BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 2007

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

1(a) An income statement (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 2007. The figures presented below have not been audited.

	Group		
	FY2007	**Restated FY2006**	Increase/
	$000	$000	(Decrease)
Revenue	156,610	123,569	26.7%
Cost of sales	(69,863)	(55,523)	25.8%
Gross profit	86,747	68,046	27.5%
Other operating income	6,319	4,713	34.1%
Distribution and selling expenses	(55,632)	(45,718)	21.7%
Administrative expenses	(25,284)	(19,647)	28.7%
Profit from operations	12,150	7,394	64.3%
Interest income	56	113	-50.4%
Interest expense	(791)	(858)	-7.8%
Profit before tax and and share of results of associates and joint ventures	11,415	6,649	71.7%
Share of results of associates	(454)	(517)	N.M.
Share of results of joint ventures	267	334	-20.1%
Profit before tax	11,228	6,466	73.6%
Tax expense	(2,791)	(2,020)	38.2%
Profit after tax	8,437	4,446	89.8%
Attributable to:			
Shareholders of the Company	**7,319**	**3,476**	110.6%
Minority interests	1,118	970	15.3%
	8,437	4,446	89.8%

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

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

	Group		
	FY2007	**Restated FY2006**	Increase/
	$000	$000	(Decrease)
Depreciation and amortisation	10,348	8,508	21.6%
Operating lease expenses	32,047	25,633	25.0%
Personnel expenses	42,087	32,776	28.4%
Plant and equipment written off	593	289	105.2%
Loss (Gain) on disposal of plant and equipment	130	(51)	N.M.
Impairment loss on brand value	-	99	-100.0%
Gain on liquidation of a subsidiary	-	(98)	-100.0%
Gain on disposal of an associate	(83)	-	N.A.
Allowance for doubtful receivables	285	-	N.A.
Foreign exchange loss, net	89	38	134.2%
Pre-operating expenses	1	199	N.M.
Government grant	(919)	-	N.A.

N.A. - Not applicable N.M. - Not meaningful

(B) Tax Expense

The tax expense of $2.8 million for FY2007 is net of an over-provision of $58,000 in respect of prior years (FY2006: under-provision of $174,000)

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

	Group	Group	Company	Company
		Restated		
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	$000	$000	$000	$000
Non-current assets				
Property, plant and equipment	44,893	34,141	15	5
Intangible assets	9,665	8,427	-	-
Investment securities	316	316	-	-
Investment in subsidiaries	-	-	23,139	21,639
Investment in associates	1,051	665	-	-
Investment in joint ventures	282	2,212	-	-
Deferred tax assets	394	309	-	-
	56,601	46,070	23,154	21,644
Current assets				
Inventories	2,506	2,003	-	-
Trade receivables	3,027	2,855	-	-
Other receivables and deposits	13,105	9,748	11	3
Prepayments	1,798	507	11	10
Amount due from subsidiaries (non-trade)	-	-	8,761	210
Amount due from related parties (non-trade)	-	78	-	-
Amount due from associates (trade)	-	1,425	-	-
Amount due from associates (non-trade)	7	216	-	-
Amount due from joint ventures (trade)	64	113	-	-
Amount due from joint ventures (non-trade)	237	176	-	-
Amount due from minority shareholders	-	150	-	-
Fixed deposits	2,814	1,107	2,509	-
Cash on hand and at bank	35,531	18,455	2,586	603
	59,089	36,833	13,878	826
Current liabilities				
Trade payables	8,861	7,922	-	-
Other payables and accruals	42,122	28,894	1,463	736
Provision for reinstatement cost	1,487	648	-	-
Amount due to subsidiaries (non-trade)	-	-	4	443
Amount due to associates (trade)	5	-	-	-
Amount due to associates (non-trade)	-	360	-	-
Amount due to joint ventures (non-trade)	11	28	-	-
Amount due to landlord (non-trade)	190	-	-	-
Finance lease obligations, secured	244	107	-	-
Short term loan, secured	3,283	4,958	-	-
Long-term loans, secured	3,701	3,044	-	-
Tax payable	2,967	1,468	43	38
	62,871	47,429	1,510	1,217
Net current assets (liabilities)	**(3,782)**	**(10,596)**	**12,368**	**(391)**
Non-current liabilities				
Long-term loans, secured	3,977	4,843	-	-
Finance lease obligations, secured	366	303	-	-
Loan from minority shareholder of a subsidiary	125	59	-	-
Amount due to landlord (non-trade)	240	402	-	-
Deferred tax liabilities	845	869	-	-
	5,553	6,476	-	-
Net assets	47,266	28,998	35,522	21,253
Share capital and reserves				
Share capital	33,303	21,516	33,303	21,516
Accumulated profits (losses)	10,394	4,551	2,219	(263)
Statutory reserve fund	612	123	-	-
Translation reserve	(213)	(250)	-	-
	44,096	25,940	35,522	21,253
Minority interests	3,170	3,058	-	-
Total equity	47,266	28,998	35,522	21,253

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.12.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
7,228	-	8,109	-

Amount repayable after one year

As at 31.12.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
$000	$000	$000	$000
4,343	125	5,146	59

Details of any collateral

(1) As at 31 December 2007, the Group's term loans totalling approximately $11.0 million are secured by corporate guarantees issued by the Company.

(2) Finance lease obligations are secured by the underlying assets acquired and in some cases, together with corporate guarantees issued by the Company.

(3) As at 31 December 2007, there were several deeds of guarantee executed by the Company to secure certain operating leases of a subsidiary company.

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

	Group	
	FY2007	Restated FY2006
	$000	$000
Cashflows from operating activities		
Profit before tax	11,228	6,466
Adjustments for:		
Share of results of associates	454	517
Share of results of joint ventures	(267)	(334)
Depreciation of property, plant and equipment	9,793	7,976
Amortisation of intangible assets	555	532
Impairment loss of intangible assets	-	99
Gain on disposal of an associated company	(83)	-
Gain on liquidation of a subsidiary	-	(98)
Loss (Gain) on disposal of plant and equipment	130	(51)
Plant and equipment written off	593	289
Allowance for doubtful receivables	285	-
Interest expense	791	858
Interest income	(56)	(113)
Translation difference	24	530
Operating profit before working capital changes	23,447	16,671
(Increase)/ decrease in:		
Inventories	(354)	(314)
Trade receivables	(171)	(380)
Other receivables and deposits	(2,298)	(3,613)
Prepayments	(1,192)	102
Amount due from related parties	78	(78)
Amount due from associates (trade)	897	(1,014)
Amount due from associates (non-trade)	(140)	1,038
Amount due from joint ventures (trade)	50	(113)
Amount due from joint ventures (non-trade)	(258)	137
Amount due from minority shareholder (non-trade)	150	(150)
Increase/ (decrease) in:		
Trade payables	464	162
Other payables and accruals	10,456	10,702
Amount due to associates (trade)	5	(71)
Amount due to associates (non-trade)	(360)	99
Amount due to joint ventures (non-trade)	25	22
Cash generated from operations	30,799	23,200
Tax paid	(2,040)	(2,559)
Net cash flow from operating activities	**28,759**	**20,641**

Cash flows from investing activities		
Interest income received	56	113
Dividend income from joint venture	180	-
Purchase of property, plant and equipment	(18,186)	(18,637)
Proceeds from disposal of plant and equipment	367	286
Proceeds from disposal of an associated company	178	-
Acquisition of intangible assets	(157)	(177)
Net cash inflow on acquisition of subsidiaries	1,874	-
Net cash outflow on liquidation of a subsidiary	-	(31)
Investment securities	-	(316)
Investment in associates	(1,200)	(261)
Loan to an associate	-	(225)
Investment in joint ventures	(335)	-
Net cash flow used in investing activities	**(17,223)**	**(19,248)**
Cash flows from financing activities		
Decrease in fixed deposits and cash at bank pledged	1,000	496
Interest expense paid	(767)	(833)
Dividends paid to shareholders of the Company	(987)	-
Dividends paid to minority shareholders	(1,148)	-
Net proceeds (repayment) of finance lease obligations	46	(327)
Net (repayment) proceeds of short-term loans	(1,657)	1,665
Net (repayment) proceeds of long-term loans	(157)	1,924
Net proceeds from issue of new shares	11,787	-
Capital injection from minority shareholder of a subsidiary	-	150
Loan from a minority shareholder	130	(82)
Net cash flow from financing activities	**8,247**	**2,993**
Net increase in cash and cash equivalents	19,783	4,386
Cash and cash equivalents at beginning of year	18,455	14,069
Cash and cash equivalents at end of year	**38,238**	**18,455**
Note: Cash and cash equivalents		
Cash on hand and at bank	35,531	18,455
Fixed deposits	2,814	1,107
	38,345	19,562
Less: Fixed deposits pledged	(107)	(1,107)
Cash and cash equivalents	38,238	18,455

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							
	Share capital	**Share premium**	**Translation reserve**	**Accumulated profits (losses)**	**Statutory reserve fund**	**Total**	**Minority interests**	**Total equity**
Group	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 January 2006	8,036	13,480	88	2,074	-	23,678	2,076	25,754
Effect of prior year adjustments	-	-	(4)	(876)	-	(880)	(138)	(1,018)
Restated balance at 1 January 2006	8,036	13,480	84	1,198	-	22,798	1,938	24,736
Translation difference	-	-	(334)	-	-	(334)	-	(334)
Net profit for the year	-	-	-	3,476	-	3,476	970	4,446
Transfer to share capital*	13,480	(13,480)	-	-	-	-	-	-
Transfer of reserves	-	-	-	(123)	123	-	-	-
Issuance of new shares to minority shareholders	-	-	-	-	-	-	150	150
Balance at 31 December 2006	**21,516**	**-**	**(250)**	**4,551**	**123**	**25,940**	**3,058**	**28,998**
Balance at 1 January 2007	21,516	-	(303)	6,258	123	27,594	3,221	30,815
Effect of prior year adjustments	-	-	53	(1,707)	-	(1,654)	(163)	(1,817)
Restated balance at 1 January 2007	21,516	-	(250)	4,551	123	25,940	3,058	28,998
Translation difference	-	-	37	-	-	37	-	37
Net profit for the year	-	-	-	7,319	-	7,319	1,118	8,437
Dividend paid	-	-	-	(987)	-	(987)	(1,148)	(2,135)
Issuance of new shares	11,787	-	-	-	-	11,787	-	11,787
Transfer of reserves	-	-	-	(489)	489	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	84	84
Issuance of new shares to minority shareholders	-	-	-	-	-	-	58	58
Balance at 31 December 2007	**33,303**	**-**	**(213)**	**10,394**	**612**	**44,096**	**3,170**	**47,266**

Company	Share capital $000	Share premium $000	profits / (losses) $000	Total $000
Balance at 1 January 2006	8,036	13,480	(217)	21,299
Transfer to share capital*	13,480	(13,480)	-	-
Net loss for the year	-	-	(46)	(46)
Balance at 31 December 2006	**21,516**	**-**	**(263)**	**21,253**
As at 1 January 2007	21,516	-	(263)	21,253
Issuance of new shares	11,787	-	-	11,787
Dividend paid	-	-	(987)	(987)
Net profit for the year	-	-	3,469	3,469
Balance at 31 December 2007	**33,303**	**-**	**2,219**	**35,522**

* Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as 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

During the year ended 31 December 2007, the Company has issued a total of 34 million new ordinary shares at a consideration of $0.36 per share through a share placement exercise.

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

Except as disclosed in note 5 below, 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 2006.

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

In prior years, the Group recognised lease expenses on an incurred basis. In compliance with FRS 17 'Leases', the Group has in the current year, recognised operating lease expenses in the income statement on a straight line basis over the lease term. The change in accounting for leases has been applied retrospectively and as a result, the prior year's net profit attributable to shareholders of the Company has been restated to $3.5 million and EPS to 1.73 cents per share.

In addition, certain comparative figures have been reclassified to conform with the current year's presentation.

Meanwhile, the adoption of new/ revised FRS effective from 1 January 2007 has no material impact on the financial statements of the Group.

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	
	FY2007	**Restated FY2006**
Earnings per ordinary share for the period:		
(a) Based on weighted average number of ordinary shares in issue	3.23 cents	1.73 cents
Weighted average number of ordinary shares	226,411,034	200,911,034
(b) On a fully diluted basis	3.23 cents	1.73 cents
Adjusted weighted average number of ordinary shares	226,411,034	200,911,034

As at 31 December 2007, there were no share options issued under the "BreadTalk Group Limited Employees' Share Option Scheme" and, hence, there were no potential dilutive ordinary shares.

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

	Group		Company	
		Restated		
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Net asset value per ordinary share based on issued share capital as at the end of period reported on	18.8 cents	12.9 cents	15.1 cents	10.6 cents

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

The Group achieved record performance in FY2007 fueled by broad-based growth across all business segments. Net profit more than doubled to $7.3 million (FY2006: $3.5 million) on revenue of $156.6 million (FY2006: $123.6 million) in FY2007.

Revenue

Group revenue rose 26.7% to an all-time high of $156.6 million in FY2007 fueled by successful expansion drive across all business divisions.

	FY2007		FY2006		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Bakery sales	68,841	44.0%	55,552	45.0%	13,289	23.9%
Franchise revenue	10,982	7.0%	7,574	6.1%	3,408	45.0%
Restaurant sales	28,345	18.1%	22,051	17.9%	6,294	28.5%
Foodcourts revenue	48,442	30.9%	38,392	31.1%	10,050	26.2%
	156,610	100.0%	123,569	100.0%	33,041	26.7%

Bakery

Sales from bakery business, the largest revenue contributor, increased 23.9% to $68.8 million or 44% of Group revenue in FY2007 attributed to expansion in Singapore and the PRC.

Bakery sales in Singapore rose 24.5% or $7.7 million to $39.1 million in FY2007 boosted by contributions from five additional Toast Box outlets opened during the year and the higher same store sales. A new premium BreadTalk Silver was launched in May 2007 at Paragon outlet and a revamp of retail concepts was carried out at certain existing BreadTalk outlets to introduce new products, store appearance, packaging and service.

PRC bakery operations also grew a strong 28.1% or $6.4 million to $29.3 million in FY2007 mainly driven by BreadTalk outlet expansion from 24 as of 31 December 2006 to 29 as at 31 December 2007.

The number of bakery outlets owned and operated by the Group:

	Number of Bakery Outlets		
	31-Dec-07	30-Jun-07	31-Dec-06
Singapore	34	33	31
Malaysia*	5	4	4
Hong Kong*	2	3	4
PRC:			
- Shanghai	15	14	14
- Beijing/ Tianjin	14	11	10
Thailand	3	3	1
	73	68	64

*The bakery outlets in Malaysia and Hong Kong were previously operated under franchise arrangement through ML Breadworks Sdn Bhd ("MLBW") and Hong Kong BreadTalk Ltd which were 49.0% and 30.0% owned associated companies respectively. These operations were rationalised in 3Q07 whereby MLBW became a 90% owned subsidiary while the bakery operation in Hong Kong was restructured under a 85% owned subsidiary, BreadTalk Concept Hong Kong Limited.

Franchise
Franchise revenue grew 45.0% from $7.6 million in FY2006 to $11.0 million in FY2007 mainly driven by: (i) higher master franchise fees from 6 new franchisees signed up for 5 additional PRC cities; and (ii) growth in royalty fees and raw materials sales as the total number of franchised outlets increased to 97 outlets at end of 2007 from 65 outlets a year ago.

The Group's franchised bakery network:

		As At	
	31-Dec-07	**30-Jun-07**	**31-Dec-06**
Indonesia	36	32	29
Philippines	11	8	8
Kuwait	6	4	4
UAE	3	3	3
Taiwan	1	1	1
India	4	2	1
PRC:			
- Shenzhen	8	5	5
- Nanjing	3	3	3
- Hangzhou	3	2	2
- Chengdu	4	3	3
- Chongqing	3	3	3
- Guangzhou	2	2	1
- Changzhou	1	1	1
- Ningbo	3	1	1
- Xiamen	1	1	-
- Xian	2	1	-
- Suzhou	3	1	-
- Qingdao	1	-	-
- Wuhan	2	-	-
	97	73	65

Restaurants
Revenue from the restaurant business increased $6.3 million or 28.5% to $28.3 million in FY2007 from $22.1 million in FY2006. This was mainly driven by higher Din Tai Fung restaurant sales on improvement in same store sales as well as maiden full-year contributions from the Raffles City and St James Power Station outlets opened in July 2006 and December 2006 respectively. In addition, the restaurant operation at St. James Power Station rang in maiden revenue contribution of $1.7 million.

Food Courts

Food court business registered revenue growth of $10.0 million or 26.2% from $38.4 million in FY2006 to $48.4 million in FY2007 mainly attributable to full-year revenue contribution from food courts at Vivo City opened in October 2006 and maiden contribution from Suntec City opened in May 2007. PRC food courts also recorded higher revenue despite the negative effect of a two-month temporary closure for upgrading of its biggest food court at Metro City in Shanghai during 1H07, as well as the deconsolidation of revenue of the steam boat direct stalls following the restructuring of this business into a 50:50 joint venture with the operator.

Following the upgrading of the 34,000 square feet food court at Shanghai Metro City, the food court saw record-breaking sales with the introduction of new concept and interesting tenant mix, further entrenching the Food Republic label as a leading innovative brand in the industry.

Number of food courts owned and operated by the Group:

		As At	
	31-Dec-07	**30-Jun-07**	**31-Dec-06**
PRC:			
- Shanghai	11	12	11
- Beijing	4	3	3
- Tianjin	1	1	1
- Chongqing	2	2	1
Hong Kong	2	1	1
Singapore	3	3	2
Malaysia	1	-	-
	24	22	19

Breakdown of the Group's revenue by geographical segment is summarised below:

	FY2007		FY2006		Increase	
	$000	% Contribution	$000	% Contribution	$000	
Singapore	80,107	51.2%	56,555	45.8%	23,552	41.6%
PRC	59,242	37.8%	52,324	42.3%	6,918	13.2%
Hong Kong	8,740	5.6%	7,625	6.2%	1,115	14.6%
Rest of the world	8,521	5.4%	7,065	5.7%	1,456	20.6%
	156,610	100.0%	123,569	100.0%	33,041	26.7%

The Group achieved broad-based revenue growth across all geographical segments in FY2007. Revenue from Singapore jumped $23.6 million or 41.6% to $80.1 million in FY2007 compared to $56.6 million in FY2006 driven by revenue growth across the three business segments, namely bakery, restaurant and food court operations. As a result, revenue contribution from Singapore rose from 45.8% of Group revenue in FY2006 to 51.2% in FY2007.

Revenue contribution from PRC grew $6.9 million or 13.2% to $59.2 million in FY2007, up from $52.3 million in FY2006 mainly driven by revenue growth from the bakery business. Revenue contribution from Hong Kong rose 14.6% or $1.1 million to $8.7 million contributed by the second food court at Citigate Mall opened in September 2007.

Revenue from rest of the world rose $1.5 million or 20.6% to $8.5 million mainly due to consolidation of revenue of ML Breadworks Sdn Bhd which became a 90% owned subsidiary in September 2007 as well as higher franchise revenue recorded.

(B) Profitability

Net profit surged 106.4% from $3.5 million in FY2006 to $7.3 million in FY2007 on broad-based profit growth across all business segments. Net margin improved from 2.8% in FY2006 to 4.7% in FY2007.

Group operating profit rose 61.7% to $12.0 million in FY2007, up from $7.4 million in FY2006 with the bakery business recording the strongest growth.

Bakery business registered a 111.8% rise in operating profit to $3.9 million in FY2007 mainly driven by a strong turnaround in the Singapore bakery business that generated $2.1 million operating profit on the back of rising sales. PRC bakery's operating profits also grew 115.5% to $2.1 million, contributing to about 53.4% of the bakery segment's operating profits. Profit growth in the PRC was driven mainly by franchise with the addition of 17 outlets. Bakeries in Hong Kong and Malaysia recorded lower loss of $0.3 million compared to FY2006 following repossession and restructuring of the franchise operations in these countries.

Restaurant business registered operating profit growth of 31.0% to $4.6 million in FY2007 lifted by rising revenue from the Din Tai Fung restaurants.

Food court operating profit grew 62.2% to $3.5 million in FY2007. Profit growth was driven mainly by expansion and rising sales from both PRC and Singapore despite a softer performance in Hong Kong. The Hong Kong food court performance was affected by the start-up cost for second food court opened in September 2007 and third food court to be opened in March 2008. Operating profit from the PRC food courts included one-off recognition of income from the expired food court stored value cards of $0.7 million and government grant of $0.9 million. Excluding income from these one off items, operating profit from PRC food courts grew 18.0% to $1.3 million in FY2007.

Interest expense fell 7.8% to $0.8 million in FY2007 as the Group paid down its borrowings.

Share of associates' loss fell to $454,000 in FY2007 compared to a loss of $517,000 in FY2006 as the Group ceased to take up losses from Hong Kong BreadTalk in FY2007 in excess of the cost of investment in the associate.

Share of results of joint ventures was down 20.1% from $334,000 to $267,000 in FY2007 as a result of consolidating profits from the MWA Pte Ltd as subsidiary instead of equity accounting following the acquisition in December 2007. MWA was a 50% joint venture for the food court and restaurants at Wisma Atria in Singapore. In December 2007, the Group acquired the remaining 50% stake, turning it into a wholly-owned subsidiary.

The Group's effective tax rate for FY2007 was lower at 24.4% compared to 30.4% for FY06 mainly due to lower corporate tax rate of 18.0% in FY07 for Singapore entities compared to 20.0% in FY2006 and the fact that Singapore entities contributed a relatively higher proportion to the group's profit before tax.

Earnings per share on a fully diluted basis rose to 3.23 cents whilst its net asset value per share increased to 18.8 cents.

(C) Balance Sheet

The Group's property, plant and equipment rose $10.8 million in FY07 to $44.9 million as at 31 December 2007 compared to $34.1 million as at 31 December 2006. A total cost of $18.7 million of plants and equipments were added in FY07 mainly attributable to the opening of new bakery outlets and food courts as well as the opening of a central kitchen for Din Tai Fung restaurant business in Singapore. In addition, the consolidation of MWA Pte Ltd, Food Art Pte Ltd and ML Breadworks Sdn Bhd which became subsidiaries in 4Q 07 contributed an increase in fixed assets of some $3.0 million. The increase in fixed assets was offset by depreciation charge for the year amounting to $9.8 million and disposal and write off of certain assets.

Investment in joint ventures decreased from $2.2 million as at 31 December 2006 to $0.3 million as at 31 December 2007 mainly resulting from the Group acquiring the remaining 50% stake in MWA Pte Ltd which operates the Food Republic food court and a café at Wisma Atria in Singapore in December 2007. As a result, MWA Pte Ltd became a subsidiary of the Group and was thus consolidated as at 31 December 2007.

Other receivables and deposits increased by $3.3 million to $13.1 million as at 31 December 2007 mainly due to increased rental deposits attributable mainly to new shop floor leases taken up by the various business units as well as consolidation of newly acquired subsidiaries - MWA Pte Ltd, Food Art Pte Ltd and ML Breadworks Sdn. Bhd as at 31 December 2007.

Prepayment increased by $1.3 million to $1.8 million as at 31 December 2007 compared to $0.5 million as at 31 December 2006 mainly due to advance rental paid to landlords mainly in respect of our food court and bakery operations in the PRC.

Other payables and accruals rose $13.2 million to $42.1 million as at 31 December 2007 compared to $28.9 million as at 31 December 2006 mainly due to payables pertaining to renovation of new and existing foodcourts in the PRC, increase in security deposits received from food court tenants in respect of new food courts opened during the year as well as deposits for stored value cards used by the food courts operations in the PRC. Sales takings owing to food courts tenants also increased as the food court business continued to expand as well as increase in deferred revenue pertaining to our bakery operations in the PRC. In addition, the consolidation of MWA Pte Ltd, Food Art Pte Ltd and ML Breadworks Sdn Bhd which became subsidiaries in 4Q 07 contributed an increase in other payables and accruals of some $3.2 million.

The Company's share capital increased by $11.8 million to $33.3 million as at 31 December 2007 following the share placement exercise in April 2007 which placed out a total of 34 million new ordinary shares at $0.36 per share and after deduction of expenses incidental to the share placement.

(D) Cash Flow Statement

A net cash inflow from operations of $28.8 million was generated in FY2007, up $8.2 million compared to $20.6 million in FY2006 as a result of higher operating profit achieved in FY07.

As at 31 December 2007, the Group's cash and cash equivalents rose $19.8 million to $38.2 million, up from $18.4 million as at 31 December 2006. The increase was mainly contributed by the strong operating cash flow of $28.8 million and a net proceeds of $11.8 million from the share placement exercise in April 2007, offset by a total sum of $17.2 millon used for investing activities. The major capital expenditure comprises mainly investment in new food courts and bakery outlets as well as the construction of a central kitchen for Din Tai Fung restaurant business. In addition, the Group also acquired a one-third equity stake in Out of The Box Pte Ltd for $1.2 million and investment of $0.2 million in newly incorporated joint venture, Apex Excellent Sdn Bhd,which undertakes the business of food court operations in Malaysia.

The Company also paid a final dividend for FY2006 of approximately $1.0 million in May 07. Meanwhile a total dividend of $1.1 million were paid to minority shareholders of Taster Food Pte Ltd which operates the Din Tai Fung restaurants. The Group also has a net repayment of borrowings of some $1.8 million during the year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

FY2007 sees the creation of Breadtalk Silver and revamp of retail concepts. The Group's expansion of geographical footprints gain momentum with its entry into Malaysia and Hong Kong. Through successful network and brand extension, product innovation, as well as well-executed operational control and business rationalization, the Group accomplished significant increase in economies of scale and margin expansion.

In 2008, the Group looks forward to yet another year of further growth in all business segments over a more balanced geographical presence.

Leveraging on the strong brand awareness established for BreadTalk and Food Republic in the PRC, the Group is in a stronger position now to gear up expansion there.

With the success of Din Tai Fung model in Singapore, the Group is looking to expand the brand outside of Singapore. It is currently negotiating to secure Din Tai Fung franchise rights for another Asian country. As part of its on-going rationalization exercise, the Group is also closely monitoring its existing franchise portfolio to incentivize the good performers and restructure the weak ones.

The Group launched its first J.Co outlet in Raffles City in January 2008 and response has been overwhelming. The Group is planning to roll out more J.Co outlets as soon as suitable locations are identified.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
Yes. The Board of Directors have proposed a first and final one-tier dividend of 0.55 cents per ordinary share, subject to shareholders' approval at the AGM.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable
Dividend payout date will be announced in due course.

(d) Books closure date
Books closure date will be announced in due course.

12. If no dividend has been declared/recommended, a statement to that effect
Not applicable

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

13. 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

FY2007	Bakery(1)	Restaurant	Food court	Others(2)	Elimination	Group
	$000	$000	$000	$000	$000	$000
Segment Revenue						
External sales	79,823	28,345	48,442	-	-	156,610
Inter-segment sales	201	-	774	-	(975)	-
Total revenue	80,024	28,345	49,216	-	(975)	156,610
Profit from operations	3,873	4,571	3,457	250	(1)	12,150
Financial expenses, net						(735)
						11,415
Share of associates' results						(454)
Share of joint ventures' results						267
Profit before tax						11,228
Tax expense						(2,791)
Profit after tax						8,437
Segment assets	39,814	17,374	60,110	13,165	(16,500)	113,963
Investment in associates						1,051
Investment in joint ventures						282
Deferred tax assets						394
Total Assets						115,690
Segment liabilities	22,182	6,629	38,700	1,475	(16,500)	52,486
Unallocated liabilities						15,938
Total liabilities						68,424
Capital expenditure						
Plant and equipments	4,859	1,158	12,722	15	-	18,754
Intangible assets	49	57	51	-	-	157
	4,908	1,215	12,773	15	-	18,911
Depreciation & Amortisation	4,291	1,763	4,290	4	-	10,348

FY2006 (Restated)	Bakery[1]	Restaurant	Food court	Others[2]	Elimination	Group
	$000	$000	$000	$000	$000	$000
Segment Revenue						
External sales	63,126	22,051	38,392	-	-	123,569
Inter-segment sales	345	-	-	-	(345)	-
Total revenue	63,471	22,051	38,392	-	(345)	123,569
Profit/(Loss) from operations	1,829	3,487	2,185	(54)	(53)	7,394
Financial expenses, net						(745)
						6,649
Share of associates' results						(517)
Share of joint ventures' results						334
Profit before tax						6,466
Tax expense						(2,020)
Profit after tax						4,446
Segment assets	33,744	14,880	37,731	870	(7,508)	79,717
Investment in associates						665
Investment in joint ventures						2,212
Deferred tax assets						309
Total Assets						82,903
Segment liabilities	17,210	4,107	22,338	1,701	(7,504)	37,852
Unallocated liabilities						16,053
Total liabilities						53,905
Capital expenditure						
Plant and equipments	10,803	1,665	6,829	6	-	19,303
Intangible assets	47	32	98	-	-	177
	10,850	1,697	6,927	6	-	19,480
Depreciation & Amortisation	3,914	1,433	3,160	1	-	8,508

Note:

(1) The Group's Bakery segment comprises bakery operations directly owned and operated by the Group, as well as that through franchising.

(2) The "Others" segment pertains to investment holding activities and Out Of The Box Pte Ltd, a 33.33% owned associated company which is engaged in the business of marketing and distribution of canned drinks under the "Anything" and "Whatever" trademarks.

(b) By Geographical Segments

FY2007	Singapore	PRC	Hong Kong	Rest of World	Elimination	Group
	$000	$000	$000	$000	$000	$000
Segment Revenue						
External sales	80,107	59,242	8,740	8,521	-	156,610
Segment assets	62,805	39,695	8,216	3,247	-	113,963
Investment in associates						1,051
Investment in joint ventures						282
Deferred tax assets						394
Total Assets						115,690
Capital expenditure						
Plant and equipments	6,618	8,036	3,561	539	-	18,754
Intangible assets	157	-	-	-	-	157
	6,775	8,036	3,561	539	-	18,911
Depreciation & Amortisation	4,970	4,194	951	233	-	10,348

FY2006 (Restated)	Singapore	PRC	Hong Kong	Rest of World	Elimination	Group
	$000	$000	$000	$000	$000	$000
Segment Revenue						
External sales	56,555	52,324	7,625	7,065	-	123,569
Segment assets	42,382	34,528	4,580	852	(2,625)	79,717
Investment in associates						665
Investment in joint ventures						2,212
Deferred tax assets						309
Total Assets						82,903
Capital expenditure						
Plant and equipments	7,023	11,092	1,035	153	-	19,303
Intangible assets	177	-	-	-	-	177
	7,200	11,092	1,035	153	-	19,480
Depreciation & Amortisation	4,085	3,648	699	76	-	8,508

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

(a) Business Segments
Please refer to item 8.

(a) Geographical Segments
Please refer to item 8.

15. Breakdown of revenue and profit after tax

	Group		
	2007	**Restated 2006**	**Increase/ (decrease)**
	$000	$000	%
(a) Sales reported for first half year	69,674	55,932	24.6%
(b) Operating profit after tax before deducting minority interests reported for first half year	3,456	2,278	51.7%
(c) Sales reported for second half year	86,936	67,637	28.5%
(d) Operating profit after tax before deducting minority interests reported for second half year	4,981	2,168	129.8%

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

	FY2007	**FY2006**
Name of Dividend	First & Final (One-tier)	First & Final (One-tier)
Type of Dividend	Cash	Cash
Dividend per share	0.55 cents	0.42 cents
Total annual dividend ($'000)	**1,292**	**987**

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
28 February 2008