapore and Thailand businesses.

4orh Division delivered a revenue of \$23.3 million for 9M FY2019 compared to S\$9.7 million for 9M FY2018. The period saw the commencement of our Song Fa Bak Kut Teh operations in Beijing, Guangzhou and Bangkok, as well as the deepening of our brands' presence in Shanghai. The Division reported a PBT loss of \$8.1 million primarily attributed to start-up costs for new outlets and below expectation performance in certain outlets. On a standalone basis, Sō Ramen has been contributing positive net profit to the Division.

Overall interest expense for 9M FY2019 increased 161.0% Y/Y to S\$18.0 million, as the adoption of SFRS(I) 16 resulted in the recognition of lease-related interest expense attributed to the amortisation of the lease liabilities on the balance sheet, and is unrelated to our bank borrowings or medium term note in issue. Of the \$18.0 million of interest expense incurred during the period, \$6.4 million was related to bank borrowings and the outstanding medium term note, which was 7.4% lower Y/Y.

Share of results of associates and joint ventures turned in a small loss of \$0.1 million in 9M FY2019, compared to a combined loss of \$0.8 million in 9M FY2018.

Earnings per share (EPS) on a fully diluted basis for 9M FY2019 was 0.51 cents compared to 1.12 cents for 9M FY2018.

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Net asset value (NAV) per share was 26.1 cents as at 30 September 2019 compared to 28.9 cents as at 31 December 2018.

Number of outlets including franchise under the Group:

	30.9.2019	31.12.2018	Net increase / (decrease)	30.9.2018	Net increase / (decrease)
Bakery	887	863	2.8%	839	5.7%
- Direct operated stores	276	221	24.9%	223	23.8%
- Franchise	611	642	(4.8%)	616	(0.8%)
Food Atrium	66	60	10.0%	58	13.8%
- Food courts	58	55	5.5%	54	7.4%
- Direct operated restaurants	8	5	60.0%	4	100.0%
Restaurant	33	28	17.9%	27	22.2%
4orth	25	12	108.3%	9	177.8%
Total	1,011	963	5.0%	933	8.4%

(B) Statement of Financial position

As at 30 September 2019,

Non-current assets increased by S\$398.0 million or 116.9% from S\$340.5 million to S\$738.5 million mainly due to increase in:

- (i) right-of-use assets by S\$378.1 million largely arising from the adoption of the SFRS(I) 16 on 1 January 2019;
- (ii) property, plant and equipment by S\$20.1 million; and
- (iii) investment securities by S\$3.4 million

offset by a decrease in joint venture by S\$4.2 million.

Current assets decreased by S\$24.8 million or 9.2% from S\$268.4 million to S\$243.6 million mainly due to decrease in cash and cash equivalents by S\$60.7 million

offset by an increase in:

- (i) trade and other receivables by S\$18.3 million;
- (ii) investment securities by S\$12.0 million; and
- (iii) inventories by S\$5.4 million.

Current liabilities increased by S\$64.8 million or 21.3% from S\$304.9 million to S\$369.8 million mainly due to increase in:

- (i) lease liabilities by S\$122.5 million arising from the adoption of SFRS(I) 16;
- (ii) short term loan by S\$25.2 million;
- (iii) current portion of long term loans by S\$13.0 million; and
- (iv) provision for reinstatement cost by S\$2.0 million

offset by a decrease in:

- (i) notes payable by S\$75.0 million;
- (ii) other liabilities by S\$10.8 million;
- (iii) trade and other payables by S\$10.2 million; and
- (iv) tax payable by S\$1.5 million.

Non-current liabilities increased by S\$324.0 million or 229.5% from S\$141.2 million to S\$465.2 million mainly due to increase in:

- (i) lease liabilities by S\$283.2 million arising from the adoption of SFRS(I) 16; and
- (ii) long term loans S\$48.3 million

offset by a decrease in other liabilities by S\$7.6 million.

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(C) Statement of Cash Flows

The Group generated net cash flow from operating activities of S\$98.6 million in 9M FY2019 as compared to S\$34.8 million in 9M FY2018.

Net cash flow used in investing activities was S\$53.5 million in 9M FY2019. Net cash flow was used primarily in the purchase of property, plant and equipment amounting to S\$38.2 million and purchase of investment securities amounting to S\$20.3 million.

Net cash flow used in financing activities was S\$105.5 million in 9M FY2019. Following the adoption of SFRS(I) 16, the repayment of lease obligation for 9M 2019 was S\$94.2 million. The net borrowings and redemption of medium term note totalled to S\$11.4 million as compared to the net borrowings amounting to S\$70.5 million in 9M FY2018. The Group continues to monitor its borrowings closely.

Overall, the Group reported a net decrease in cash and cash equivalents of S\$60.4 million in 9M FY2019, ending the period with a cash and cash equivalents of S\$124.2 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

The Group will continue to focus our resources in our key markets and ensure that our cost structure remains competitive.

Upon the completion of the Food Junction acquisition on 31 October 2019, we expect additional revenue contribution to the Food Atrium business from 4Q FY2019. We will also work on driving greater synergy between Food Republic and Food Junction in their common markets of Singapore and Malaysia.

The Restaurant Division will continue its momentum in the Singapore and Thailand market while managing the challenges in the United Kingdom.

Song Fa Bak Kut Teh business opened its first outlet in the Taiwan market during the quarter and is expected to continue contributing revenue growth for the 4th Division.

Efforts to turn around the Bakery business, particularly in China and Thailand remain underway, while we continue to build on the strong performance of the business in Singapore. The Bakery Division is expected to place additional emphasis on turning around loss making stores and at the same time seek more ways to create value for our franchisees.

The ongoing social unrest in Hong Kong is expected to have a negative impact to our Food Atrium and Bakery businesses in the territory. The Group will be monitoring the situation closely and will mitigate its impact as much as possible.

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11 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

9M 2019	Bakery⁽¹⁾	Food Atrium	Restaurant	4orth	Real Estate Investment	Others⁽²⁾	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
External sales	218,874	119,619	129,607	23,289	-	3,170	-	494,559
Inter-segment sales	3,276	2,432	62	24	-	16,468	(22,262)	-
Total revenue	<u>222,150</u>	<u>122,051</u>	<u>129,669</u>	<u>23,313</u>	<u>-</u>	<u>19,638</u>	<u>(22,262)</u>	<u>494,559</u>
Results								
Profit from operations	(658)	16,780	21,022	(7,149)	3,820	(3,504)	(283)	30,028
Interest income	18	141	1,577	162	860	3,818	(5,254)	1,322
Interest expense	(2,490)	(5,872)	(3,107)	(1,067)	(3,888)	(6,736)	5,185	(17,975)
Share of associates' results	-	-	-	-	-	149	-	149
Share of joint ventures' results	(237)	16	-	-	-	-	-	(221)
Segment profit	<u>(3,367)</u>	<u>11,065</u>	<u>19,492</u>	<u>(8,054)</u>	<u>792</u>	<u>(6,273)</u>	<u>(352)</u>	<u>13,303</u>
Tax expense								<u>(8,048)</u>
Profit after tax								<u><u>5,255</u></u>
Segment assets	260,264	277,905	204,370	97,017	190,450	267,094	(317,549)	979,551
Tax recoverable								270
Deferred tax assets								2,288
Total Assets								<u><u>982,109</u></u>
Segment liabilities	282,819	275,927	129,338	82,606	126,328	250,474	(328,325)	819,167
Tax payable								10,713
Deferred tax liabilities								5,100
Total liabilities								<u><u>834,980</u></u>
Investment in associate	-	-	-	-	-	25,977	-	25,977
Investment in joint ventures	2,581	476	-	-	-	1,451	-	4,508
Additions to non-current assets ⁽³⁾	14,918	7,918	8,118	6,740	-	4,565	-	42,259
Depreciation & Amortisation	41,508	55,940	19,562	6,123	1,194	1,733	-	126,060
Other non-cash expenses	960	161	4	-	2	143	-	1,270

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9M 2018	Bakery⁽¹⁾	Food Atrium	Restaurant	4orth	Real Estate Investment	Others⁽²⁾	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
External sales	211,975	117,233	112,861	9,657	-	3,297	-	455,023
Inter-segment sales	1,195	2,425	-	-	-	445	(4,065)	-
Total revenue	<u>213,170</u>	<u>119,658</u>	<u>112,861</u>	<u>9,657</u>	<u>-</u>	<u>3,742</u>	<u>(4,065)</u>	<u>455,023</u>
Results								
Profit from operations	5,536	10,302	17,572	(1,278)	2,441	(8,693)	(157)	25,723
Interest income	212	132	890	8	1,179	1,889	(1,791)	2,519
Interest expense	(562)	(222)	(99)	(41)	(4,537)	(3,637)	1,790	(7,308)
Share of associates' results	(40)	-	-	-	-	(707)	-	(747)
Share of joint ventures' results	(334)	233	-	-	-	-	-	(101)
Segment profit	<u>4,812</u>	<u>10,445</u>	<u>18,363</u>	<u>(1,311)</u>	<u>(917)</u>	<u>(11,148)</u>	<u>(158)</u>	<u>20,086</u>
Tax expense								(8,181)
Profit after tax								<u>11,905</u>
Segment assets	162,937	128,936	135,464	50,143	239,513	166,616	(216,712)	666,897
Tax recoverable								252
Deferred tax assets								2,504
Total Assets								<u>669,653</u>
Segment liabilities	133,003	126,091	24,404	41,922	124,393	220,276	(227,379)	442,710
Tax payable								9,687
Deferred tax liabilities								4,275
Total liabilities								<u>456,672</u>
Investment in associate	-	-	-	-	-	26,485	-	26,485
Investment in joint ventures	8,825	1,241	-	-	-	-	-	10,066
Additions to non-current assets ⁽³⁾	9,805	4,632	2,805	1,109	162	5,937	-	24,450
Depreciation & Amortisation	10,181	10,768	4,549	479	1,415	1,527	-	28,919
Other non-cash expenses	191	1,690	-	12	-	1,688	-	3,581

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(b) By Geographical Segments

	External Sales		Non-current Assets ⁽³⁾	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Singapore	272,089	264,319	143,964	139,352
Mainland China	115,693	120,150	58,655	51,146
Thailand	38,455	37,986	19,173	4,755
Hong Kong	39,225	17,126	8,669	9,239
Rest of the world	29,097	15,442	9,762	2,337
	<u>494,559</u>	<u>455,023</u>	<u>240,223</u>	<u>206,829</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.

12 Dividend**(a) Current Financial Period Reported On**

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Nil.

(c) Date payable

Interim dividend will be paid on 20 December 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 12 December 2019 ("Book Closure Date") for the purpose of determining members' entitlement to the interim 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 12 December 2019 will be registered before entitlements to the dividend are determined.

13 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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- 14** 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	111	Not applicable - the Group does not have a shareholders' mandate under Rule 920
(2) Toast Box @ 6th Avenue - Rental income/miscellaneous charges	177	

- 15** 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 third quarter and period ended 30 September 2019 of the Group and the Company to be false or misleading in any material aspect.

- 16** 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
12 November 2019