

BREADTALK GROUP LIMITED

Full Year Financial Statement and Dividend Announcement For The Year Ended 31 December 2005

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 2005. The figures presented below have not been audited.

	Group		Increase/ (Decrease) %
	FY2005 \$000	FY2004 \$000	
Revenue	95,297	50,186	89.9%
Cost of sales	<u>(42,299)</u>	<u>(19,590)</u>	115.9%
Gross profit	52,998	30,596	73.2%
Other operating income	3,815	316	1107.3%
Distribution and selling expenses	(36,195)	(22,246)	62.7%
Administrative expenses	(15,610)	(7,380)	111.5%
Profit from operations	5,008	1,286	289.4%
Interest income	78	21	271.4%
Interest expense	(473)	(221)	114.0%
Other financial expenses	<u>(186)</u>	<u>(104)</u>	78.8%
Profit before tax and share of associates' and joint ventures' results	4,427	982	350.8%
Share of associates' and joint ventures' results	<u>(445)</u>	<u>(82)</u>	442.7%
Profit before tax	3,982	900	342.4%
Tax expense ⁽¹⁾⁽²⁾	<u>(2,065)</u>	<u>(410)</u>	403.7%
Profit after tax	<u>1,917</u>	<u>490</u>	291.2%
Attributable to:			
Shareholders of the Company	1,200	(31)	NM
Minority interests	717	521	37.6%
	<u>1,917</u>	<u>490</u>	291.2%

⁽¹⁾ Tax rate for PRC and Singapore is at 33% and 20% respectively. Tax expense includes withholding tax and deferred tax.

⁽²⁾ A subsidiary, Breadtalk Pte Ltd ("BTPL"), obtained the Development and Expansion Incentive ("DEI") for qualifying income earned in YA2004 to YA 2008 at concessionary tax rate of 10%, subject to certain conditions to be met by 2007. Accordingly tax has been computed based on DEI status. As at 31 Dec 2005, BTPL has yet to satisfy all the conditions. It is also noted that the management is currently in negotiation with EDB on reviewing the conditions for approval. Should BTPL be taxed at the usual rate there may be an under-provision of tax expenses amounting to \$322,000 arising from YA 2003 to YA 2005.

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

The profit before tax is arrived at after charging the following:

	Group		Increase/ (Decrease)
	FY2005 \$000	FY2004 \$000	
Depreciation expense	6,522	3,452	88.9%
Amortisation of intangible assets	330	58	469.0%
Amortisation of franchise rights	73	63	15.9%
(Gain)/loss on disposal of fixed assets	(37)	48	-177.1%
Fixed assets written off	548	386	42.0%
Bad debts written off	321	-	N.A.
Operating lease expenses	20,817	9,438	120.6%
Personnel expenses ⁽³⁾	24,846	15,223	63.2%
Pre-operating expenses written off	1,176	129	811.6%
Foreign exchange loss (net)	11	130	-91.5%
Adjustment for under / over provision for tax	51	-	N.A.
Litigation damages due to tenant ⁽⁴⁾	145	-	N.A.
Gain on disposal of a subsidiary	169	-	N.A.

⁽³⁾ This includes amounts shown as directors' remuneration.

⁽⁴⁾ This relates payable to tenant of Nanning Dashidai Food & Beverage Co Ltd (PRC), for the damages granted by court to the tenants via litigation.

NM - Not meaningful
NA - Not applicable

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		Company	
	31.12.2005 \$000	31.12.2004 \$000	31.12.2005 \$000	31.12.2004 \$000
Non-Current Assets				
Fixed assets	24,334	12,151	-	-
Investment in subsidiaries	-	-	17,281	7,039
Investment in associates	766	582	-	-
Investment in joint ventures	1,919	-	-	-
Trademark	266	-	-	-
Intangible assets	3,532	240	-	-
Franchise rights	505	511	-	-
Goodwill on consolidation	4,578	-	-	-
	<u>35,900</u>	<u>13,484</u>	<u>17,281</u>	<u>7,039</u>
Current Assets				
Inventories	1,700	1,350	-	-
Trade receivables	2,395	1,238	-	-
Other receivables, deposits and prepayments	6,999	3,229	255	629
Amount due from subsidiaries, trade	-	-	-	615
Amount due from subsidiaries, non-trade	-	-	4,670	3,173
Amount due from associates, trade	411	251	-	-
Amount due from associates, non-trade	1,254	57	-	-
Amount due from joint ventures, non-trade	313	-	-	-
Fixed deposits	1,603	1,904	-	649
Cash on hand and at bank	14,116	7,264	182	292
	<u>28,791</u>	<u>15,293</u>	<u>5,107</u>	<u>5,358</u>
Current Liabilities				
Trade payables	7,846	4,038	-	-
Other payables and accrued expenses	14,711	5,366	266	552
Amount due to subsidiaries, non-trade	-	-	563	179
Amount due to associates, trade	71	-	-	-
Amount due to associates, non-trade	261	-	-	-
Amount due to joint venture, trade	6	-	-	-
Amount due to joint venture, non-trade	-	-	-	-
Loan due to minority shareholders	86	-	-	-
Deferred revenue	2,783	104	-	-
Provision for income tax	1,742	342	12	4
Short-term loans	2,648	1,187	-	-
Term loans (current portion)	3,045	1,479	-	-
Finance lease obligations (current portion)	162	275	-	-
	<u>33,361</u>	<u>12,791</u>	<u>841</u>	<u>735</u>
Net Current (Liabilities) / Assets	(4,570)	2,502	4,266	4,623
Non-Current Liabilities				
Term loans (non-current portion)	3,562	920	-	-
Finance lease obligations (non-current portion)	139	176	-	-
Loan due to minority shareholders	64	-	-	-
Amount due to landlord (non-trade)	738	-	-	-
Deferred tax	912	1,027	-	-
	<u>5,415</u>	<u>2,123</u>	<u>-</u>	<u>-</u>
Net assets	25,915	13,863	21,547	11,662
Equity				
Share capital	8,036	6,519	8,036	6,519
Share premium	13,480	5,135	13,480	5,135
Capital reserve	-	452	-	-
Accumulated profits	2,234	582	31	8
Translation reserve	89	(87)	-	-
	<u>23,839</u>	<u>12,601</u>	<u>21,547</u>	<u>11,662</u>
Minority interests	2,076	1,262	-	-
Total equity	25,915	13,863	21,547	11,662

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

Amount repayable in one year or less, or on demand

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
5,855	-	2,941	-

Amount repayable after one year

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
3,701	-	1,096	-

Details of any collateral

(1) As at 31 December 2005, the Group's total borrowings stood at approximately \$9.6 million. These are secured by: (i) fixed deposits amounting to approximately \$1.6 million; (ii) corporate guarantees issued by the Company in connection with the banking facilities of certain subsidiaries; (iii) joint and several personal guarantees by directors of certain subsidiaries in connection with banking facilities of the subsidiaries.

(2) Finance lease obligations are secured by the underlying assets acquired.

(3) As at 31 December 2005, 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	
	FY2005 \$000	FY2004 \$000
Cash flows from operating activities		
Profit before tax	3,982	900
Adjustment for:		
Depreciation expense	6,522	3,452
Amortisation of intangible assets	330	58
Amortisation of franchise rights	73	63
(Gain)/loss on disposal of fixed assets	(37)	48
Write down of inventories	-	8
Fixed assets written off	548	386
Share of associates' and joint ventures' results	445	82
Interest expense and bank charges	659	325
Interest income	(78)	(21)
Bad debts written off	321	-
Gain on disposal of subsidiary	(169)	-
Operating profit before working capital changes	<u>12,596</u>	<u>5,301</u>
(Increase)/ decrease in:		
Inventories	(260)	(559)
Trade receivables	(1,303)	96
Other receivables, deposits and prepayments	(1,510)	(463)
Amount due from associates (trade)	(160)	(251)
Amount due from associates (non-trade)	(132)	(57)
Amount due from joint ventures (non-trade)	(307)	-
Increase/ (decrease) in:		
Trade payables	2,311	956
Other payables and accrued expenses	4,084	1,415
Deferred revenue	1,002	-
Amount due to associates (trade)	71	-
Amount due to associates (non-trade)	(5)	-
Cash generated from operations	<u>16,387</u>	<u>6,438</u>
Interest expenses and bank charges paid	(635)	(325)
Tax paid	(1,016)	(120)
Translation difference	(177)	28
Net cash flow from operating activities	<u>14,559</u>	<u>6,021</u>
Cash flows from investing activities		
Interest income received	78	21
Purchase of fixed assets	(13,950)	(4,328)
Acquisition of intangible assets	(544)	(111)
Franchise fees paid	(66)	(33)
Increase in investment in associates	(2,603)	(664)
Proceeds from disposal of fixed assets	113	167
Acquisition of a subsidiary, net of cash acquired	5,727	-
Disposal of subsidiary, net of cash disposed	57	-
Net cash flows used in investing activities	<u>(11,188)</u>	<u>(4,948)</u>
Cash flows from financing activities		
Net repayments of finance lease obligations	(349)	(264)
Net financing/(repayment) from long term loans	2,784	(1,498)
Decrease/(Increase) in fixed deposits pledged	488	(6)
Net (repayment)/financing from short term loans	(338)	1,187
Capital contribution from minority a shareholder of a subsidiary	98	-
Loan from a minority shareholder	150	-
Net cash flows (used in)/from financing activities	<u>2,833</u>	<u>(581)</u>
Net increase in cash and cash equivalents	6,204	492
Cash and cash equivalents at beginning of year	<u>7,912</u>	<u>7,420</u>
Cash and cash equivalents at end of year	<u>14,116</u>	<u>7,912</u>
Note: Cash and cash equivalents		
Cash on hand and at bank	14,116	7,264
Fixed deposits	<u>1,603</u>	<u>1,904</u>
	15,719	9,168
Less: Fixed deposits and cash at bank pledged	<u>(1,603)</u>	<u>(1,256)</u>
Cash and cash equivalents	<u>14,116</u>	<u>7,912</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					Total \$000	Minority Interest \$000	Total Equity \$000
	Share capital \$000	Share premium \$000	Capital reserve \$000	Translation reserve \$000	Accumulated profits / (loss) \$000			
Group								
As at 1 January 2004	6,519	5,135	452	(31)	613	12,688	741	13,429
Translation Difference	-	-	-	(56)	-	(56)	-	(56)
Net loss for the period	-	-	-	-	(31)	(31)	521	490
As at 31 December 2004	6,519	5,135	452	(87)	582	12,601	1,262	13,863
As at 1 January 2005								
- As previously reported	6,519	5,135	452	(87)	582	12,601	1,262	13,863
- Effect of adopting FRS 103	-	-	(452)	-	452	-	-	-
- Restated	6,519	5,135	-	(87)	1,034	12,601	1,262	13,863
Issue of new shares	1,517	-	-	-	-	1,517	-	1,517
Issue of new shares to minority shareholders	-	-	-	-	-	-	97	97
Premium on issue of new shares	-	8,345	-	-	-	8,345	-	8,345
Translation difference	-	-	-	176	-	176	-	176
Net profit for the period	-	-	-	-	1,200	1,200	717	1,917
As at 31 December 2005	8,036	13,480	-	89	2,234	23,839	2,076	25,915
	Share capital	Share premium	Accumulated profits / (loss)	Total				
Company								
As at 1 January 2004	6,519	5,135	(2)	11,652				
Net profit for the period	-	-	10	10				
As at 31 December 2004	6,519	5,135	8	11,662				
As at 1 January 2005	6,519	5,135	8	11,662				
Issue of new shares	1,517	-	-	1,517				
Premium on issue of new shares	-	8,345	-	8,345				
Net profit for the period	-	-	23	23				
As at 31 December 2005	8,036	13,480	31	21,547				

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 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 convention 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 financial year ended 31 December 2005, the Company issued a total of 37,931,034 new shares of \$0.04 each at \$0.26 per share as consideration for the acquisition of Topwin Investment Holding Pte Ltd & its subsidiaries.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

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).

NA.

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 period ended 31 December 2004 except that the group has adopted new / revised financial reporting standards (FRS) which came into effect on 1 January 2005.

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.

There are no material changes on the financial statements of the Group arising from the adoption of the new / revised FRS.

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	
	FY2005	FY2004
Earnings/(Loss) per ordinary share for the period:		
(a) Based on weighted average number of ordinary shares in issue	0.64 cents	(0.02) cents
(b) On a fully diluted basis	0.64 cents	(0.02) cents

(i) The earnings per ordinary share for FY2004 was computed based on the share capital of 162,980,000 ordinary shares of \$0.04 each, representing shares issued and fully paid as at end of the year.

(ii) The earnings per ordinary share for FY2005 was computed based on the weighted average of 188,267,356 ordinary shares for the year.

(iii) As at 31 December 2005, 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	
	31.12.2005 \$000	31.12.2004 \$000	31.12.2005 \$000	31.12.2004 \$000
Net asset value per ordinary share based on issued share capital as at the end of year reported on	<u>11.9 cents</u>	<u>7.7 cents</u>	<u>10.7 cents</u>	<u>7.2 cents</u>

(i) Net asset value per ordinary share as at 31 December 2004 was computed based on the share capital of 162,980,000 ordinary shares of \$0.04 each, representing shares issued and fully paid as at end of the year.

(ii) Net asset value per ordinary share as at 31 December 2005 was computed based on the share capital of 200,911,034 ordinary shares of \$0.04 each, representing shares issued and fully paid as at end of the year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following : (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Performance Review

(A) Revenue

Breakdown of the Group's revenue for FY2005 is summarised as follows:

	FY 2005		FY 2004		Increase/ (Decrease)	
	% Contribution	\$000	% Contribution	\$000	\$000	%
Bakery sales	50.4%	47,986	73.8%	37,049	10,937	29.5
Franchise revenue	3.1%	2,956	4.8%	2,397	559	23.3
Restaurant sales	17.6%	16,789	21.4%	10,740	6,049	56.3
Food court sales	28.9%	27,566	NA	-	27,566	NM
	100.0%	95,297	100.0%	50,186	45,111	89.9

The Group's total revenue for the year ended 31 December 2005 grew by \$45.1 million or 89.9% to \$95.3 million, up from \$50.2 million in the same period last year. The growth was mainly attributable to:

i) revenue contribution of \$27.6 million from the Topwin group ⁽¹⁾ arising from its food court operations.

ii) higher revenue from the bakery operations of \$48.0 million, up \$10.9 million or 29.5% from \$37.0 million in FY2004. The growth was mainly contributed by increase in number of outlets from 7 in FY 2004 to 16 in Breadtalk PRC during FY 2005. The Group has also entered the Thailand market with the opening of its first outlet in December 2005.

	No of BreadTalk outlets	
	FY 2005	FY 2004
Singapore	24	24
PRC :		
- Shanghai	11	5
- Beijing	5	2
Thailand	1	0
	41	31

(iii) The franchise business continued to grow in FY 2005 with the addition of 5 new franchises in Hong Kong, India, Chengdu, Hangzhou and Nanjing; as well as addition of 19 franchised outlets during the period, bringing the total number of franchised outlets to 38 as at 31 Dec 2005.

iv) higher revenue from "Din Tai Fung" restaurant operations of \$16.8 million in FY2005, an increase of \$6.1 million or 57.0% from \$10.7 million in FY2004 as a result of a full year contribution from its Junction 8 outlet and 2 additional outlets at Tampines Mall and Wisma Atria which commenced operation during the financial year.

	Number of franchised outlets		Increase
	FY 2005	FY 2004	
Indonesia	15	10	5
Philippines	6	3	3
Kuwait	3	3	-
Dubai	3	-	3
Malaysia	3	2	1
Taiwan	1	1	-
PRC:			
- Hong Kong	3	-	3
- Shenzhen ⁽²⁾	3	-	3
- Nanjing	1	-	1
	38	19	19

For FY 2005, the Group derived approximately 50% of its revenue from its Singapore operations and remaining 50% of its revenue from overseas.

a) Revenue from Singapore operation grew by 14% in FY2005 which was contributed mainly from the restaurant and food court business.

b) Revenue contribution from PRC was S\$ 44.9 million in FY2005, a six fold increase as compared to S\$6.4 million in FY 2004. The contribution is from the consolidation of Megabite food courts revenue and increase in the number of bakery outlets in PRC.

c) Revenue from the rest of the world were mainly derived from newly established food court at City Plaza in Hong Kong and BreadTalk franchise income from Hong Kong and India.

Note :

⁽¹⁾ Topwin group comprises of Topwin Investment Holding Pte Ltd and its subsidiaries.

⁽²⁾ The Group divested its 70% interest in the Shenzhen subsidiary to a franchisee (Became an associate with 30% shareholding) in September 2005.

(B) Profitability

The Group reported a net profit attributable to the shareholders of \$1.2 million in FY2005, reversing a net loss of \$0.03 million in FY2004. This was mainly due to profit contribution from:-

i) the Megabite food courts in PRC - As at the date of acquisition, the Topwin group has 13 wholly-owned Megabite food courts in PRC. In 2005, the Topwin group launched its first food court in Singapore under the Food Republic brand at Wisma Atria in October and another first in Hong Kong at City Plaza in December, bringing the total number of food courts to 15. Profit contribution from food courts remained strong at \$1.6 million after offsetting operating losses of \$0.8 million and \$0.1 million in Hong Kong and Singapore respectively. Performance of the new Food Republic food courts in Singapore and Hong Kong which commenced operations in October and December respectively is satisfactory.

ii) higher profits from the "Din Tai Fung" restaurant business - Operating profit from the Din Tai Fung restaurant business increased by \$1.3 million or 62% from \$2.1 million in FY 2004 to \$3.4 million in FY 2005 as a result of a full year contribution from its Junction 8 outlet and the addition of two more outlets at Tampines Mall and Wisma Atria.

iii) improved performance of the bakery operations - The Bakery business managed to reduce operating loss from \$0.8 million in FY2004 to \$0.2 million in FY 2005. The improved performance was due to higher franchise income, greater economies of scale in PRC as well as streamlining of operational efficiency in Singapore. The Group closed the Turf City outlet in August and implemented operational improvements to increase efficiency. Two modified concepts of bakery were launched - Toast Box and BreadTalk Transit in Singapore. The revised concepts were well-received and able to stimulate sales to a higher level.

Excluding Shenzhen, bakery business in PRC was profitable. Shenzhen BreadTalk recorded an eight-month loss of \$0.7 million and the Group had since divested 70% of its interest in this company to a franchisee in September 2005. With the BreadTalk brand gaining wider acceptance in PRC, franchising opportunity starts to emerge. The Group tapped on this opportunity and signed on three franchises in Chengdu, Hangzhou and Nanjing. The first outlet was opened in Nanjing in October and outlets are expected to open in Chengdu and Hangzhou in the first half of 2006.

There was a non-cash intangible assets amortisation charge of \$0.3 million arising from the Topwin acquisition.

Earnings per share on a fully diluted basis rose to 0.64 cents whilst its net asset value per share increased to 11.9 cents.

(C) Balance Sheet

The Group acquired the Topwin group with effect from 1 January 2005 with a total purchase consideration of \$10.2 million and the fair value of the net assets acquired was \$5.6 million including intangible asset of \$3.3 million and accordingly goodwill on consolidation amounted to \$4.6 million. Both Megabite and Food Republic brandnames are owned by Topwin. The acquisition was satisfied via the issue of 37,931,034 new shares of \$0.04 each at \$0.26 per share.

The Group's fixed assets increased substantially by \$12.2 million from \$12.1 million as at 31 December 2004 to \$24.3 million as at 31 December 2005. This was mainly due to the consolidation of Topwin group accounts, acquisition of a property in Beijing by a Topwin subsidiary and the opening of a new food court in Hong Kong. The additions of new BreadTalk outlets in PRC and two "Din Tai Fung" outlets at Tampines Mall and Wisma Atria in Singapore also contributed to the increase in fixed assets.

The Group's other receivables, deposits and prepayments increased by \$3.8 million from \$3.2 million as at 31 December 2004 to \$7.0 million as at 31 December 2005. This was mainly due to receivables from food court tenants arising from consolidation of Topwin group accounts and increase in security deposits placed with landlords in tandem with food court and outlet expansion.

The Group's cash on hand increased substantially by \$6.8 million from \$7.3 million as at 31 December 2004 to \$14.1 million as at 31 December 2005 mainly due to consolidation of the Topwin group accounts and cash flows generated from operations.

Trade payables, other payables and accruals also rose significantly by \$13.2 million from \$9.4 million as at 31 December 2004 to \$22.6 million as at 31 December 2005. This is mainly due to increased business activities, deposits from food court tenants and payables arising from the consolidation of the Topwin group.

The Group's total borrowings increase by \$5.6 million from \$4.0 million as at 31 December 2004 to \$9.6 million as at 31 December 2005. This was mainly due to consolidation of Topwin's borrowings in PRC and additional borrowings to fund food courts and bakery expansions.

Shareholder's funds increased by \$11.3 million or 89.9% from \$12.6 million as at 31 December 2004 to \$23.8 million as at 31 December 2005 as a result of current year profits and new shares issue for the acquisition of Topwin.

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

NA

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 has transformed itself from a local bakery chain to a diversified regional food and beverage group having footprints in PRC, Hong Kong, the Middle East and South East Asia. As at the end of 2005, almost 50% of the group revenue is derived from overseas and non bakery business.

Barring any unforeseen circumstances, the directors expect growth in FY 2006 to be broad-based as these investments start to bear fruit.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable

NA.

(d) Books closure date

NA.

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

No interim or final dividend for the year ended 31 December 2005 has been recommended.

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

	Bakery Operations \$000	Restaurant Operations \$000	Food court \$000	Others ⁽¹⁾ \$000	Elimination \$000	Group \$000
FY2005						
Segment Revenue						
Sales to external customers	50,942	16,789	27,566	-	-	95,297
Profit/(Loss) from operations	(198)	3,414	1,605	187	-	5,008
Financial expenses, net						<u>(581)</u>
						4,427
Share of associates' and joint ventures' results						<u>(445)</u>
Profit before tax						3,982
Tax expense						<u>(2,065)</u>
Profit after tax						1,917
Minority interests						<u>(717)</u>
Net profit attributable to shareholders						<u>1,200</u>
Segment assets	23,092	10,557	30,896	950	(3,489)	62,006
Investment in associates and joint ventures						<u>2,685</u>
Total Assets						<u>64,691</u>
Segment liabilities	9,531	2,971	15,586	1,225	(3,635)	25,678
Unallocated liabilities						<u>13,098</u>
Total liabilities						<u>38,776</u>
Capital expenditure						
Fixed assets	4,289	2,033	8,133	-	-	14,455
Intangible assets	41	474	29	-	-	544
Franchise rights	-	66	-	-	-	66
	<u>4,330</u>	<u>2,573</u>	<u>8,162</u>	-	-	<u>15,065</u>
Depreciation & Amortisation	3,381	965	2,579	-	-	6,925
FY2004						
Segment Revenue						
Sales to external customers	39,446	10,740	-	-	-	50,186
Profit from operations	(802)	2,091	-	(3)	-	1,286
Financial expenses, net						<u>(304)</u>
						982
Share of associates' results						<u>(82)</u>
Profit before tax						900
Tax expense						<u>(410)</u>
Profit after tax						490
Minority interests						<u>(521)</u>
Net loss attributable to shareholders						<u>(31)</u>
Segment assets	20,538	7,446	-	3,358	(3,147)	28,195
Investment in associate						<u>582</u>
Total Assets						<u>28,777</u>
Segment liabilities	8,891	2,912	-	852	(3,147)	9,508
Unallocated liabilities						<u>5,406</u>
Total liabilities						<u>14,914</u>
Capital expenditure						
Fixed assets	2,990	1,338	-	-	-	4,328
Intangible assets	111	-	-	-	-	111
Franchise rights	-	33	-	-	-	33
	<u>3,101</u>	<u>1,371</u>	-	-	-	<u>4,472</u>
Depreciation & Amortisation	3,005	568	-	-	-	3,573

The Group's bakery operations comprises bakery operations directly owned and run by the Group as well as that operated through franchising. Meanwhile, the business segment "Others" pertains to investment holding activities.

(b) By Geographical Segments

	Singapore \$000	PRC \$000	Rest of World \$000	Elimination \$000	Group \$000
FY2005					
Segment Revenue					
Sales to external customers	47,394	44,852	3,051	-	95,297
Segment assets	32,764	26,255	2,987	-	62,006
Investment in associates and joint ventures					2,685
Total Assets					64,691
Capital expenditure					
Fixed assets	3,165	8,419	2,871	-	14,455
Intangible assets	544	-	-	-	544
Franchise rights	66	-	-	-	66
	3,775	8,419	2,871	-	15,065
Depreciation & Amortisation	3,613	3,257	55	-	6,925
FY2004					
Segment Revenue					
Sales to external customers	41,510	6,442	2,234	-	50,186
Segment assets	23,333	4,862	-	-	28,195
Investment in associate					582
					28,777
Capital expenditure					
Fixed assets	2,532	1,796	-	-	4,328
Intangible assets	111	-	-	-	111
Franchise rights	33	-	-	-	33
	2,676	1,796	-	-	4,472
Depreciation & Amortisation	3,293	280	-	-	3,573

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 paragraph 8 and 10 for analysis by business segments.

(b) Geographical Segments

Please refer to paragraph 8 and 10 for analysis by geographical segments.

15. A breakdown of sales.

	Group		Increase/ (decrease) %
	2005 \$000	2004 \$000	
(a) Sales reported for first half year	42,329	22,643	86.9%
(b) Operating profit after tax before deducting minority interests reported for first half year	843	32	2534.4%
(c) Sales reported for second half year	52,968	27,543	92.3%
(d) Operating profit after tax before deducting minority interests reported for second half year	1,074	458	134.5%

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

	Latest Full Year	Previous Full Year
Ordinary	-	-
Preference	-	-
Total	-	-

17. Interested Person Transactions

	Full Year Ended 31 December	
	2005	2004
	\$000	\$000
Expense		
Rental expense paid to a director	3	13
Purchase from a related party	341	3
Income		
Rental income earned from a related party	<u>10</u>	<u>139</u>

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
28 February 2006