

BREADTALK GROUP LIMITED

Financial Statement and Dividend Announcement For The Year Ended 31 December 2017

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

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

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

| | Group | | | Group | | |
|--|----------|----------|-------------------------|-----------|-----------|-------------------------|
| | 4Q 2017 | 4Q 2016 | Increase/ (Decrease) | 12M 2017 | 12M 2016 | Increase/ (Decrease) |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Revenue | 150,296 | 153,321 | -2.0% | 599,747 | 614,995 | -2.5% |
| Cost of sales | (65,623) | (67,816) | -3.2% | (266,465) | (277,508) | -4.0% |
| Gross profit | 84,673 | 85,505 | -1.0% | 333,282 | 337,487 | -1.2% |
| Other income | 7,043 | 4,749 | 48.3% | 33,178 | 29,540 | 12.3% |
| Interest income | 1,097 | 421 | 160.6% | 2,234 | 1,162 | 92.3% |
| Distribution and selling expenses | (62,333) | (60,075) | 3.8% | (241,674) | (256,323) | -5.7% |
| Administrative expenses | (18,630) | (17,669) | 5.4% | (80,850) | (75,389) | 7.2% |
| Interest expense | (1,786) | (1,354) | 31.9% | (5,420) | (5,931) | -8.6% |
| Profit before tax and share of results of joint ventures | 10,064 | 11,577 | -13.1% | 40,750 | 30,546 | 33.4% |
| Share of results of associates | (212) | (1,387) | -84.7% | (883) | (1,960) | -54.9% |
| Share of results of joint ventures | 277 | 360 | -23.1% | 1,097 | 1,130 | -2.9% |
| Profit before tax | 10,129 | 10,550 | -4.0% | 40,964 | 29,716 | 37.9% |
| Taxation | (2,814) | (4,684) | -39.9% | (11,047) | (12,119) | -8.8% |
| Profit after tax | 7,315 | 5,866 | 24.7% | 29,917 | 17,597 | 70.0% |
| Attributable to: | | | | | | |
| Shareholders of the Company | 5,067 | 4,430 | 14.4% | 21,848 | 11,436 | 91.0% |
| Non-controlling interests | 2,248 | 1,436 | 56.5% | 8,069 | 6,161 | 31.0% |
| | 7,315 | 5,866 | 24.7% | 29,917 | 17,597 | 70.0% |
| Other comprehensive income: | | | | | | |
| Net gain on available-for-sale financial assets | (2) | - | N.M | 15 | - | N.M |
| Foreign currency translation | (250) | 1,192 | N.M | (1,656) | (594) | 178.8% |
| Other comprehensive (loss) income for the period, net of tax | (252) | 1,192 | N.M | (1,641) | (594) | 176.3% |
| Total comprehensive income for the period | 7,063 | 7,058 | 0.1% | 28,276 | 17,003 | 66.3% |
| Attributable to: | | | | | | |
| Shareholders of the Company | 4,815 | 5,622 | -14.4% | 20,207 | 10,842 | 86.4% |
| Non-controlling interests | 2,248 | 1,436 | 56.5% | 8,069 | 6,161 | 31.0% |
| | 7,063 | 7,058 | 0.1% | 28,276 | 17,003 | 66.3% |

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

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

| | Group | | | Group | | |
|--|---------|---------|-------------------------|----------|----------|-------------------------|
| | 4Q 2017 | 4Q 2016 | Increase/ (Decrease) | 12M 2017 | 12M 2016 | Increase/ (Decrease) |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Depreciation and amortisation | 8,815 | 15,586 | -43.4% | 40,482 | 52,202 | -22.5% |
| Foreign exchange (gain)/loss, net | (134) | (586) | -77.1% | 466 | 604 | -22.8% |
| (Gain)/loss on disposal of property, plant and equipment | (195) | (1,417) | -86.2% | (2,334) | 345 | N.M. |
| Gain on divestment of investment securities | (76) | - | N.M. | (8,714) | (8,841) | -1.4% |
| Government grant | (271) | (790) | -65.7% | (1,732) | (4,539) | -61.8% |
| Impairment on investment securities | - | 41 | -100.0% | - | 208 | -100.0% |
| Impairment/(Write back) of loan and receivables | | | | | | |
| - trade receivables | 209 | - | N.M. | 250 | (181) | N.M. |
| - other receivables | - | (275) | N.M. | 85 | 87 | -2.3% |
| Intangible assets written off | - | 187 | N.M. | - | 320 | N.M. |
| Operating lease expenses | 34,993 | 34,700 | 0.8% | 136,618 | 145,809 | -6.3% |
| Personnel expenses | 46,152 | 46,772 | -1.3% | 185,127 | 186,702 | -0.8% |
| Property, plant and equipment written off (Note 1) | 599 | 232 | 158.2% | 3,244 | 2,691 | 20.5% |

N.M. - Not meaningful

Notes:

(1) The property, plant and equipment were written off as a result of closure, relocation or upgrading of outlets.

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

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 169,097 | 180,663 | 73,228 | 71,252 |
| Investment property | 39,463 | 22,984 | - | - |
| Intangible assets | 6,089 | 6,433 | - | - |
| Investment securities | 72,068 | 72,878 | - | 825 |
| Investment in subsidiaries | - | - | 24,418 | 24,296 |
| Investment in associates | 26,682 | 27,033 | - | - |
| Investment in joint ventures | 10,040 | 8,234 | - | - |
| Other receivables | 1,107 | 1,413 | - | - |
| Due from related corporations | - | - | 30,692 | 26,768 |
| Deferred tax assets | 2,559 | 2,749 | - | - |
| | <u>327,105</u> | <u>322,387</u> | <u>128,338</u> | <u>123,141</u> |

| | Group | | Company | |
|---|-----------------|----------------|----------------|----------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current assets | | | | |
| Investment securities | 12,886 | 17,222 | - | - |
| Inventories | 9,721 | 9,806 | - | - |
| Trade and other receivables | 57,823 | 57,472 | 2,417 | 4,269 |
| Prepayments | 6,771 | 4,824 | 92 | 123 |
| Due from related corporations | 1,073 | 1,094 | 105,149 | 61,885 |
| Amount due from minority shareholders of subsidiaries (non-trade) | 525 | 509 | - | - |
| Cash and cash equivalents | 141,245 | 120,589 | 1,278 | 8,486 |
| | <u>230,044</u> | <u>211,516</u> | <u>108,936</u> | <u>74,763</u> |
| Current liabilities | | | | |
| Trade and other payables | 88,118 | 86,404 | 2,175 | 1,955 |
| Other liabilities | 80,918 | 69,612 | 7,588 | 3,971 |
| Provision for reinstatement cost | 15,846 | 14,417 | 27 | 27 |
| Due to related corporations | 3,826 | 3,903 | 57,787 | 30,674 |
| Loan from a minority shareholder of a subsidiary | 200 | 200 | - | - |
| Short term loans | 19,237 | 7,215 | 10,000 | - |
| Current portion of long-term loans | 37,864 | 24,238 | 4,122 | 4,122 |
| Tax payable | 10,660 | 9,854 | 565 | 551 |
| | <u>256,669</u> | <u>215,843</u> | <u>82,264</u> | <u>41,300</u> |
| Net current (liabilities)/assets | (26,625) | (4,327) | 26,672 | 33,463 |
| Non-current liabilities | | | | |
| Long-term loans | 50,533 | 74,857 | 35,676 | 39,798 |
| Notes payables | 75,000 | 75,000 | 75,000 | 75,000 |
| Loan from a minority shareholder of a subsidiary | 508 | 549 | - | - |
| Other liabilities | 9,392 | 11,385 | - | - |
| Deferred tax liabilities | 4,576 | 4,324 | 2,391 | 1,791 |
| | <u>140,009</u> | <u>166,115</u> | <u>113,067</u> | <u>116,589</u> |
| Net assets | <u>160,471</u> | <u>151,945</u> | <u>41,943</u> | <u>40,015</u> |
| Share capital and reserves | | | | |
| Share capital | 33,303 | 33,303 | 33,303 | 33,303 |
| Treasury shares | (460) | (587) | (460) | (587) |
| Accumulated profits | 98,933 | 93,966 | 8,332 | 6,779 |
| Other reserves | 3,216 | 5,328 | 768 | 520 |
| | <u>134,992</u> | <u>132,010</u> | <u>41,943</u> | <u>40,015</u> |
| Non-controlling interests | 25,479 | 19,935 | - | - |
| Total equity | <u>160,471</u> | <u>151,945</u> | <u>41,943</u> | <u>40,015</u> |

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

Amount repayable in one year or less, or on demand

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

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

Amount repayable after one year

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

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

Details of any collateral

- (1) As at 31 December 2017, a total amount of \$97.1 million of the Group's bank borrowings are unsecured.
- (2) The remaining bank loans are secured by the following:
 - a closed legal mortgage in favour of the bank over the property at Private Lot A0135906 at Plot 1A, Tai Seng Street in Paya Lebar Industrial Estate;
 - certain investment securities.
 - certain machineries and equipment

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

| | Group | | Group | |
|---|---------|---------|----------|----------|
| | 4Q 2017 | 4Q 2016 | 12M 2017 | 12M 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 10,129 | 10,550 | 40,964 | 29,716 |
| Adjustments for: | | | | |
| Amortisation of intangible assets | 108 | 146 | 437 | 514 |
| Allowance for inventory obsolescence | 5 | 84 | 5 | 84 |
| Bad debts written off | 15 | 1,565 | 15 | 1,565 |
| Depreciation of property, plant and equipment | 8,707 | 15,440 | 40,045 | 51,688 |
| Dividend income from quoted investment equity | (57) | (36) | (57) | (36) |
| Fair value gain on investment property | (118) | (2) | (118) | (2) |
| Gain on disposal of intangible assets | (54) | - | (54) | - |
| Gain on divestment of investment securities | (76) | - | (8,714) | (8,841) |
| (Gain)/loss on disposal of property, plant and equipment | (195) | (1,417) | (2,334) | 345 |
| (Write back)/impairment loss on property, plant and equipment | 123 | 779 | (438) | 779 |
| Impairment loss on investment in associates | 1,800 | - | 1,800 | - |
| Impairment loss on investment securities | - | 41 | - | 208 |
| Intangible assets written off | - | 187 | - | 320 |
| Interest expense | 1,786 | 1,354 | 5,420 | 5,931 |
| Interest income | (1,097) | (421) | (2,234) | (1,162) |
| Inventories written off | - | 29 | 7 | 18 |
| Property, plant and equipment written off | 599 | 232 | 3,244 | 2,691 |
| Share based payment expenses | 99 | 1 | 375 | 163 |
| Share of results of associates | 212 | 1,387 | 883 | 1,960 |
| Share of results of joint ventures | (277) | (360) | (1,097) | (1,130) |
| (Write back)/impairment loss on trade receivables | 209 | - | 250 | (181) |
| (Write back)/impairment loss on other receivables | - | (275) | 85 | 87 |
| Write back of provision for reinstatement cost | (16) | (241) | (82) | (292) |
| Exchange differences | (644) | (5,675) | 1,139 | 2,688 |
| Operating cash flow before working capital changes | 21,258 | 23,368 | 79,541 | 87,113 |

| | Group | | Group | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 4Q 2017 | 4Q 2016 | 12M 2017 | 12M 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (Increase)/decrease in: | | | | |
| Amount due from associate (trade) | - | - | (3) | - |
| Amount due from joint ventures (trade) | 345 | (89) | 466 | (189) |
| Inventories | 736 | (83) | 73 | (30) |
| Prepayments | 1,871 | (555) | (1,947) | 902 |
| Trade and other receivables | (1,657) | (4,555) | (511) | (1,944) |
| Increase/(decrease) in: | | | | |
| Amount due to a joint venture (trade) | (178) | 403 | (214) | 279 |
| Other liabilities | 9,828 | 2,883 | 10,374 | 11,158 |
| Trade and other payables | 3,451 | 2,944 | 6,763 | (5,704) |
| Cash generated from operations | 35,654 | 24,316 | 94,542 | 91,585 |
| Tax paid | (346) | (2,407) | (10,124) | (9,100) |
| Net cash flow from operating activities | 35,308 | 21,909 | 84,418 | 82,485 |
| Cash flows from investing activities | | | | |
| Additions to intangible assets | (32) | (320) | (55) | (375) |
| Amount due from joint ventures (non-trade) | (20) | (322) | (441) | 140 |
| Amount due to joint ventures (non-trade) | (50) | (45) | (104) | (59) |
| Amount due to associates (non-trade) | 198 | (56) | 239 | (839) |
| Cash paid for reinstatement expenses | (308) | (423) | (927) | (2,339) |
| Dividends received from a joint venture | - | - | 348 | 363 |
| Dividends received from an associate | - | - | - | 98 |
| Dividend income from quoted investment security | 57 | 36 | 57 | 36 |
| Interest income received | 1,018 | 480 | 2,155 | 3,066 |
| Investment in an associate | (40) | - | (2,273) | (2,769) |
| Investment in a joint venture | - | - | (1,005) | - |
| Proceeds from disposal of property, plant and equipment | 274 | (26) | 3,361 | 30 |
| Proceeds from divestment of investment securities | 633 | - | 27,438 | 16,334 |
| Purchase of investment property | (16,681) | - | (16,681) | - |
| Purchase of property, plant and equipment | (13,651) | (1,295) | (37,087) | (31,935) |
| Purchase of investment securities | (5,571) | - | (12,886) | - |
| Net cash flow used in investing activities | (34,173) | (1,971) | (37,861) | (18,249) |
| Cash flows from financing activities | | | | |
| Acquisition of non-controlling interests | - | 540 | - | (1,163) |
| Dividends paid to minority shareholders of a subsidiary | (3,444) | (1,640) | (3,444) | (1,640) |
| Dividends paid to shareholders of the company | (2,814) | - | (16,881) | (8,015) |
| Interest paid | (1,786) | (1,354) | (5,420) | (5,931) |
| Proceeds from long-term loans | 13,500 | - | 13,500 | 3,602 |
| Proceeds from short-term loans | 19,320 | 2,710 | 37,657 | 8,039 |
| Proceeds from term notes | - | - | - | 75,000 |
| Purchase of treasury shares | - | (133) | - | (830) |
| Repayment of loan due to minority shareholder | (8) | 30 | (42) | 11 |
| Repayment of long-term loans | (2,447) | (8,329) | (24,126) | (67,839) |
| Repayment of short-term loans | (6,999) | (5,033) | (25,691) | (39,407) |
| Net cash flow from/(used in) financing activities | 15,322 | (13,209) | (24,447) | (38,173) |
| Net increase in cash and cash equivalents | 16,457 | 6,729 | 22,110 | 26,063 |
| Effect of exchange rate changes on cash and cash equivalents | 24 | 1,363 | (1,454) | (370) |
| Cash and cash equivalents at beginning of financial period | 124,764 | 112,497 | 120,589 | 94,896 |
| Cash and cash equivalents at end of financial period | 141,245 | 120,589 | 141,245 | 120,589 |

Note A: Cash and cash equivalents comprise:

| | Group | |
|--------------------------|----------------|----------------|
| | 31.12.2017 | 31.12.2016 |
| | \$'000 | \$'000 |
| Cash on hand and at bank | 139,789 | 115,572 |
| Short term FD | 1,456 | 5,017 |
| | 141,245 | 120,589 |

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

| Group | Attributable to Shareholders of the Company | | | | Total \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|---|---|------------------------------|----------------------------------|---|-----------------|--|------------------------|
| | Share capital \$'000 | Treasury shares \$'000 | Accumulated profits \$'000 | Other reserves (Note B) \$'000 | | | |
| Balance at 1 January 2017 | 33,303 | (587) | 93,966 | 5,328 | 132,010 | 19,935 | 151,945 |
| Profit for the period | - | - | 16,781 | - | 16,781 | 5,821 | 22,602 |
| <u>Other comprehensive income</u> | | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | 17 | 17 | - | 17 |
| Foreign currency translation | - | - | - | (1,406) | (1,406) | - | (1,406) |
| Total other comprehensive income, net of tax | - | - | - | (1,389) | (1,389) | - | (1,389) |
| Total comprehensive income for the period | - | - | 16,781 | (1,389) | 15,392 | 5,821 | 21,213 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Transfer to statutory reserve | - | - | - | - | - | - | - |
| Share-based payments | - | - | - | 276 | 276 | - | 276 |
| Dividends paid | - | - | (14,067) | - | (14,067) | - | (14,067) |
| Purchase of treasury shares | - | - | - | - | - | - | - |
| Treasury shares transferred on vesting of restricted share grant | - | 127 | - | (127) | - | - | - |
| Total contributions by and distributions to owners | - | 127 | (14,067) | 149 | (13,791) | - | (13,791) |
| <u>Changes in ownership interests in a subsidiary</u> | | | | | | | |
| Acquisition of non-controlling interests without a change in control | - | - | - | (719) | (719) | 719 | - |
| Issuance of new shares to non-controlling interest | - | - | - | - | - | 200 | 200 |
| Total changes in ownership interests in a subsidiary | - | - | - | (719) | (719) | 919 | 200 |
| Balance at 30 September 2017 | 33,303 | (460) | 96,680 | 3,369 | 132,892 | 26,675 | 159,567 |
| Profit for the period | - | - | 5,067 | - | 5,067 | 2,248 | 7,315 |
| <u>Other comprehensive income</u> | | | | | | | |
| Net loss on fair value changes of available-for-sale financial assets | - | - | - | (2) | (2) | - | (2) |
| Foreign currency translation | - | - | - | (250) | (250) | - | (250) |
| Total other comprehensive income, net of tax | - | - | - | (252) | (252) | - | (252) |
| Total comprehensive income for the period | - | - | 5,067 | (252) | 4,815 | 2,248 | 7,063 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Transfer to statutory reserve | - | - | - | - | - | - | - |
| Share-based payments | - | - | - | 99 | 99 | - | 99 |
| Dividends paid | - | - | (2,814) | - | (2,814) | (3,444) | (6,258) |
| Purchase of treasury shares | - | - | - | - | - | - | - |
| Treasury shares transferred on vesting of restricted share grant | - | - | - | - | - | - | - |
| Total contributions by and distributions to owners | - | - | (2,814) | 99 | (2,715) | (3,444) | (6,159) |
| <u>Changes in ownership interests in a subsidiary</u> | | | | | | | |
| Issuance of new shares to non-controlling interest | - | - | - | - | - | - | - |
| Total changes in ownership interests in a subsidiary | - | - | - | - | - | - | - |
| Balance at 31 December 2017 | 33,303 | (460) | 98,933 | 3,216 | 134,992 | 25,479 | 160,471 |

| Group | Attributable to Shareholders of the Company | | | | Total \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|---|---|------------------------------|----------------------------------|---|-----------------|--|------------------------|
| | Share capital \$'000 | Treasury shares \$'000 | Accumulated profits \$'000 | Other reserves (Note B) \$'000 | | | |
| Balance at 1 January 2016 | 33,303 | (378) | 90,545 | 5,728 | 129,198 | 17,226 | 146,424 |
| Profit for the period | - | - | 7,006 | - | 7,006 | 4,725 | 11,731 |
| <u>Other comprehensive income</u> | | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | - | - | - | - |
| Foreign currency translation | - | - | - | (1,786) | (1,786) | - | (1,786) |
| Total other comprehensive income, net of tax | - | - | - | (1,786) | (1,786) | - | (1,786) |
| Total comprehensive income for the period | - | - | 7,006 | (1,786) | 5,220 | 4,725 | 9,945 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based payments | - | - | - | 161 | 161 | - | 161 |
| Dividends paid | - | - | (8,015) | - | (8,015) | - | (8,015) |
| Purchase of treasury shares | - | (696) | - | - | (696) | - | (696) |
| Treasury shares transferred on vesting of restricted share grant | - | 80 | - | (80) | - | - | - |
| Total contributions by and distributions to owners | - | (616) | (8,015) | 81 | (8,550) | - | (8,550) |
| <u>Changes in ownership interests in a subsidiary</u> | | | | | | | |
| Issuance of new shares to non-controlling interest | - | - | - | - | - | - | - |
| Acquisition of non-controlling interests without a change in control | - | - | - | 111 | 111 | (1,812) | (1,701) |
| Total changes in ownership interests in a subsidiary | - | - | - | 111 | 111 | (1,812) | (1,701) |
| Balance at 30 September 2016 | 33,303 | (994) | 89,536 | 4,134 | 125,979 | 20,139 | 146,118 |
| Profit for the period | - | - | 4,430 | - | 4,430 | 1,436 | 5,866 |
| <u>Other comprehensive income</u> | | | | | | | |
| Net loss on fair value changes of available-for-sale financial assets | - | - | - | - | - | - | - |
| Foreign currency translation | - | - | - | 1,192 | 1,192 | - | 1,192 |
| Total other comprehensive income, net of tax | - | - | - | 1,192 | 1,192 | - | 1,192 |
| Total comprehensive income for the period | - | - | 4,430 | 1,192 | 5,622 | 1,436 | 7,058 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based payments | - | - | - | 2 | 2 | - | 2 |
| Dividends paid | - | - | - | - | - | (1,640) | (1,640) |
| Purchase of treasury shares | - | (134) | - | - | (134) | - | (134) |
| Treasury shares transferred on vesting of restricted share grant | - | 541 | - | - | 541 | - | 541 |
| Total contributions by and distributions to owners | - | 407 | - | 2 | 409 | (1,640) | (1,231) |
| <u>Changes in ownership interests in a subsidiary</u> | | | | | | | |
| Acquisition of non-controlling interests without a change in control | - | - | - | - | - | - | - |
| Total changes in ownership interests in a subsidiary | - | - | - | - | - | - | - |
| Balance at 31 December 2016 | 33,303 | (587) | 93,966 | 5,328 | 132,010 | 19,935 | 151,945 |

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

| Company | Share capital \$'000 | Treasury shares \$'000 | Accumulated profits \$'000 | Other reserves (Note B) \$'000 | Total \$'000 |
|--|-------------------------|------------------------------|----------------------------------|---|-----------------|
| As at 1 January 2016 | 33,303 | (378) | 5,375 | 437 | 38,737 |
| Profit for the period | - | - | 6,561 | - | 6,561 |
| Total comprehensive income for the period | - | - | 6,561 | - | 6,561 |
| <u>Contributions by and distributions to owners</u> | | | | | |
| Share-based payments | - | - | - | 161 | 161 |
| Dividends paid | - | - | (8,015) | - | (8,015) |
| Purchase of treasury shares | - | (696) | - | - | (696) |
| Treasury shares transferred on vesting of restricted share grant | - | 80 | - | (80) | - |
| Total contributions by and distributions to owners | - | (616) | (8,015) | 81 | (8,550) |
| Balance at 30 September 2016 | 33,303 | (994) | 3,921 | 518 | 36,748 |
| Profit for the period | - | - | 2,858 | - | 2,858 |
| Total comprehensive income for the period | - | - | 2,858 | - | 2,858 |
| <u>Contributions by and distributions to owners</u> | | | | | |
| Share-based payments | - | - | - | 2 | 2 |
| Dividends paid | - | - | - | - | - |
| Purchase of treasury shares | - | (134) | - | - | (134) |
| Treasury shares transferred on vesting of restricted share grant | - | 541 | - | - | 541 |
| Total contributions by and distributions to owners | - | 407 | - | 2 | 409 |
| Balance at 31 December 2016 | 33,303 | (587) | 6,779 | 520 | 40,015 |

Note B: Other reserves

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31.12.2017 \$000 | 31.12.2016 \$000 | 31.12.2017 \$000 | 31.12.2016 \$000 |
| Statutory reserve fund | 2,954 | 2,954 | - | - |
| Translation reserve | 1,641 | 3,295 | - | - |
| Fair value adjustment reserve | 15 | - | - | - |
| Capital reserve | 177 | 177 | 177 | 177 |
| Share based compensation reserve | 591 | 343 | 591 | 343 |
| Premium on acquisition of non-controlling interests | (2,162) | (1,441) | - | - |
| | 3,216 | 5,328 | 768 | 520 |

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 4Q 2017. There were a total of 457,954 treasury shares held as at 31 December 2017 (31 December 2016: 579,060). The Company did not have any subsidiary holdings or other convertibles as at 31 December 2017.

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

As at 31 December 2017, the Company's issued and paid up capital, excluding 457,954 (31 December 2016: 579,060) treasury shares held, comprises 281,435,284 (31 December 2016: 281,314,178) ordinary shares.

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

| | Number of Treasury Shares | | | |
|--|---------------------------|-----------|-----------|-----------|
| | 4Q 2017 | 4Q 2016 | 12M 2017 | 12M 2016 |
| Balance at beginning of financial period | 457,954 | 1,079,060 | 579,060 | 337,570 |
| Purchase of treasury shares | - | - | - | 816,400 |
| Treasury shares transferred on vesting of restricted share grant | - | - | (121,106) | (74,910) |
| Treasury shares transferred on acquisition of non controlling interest | - | (500,000) | - | (500,000) |
| Balance at end of financial period | 457,954 | 579,060 | 457,954 | 579,060 |

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group and the Company have adopted the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2017. The adoption of the new and revised FRS did not result in any material impact on the Group's and the Company's financial statements.

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

| | Group | | Group | |
|--|-------------|-------------|-------------|-------------|
| | 4Q 2017 | 4Q 2016 | 12M 2017 | 12M 2016 |
| Earnings per ordinary share for the period: | | | | |
| (a) Based on weighted average number of ordinary shares in issue | 1.80 cents | 1.57 cents | 7.76 cents | 4.07 cents |
| Weighted average number of ordinary shares | 281,435,284 | 281,314,178 | 281,394,915 | 281,300,341 |
| (b) On a fully diluted basis | 1.80 cents | 1.57 cents | 7.75 cents | 4.06 cents |
| Adjusted weighted average number of ordinary shares | 281,992,676 | 281,425,718 | 281,840,844 | 281,411,716 |

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

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| Net asset value per ordinary share based on issued share capital as at the end of period | 57.0 cents | 54.0 cents | 14.9 cents | 14.2 cents |

Note: The net asset value per ordinary share of the Group and the Company as at 31 December 2017 is computed based on the total number of issued shares (excluding 457,954 treasury shares) of 281,435,284 (31 December 2016: 281,314,178).

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

Overview

(A) Statement of Comprehensive Income

Group revenue for FY2017 declined 2.5% Y/Y from \$615.0 million to \$599.7 million in line with our consolidation strategy for FY2017. For the same period, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") for the Group declined 3.5% Y/Y to \$84.4 million with EBITDA margin steady at 14.1% (FY2016: 14.2%), primarily due to weaker operating profit at the Bakery Division. Profit After Tax and Minority Interests ("PATMI") for FY2017 improved 91.0% from \$11.4 million to \$21.8 million. PATMI margin rose to 3.6% (FY2016: 1.9%).

FY2017 saw the recognition of \$9.3 million in net capital gain from the divestment of the Group's investment in TripleOne Somerset during 1Q FY2017, while FY2016 saw the recognition of \$8.8 million in net capital gain from the divestment of 112 Katong Mall during 1Q FY2016. Excluding one-off items, core Food & Beverage (F&B) business net profit for FY2017 would have been \$17.7 million, an improvement of 153.3% from a net profit of \$7.0 million in FY2016.

Bakery Division revenue declined 3.2% Y/Y to \$297.2 million during FY2017, attributed to lower revenue from direct operated stores at Shanghai, Beijing and Hong Kong, as well as lower franchise revenue from China due to the planned early termination of 8 franchisees during the year. There were 20 less direct operated stores Y/Y, at 240, following the re-classification of the 8 outlets in Malaysia in 4Q FY2017 to franchise, as well as closures in Singapore and China. Franchise outlets ended the year at 631, 29 more Y/Y due to the addition of the re-classified outlets from Malaysia as well

as more outlet openings by our Indonesia, Philippines and Thailand franchisees. EBITDA for the Division declined 20.5% to \$23.2 million, with EBITDA margin at 7.8% (FY2016: 9.5%) primarily due to lower profitability at our Singapore and Shanghai direct operated stores, and lower high-margin revenue contribution from the China franchise business.

Food Atrium Division revenue was 5.4% Y/Y lower at \$149.3 million as number of outlets decreased by 4 Y/Y. The same store sales growth momentum for the entire portfolio of food atrium outlets was strong, especially in China. The two new outlets that opened in Shenzhen during 4Q FY2017, at MIXC World and Uniwalk had not made significant revenue contribution for the year due to the short operating period, but are expected to do so in FY2018. EBITDA improved 51.6% Y/Y to \$25.1 million with EBITDA margin improving from 10.5% to 16.8%.

Restaurant Division revenue rose 2.2% Y/Y to \$140.7 million with the addition of one new outlet during the year in Thailand. EBITDA rose in tandem by 2.1% Y/Y to \$30.1 million as EBITDA margin kept steady at 21.4% (FY2016: 21.4%), despite having incurred some costs related to the start-up of our first Din Tai Fung outlet in London during the financial year. The outlet is expected to be operational in 3Q FY2018.

4orth Division is a new business division incorporated with the objective of incubating new Food & Beverage (F&B) business concepts, as well as enter into joint ventures or other forms of collaboration with good potential F&B partners, with whom we would take these F&B businesses to the regional level. The Division ended the year with revenue of \$7.9 million and EBITDA of \$0.5 million, translating to an EBITDA margin of 6.8%. The conversion of Ramen Play outlets into Sō started in March 2017 and completed in September 2017, so the Y/Y comparative figures for this Division are not meaningful.

Despite a rising interest rate environment, overall interest expense for the Group declined 8.6% Y/Y to \$5.4 million, through our discipline in maintaining a healthy gearing level. Our active treasury management efforts also saw an improvement in interest income for the Group by 92.3% Y/Y from \$1.2 million to \$2.2 million.

Tax expense also declined 8.8% from \$12.1 million to \$11.0 million, translating to an improvement in effective tax rate from 40.8% to 27.0%, attributed to the turning around in some of our China businesses during FY2017 from loss making to profitable, thereby utilising earlier accumulated tax credits.

Earnings per share (EPS) on a fully diluted basis for FY2017 was 7.75 cents compared to 4.06 cents for FY2016.

Net asset value (NAV) per share was 57.0 cents as at 31 December 2017 compared to 54.0 cents as at 31 December 2016.

Number of outlets including franchise under the Group:

| | 31.12.2017 | 31.12.2016 | Net increase / (decrease) |
|--------------------------|------------|------------|------------------------------|
| Bakery | 871 | 862 | 1.0% |
| - Direct operated stores | 240 | 260 | -7.7% |
| - Franchise | 631 | 602 | 4.8% |
| Food Atrium | 53 | 57 | -7.0% |
| Restaurant | 25 | 24 | 4.2% |
| 4orth | 5 | 6 | -16.7% |
| Others | 2 | 2 | 0.0% |

(B) Balance Sheet

As at 31 December 2017,

Non-current assets increased by \$4.7 million or 1.5% from \$322.4 million to \$327.1 million mainly due to increase in investment property by \$16.5 million and offset by a decrease in property, plant and equipment by \$11.6 million due to depreciation.

Current assets increased by \$18.5 million or 8.8% from \$211.5 million to \$230.0 million mainly due to increase in:

- (i) cash and cash equivalents by \$20.7 million; and
- (ii) prepayments by \$1.9 million;

offset by a decrease in investment securities by \$4.3 million.

Current liabilities increased by \$40.8 million or 18.9% from \$215.8 million to \$256.7 million mainly due to increase in:

- (i) current portion of long term loans by \$13.6 million; and
- (ii) short term loans by \$12.0 million; and
- (iii) other liabilities by \$11.3 million; and
- (iv) trade and other payables by \$1.7 million; and
- (v) provision for reinstatement cost by \$1.4 million.

Non-current liabilities decreased by \$26.1 million or 15.7% from \$166.1 million to \$140.0 million mainly due to decrease in:

- (i) long term loans by \$24.3 million; and
- (ii) other liabilities by \$2.0 million.

(C) Cash Flow Statement

The Group generated net cash flow from operating activities of \$84.4 million in FY2017, an improvement of \$1.9 million from the \$82.5 million generated in FY2016, once again a testimony to the underlying strength of the core business.

Net cash flow used in investing activities was \$37.9 million in FY2017. Net cash flow was used primarily in the purchase of property, plant and equipment amounting to \$37.1 million and purchase of investment property amounting to \$16.7 million.

In FY2017, there was a net borrowing of \$1.3 million compared to the net repayment of \$20.6 million in FY2016. During the period, the Group also paid out \$20.3 million in dividends. As a result, net cash flow used in financing activities in FY2017 was \$24.4 million.

Overall, the Group generated a net increase in cash and cash equivalents of \$22.1 million in FY2017, ending the period with a cash and cash equivalents of \$141.2 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

In FY2017, our Bakery business invested significant efforts to consolidate and turnaround some underperforming direct operated stores in China and Singapore. In addition, the Management has taken a strategic decision to revamp the Toast Box product in China to better suit the local Chinese palate and meet the consumers' mobile lifestyle. Concerted efforts are also ongoing to bring excitement to our BreadTalk customers with refreshed concepts and new products in the next year.

The Food Atrium Division ended FY2017 with a record low vacant stalls rate of below 2%, which laid the foundation for stronger revenue momentum in FY2018. With the success of the first direct operated restaurant concept at Shanghai Tower, the Division is looking to transform its business model ahead with the opening of more direct operated restaurants that are smaller in outlet area and potentially higher profit margin in nature.

While we expect to open our first London Din Tai Fung outlet in 4Q FY2018, the Management team is also staying focused on deepening our reach in our existing Singapore and Thailand markets to further optimise economies of scale. As of January 2018, two new outlets have already been opened, namely at the newly opened Northpoint City in Singapore and at Thonglor in Bangkok, Thailand.

Our 4orh Division business had a good start in FY2017 with the successful launch of Sō, rebranding all five Ramen Play outlets and turning the business profitable.

Heading into FY2018, our first joint venture Song Fa Bak Kut Teh outlet in Jing An Kerry Centre officially opened on 26 January 2018 to great fanfare by our customers in Shanghai. This initial success has given us strong confidence in powering ahead with our outlet opening plans for the Song Fa brand in other parts of Shanghai as well as the other partnered cities in China and Thailand. The Management is also working hard to potentially bring on-board other renowned F&B brands and innovative dining concepts to the 4orh Division array of brands, which is in line with the original objective of the 4orh division.

Looking into 2018, the Management team is excited to kick-start our partnership with Shinmei Corporation, following our JV signing on 22 December 2017. The team will be working intensively with our partners in FY2018 to improve our procurement efforts, generate greater economies of scale, cost savings and new dining concepts for our core F&B businesses.

11. Dividend

(a) Current Financial Period Reported On

| Name of dividend | Special (paid) | Interim (paid) | Special (recommended) | Final (recommended) |
|------------------------------------|---|---|--|---|
| Dividend type | Cash | Cash | Cash | Cash |
| Dividend amount per ordinary share | 2.0 Singapore cents (tax exempt one-tier) | 2.0 Singapore cents (tax exempt one-tier) | 1.0 Singapore cent (tax exempt one-tier) | 2.0 Singapore cents (tax exempt one-tier) |

(b) Corresponding Period of the Immediately Preceding Financial Year

| Name of dividend | Special (paid) | Interim (paid) | Final (paid) |
|------------------------------------|--|--|---|
| Dividend type | Cash | Cash | Cash |
| Dividend amount per ordinary share | 1.35 Singapore cents (tax exempt one-tier) | 0.5 Singapore cent (tax exempt one-tier) | 2.0 Singapore cents (tax exempt one-tier) |

(c) Date payable

15 May 2018, subject to shareholders' approval at the upcoming Annual General Meeting on 20 April 2018.

(d) Books closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 3 May 2018 ("Book Closure Date") for the purpose of determining members' entitlement to the special and final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, up to 5.00 p.m. on 3 May 2018 will be registered before entitlements to the dividend are determined.

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

Not applicable.

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

| Name of Interested Person | Aggregate value (\$'000) of all IPTs during the financial year under review | Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---|---|---|
| (1) Sky One Art Investment Pte Ltd - Purchase of artwork | 292 | Not applicable - the Group does not have a shareholders' mandate under Rule 920 |
| (2) Kung Fu Kitchen - Food court rental income/miscellaneous charges | 394 | |

14. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|-------------------------|-----|---|---|--|
| Frankie Quek Sw ee Heng | 51 | Brother of George Quek Meng Tong (Group Chairman & Substantial Shareholder) | Head, Real Estate with effect from 1 July 2017, responsible for leasing arrangements in Singapore, and the management of BreadTalk IHQ building | Country CEO (ASEAN) with effect from 15 October 2013 to 30 June 2017, responsible for Administration, Legal and R&D matters of operations in ASEAN |

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) By Business Segments

| | Bakery⁽¹⁾ | Food Atrium | Restaurant | 4orth | Real Estate Investment | Others⁽²⁾ | Elimination | Group |
|--|-----------------------------|--------------------|-------------------|---------------|-------------------------------|-----------------------------|--------------------|-----------------------|
| <u>12M 2017</u> | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | |
| External sales | 297,188 | 149,346 | 140,732 | 7,859 | - | 4,622 | - | 599,747 |
| Inter-segment sales | 369 | 3,143 | - | - | - | - | (3,512) | - |
| Total revenue | <u>297,557</u> | <u>152,489</u> | <u>140,732</u> | <u>7,859</u> | <u>-</u> | <u>4,622</u> | <u>(3,512)</u> | <u>599,747</u> |
| Results | | | | | | | | |
| Profit from operations | 9,631 | 8,897 | 24,434 | (332) | 12,658 | (11,141) | (211) | 43,936 |
| Interest income | 51 | 307 | 1,243 | 3 | 1,428 | 2,156 | (2,954) | 2,234 |
| Interest expense | (785) | (418) | (2) | (22) | (4,793) | (2,382) | 2,982 | (5,420) |
| Share of associates' results | - | - | - | - | - | (883) | - | (883) |
| Share of joint ventures' | 873 | 224 | - | - | - | - | - | 1,097 |
| Segment profit | <u>9,770</u> | <u>9,010</u> | <u>25,675</u> | <u>(351)</u> | <u>9,293</u> | <u>(12,250)</u> | <u>(183)</u> | <u>40,964</u> |
| Tax expense | | | | | | | | <u>(11,047)</u> |
| Profit after tax | | | | | | | | <u><u>29,917</u></u> |
| Segment assets | 173,045 | 134,912 | 115,226 | 27,804 | 106,310 | 154,603 | (157,310) | 554,590 |
| Deferred tax assets | | | | | | | | <u>2,559</u> |
| Total Assets | | | | | | | | <u><u>557,149</u></u> |
| Segment liabilities | 133,580 | 133,927 | 26,564 | 29,380 | 25,127 | 172,407 | (139,543) | 381,442 |
| Tax payable | | | | | | | | <u>10,660</u> |
| Deferred tax liabilities | | | | | | | | <u>4,576</u> |
| Total liabilities | | | | | | | | <u><u>396,678</u></u> |
| Investment in associate | 40 | - | - | - | - | 26,642 | - | 26,682 |
| Investment in joint ventures | 9,138 | 902 | - | - | - | - | - | 10,040 |
| Additions to non-current assets ⁽³⁾ | 7,025 | 11,821 | 7,841 | 231 | - | 5,823 | - | 32,741 |
| Depreciation & Amortisation | 13,560 | 16,205 | 5,699 | 865 | 1,959 | 2,194 | - | 40,482 |
| Other non-cash expenses | 2,138 | 1,013 | 134 | 321 | - | 375 | - | 3,981 |

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

| | Bakery⁽¹⁾ | Food Atrium | Restaurant | 4orth | Real Estate Investment | Others⁽²⁾ | Elimination | Group |
|---|-----------------------------|--------------------|-------------------|---------------|-----------------------------------|-----------------------------|--------------------|---------------|
| 12M 2016 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | |
| External sales | 306,864 | 157,901 | 137,662 | 7,838 | - | 4,730 | - | 614,995 |
| Inter-segment sales | 436 | 3,112 | - | - | - | - | (3,548) | - |
| Total revenue | 307,300 | 161,013 | 137,662 | 7,838 | - | 4,730 | (3,548) | 614,995 |
| Results | | | | | | | | |
| Profit from operations | 11,462 | (7,005) | 23,095 | (649) | 13,295 | (3,815) | (1,068) | 35,315 |
| Interest income | 37 | 399 | 875 | 3 | 795 | 1,267 | (2,214) | 1,162 |
| Interest expense | (722) | (772) | (6) | (12) | (4,968) | (993) | 1,542 | (5,931) |
| Share of associates' results | - | - | - | - | - | (1,960) | - | (1,960) |
| Share of joint ventures' | 887 | 243 | - | - | - | - | - | 1,130 |
| Segment profit | 11,664 | (7,135) | 23,964 | (658) | 9,122 | (5,501) | (1,740) | 29,716 |
| Tax expense | | | | | | | | (12,119) |
| Profit after tax | | | | | | | | 17,597 |
| Segment assets | 157,823 | 130,726 | 105,956 | 4,365 | 184,139 | 105,209 | (157,064) | 531,154 |
| Deferred tax assets | | | | | | | | 2,749 |
| Total Assets | | | | | | | | 533,903 |
| Segment liabilities | 115,790 | 134,676 | 26,483 | 16,636 | 156,230 | 79,582 | (161,617) | 367,780 |
| Tax payable | | | | | | | | 9,854 |
| Deferred tax liabilities | | | | | | | | 4,324 |
| Total liabilities | | | | | | | | 381,958 |
| Investment in associate | - | - | - | - | - | 27,033 | - | 27,033 |
| Investment in joint ventures | 7,574 | 660 | - | - | - | - | - | 8,234 |
| Additions to non-current assets ⁽³⁾ | 15,884 | 8,807 | 5,179 | 37 | - | 2,491 | - | 32,398 |
| Depreciation & Amortisation | 17,719 | 23,566 | 6,423 | 927 | 1,811 | 1,756 | - | 52,202 |
| Other non-cash expenses | 1,629 | 5,180 | 57 | 21 | - | 353 | - | 7,240 |

(b) By Geographical Segments

| | External Sales | | Non-current Assets ⁽³⁾ | |
|-------------------|----------------|----------------|-----------------------------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 340,624 | 336,481 | 143,559 | 127,865 |
| Mainland China | 163,895 | 174,530 | 55,687 | 62,205 |
| Hong Kong | 53,908 | 66,385 | 8,731 | 12,676 |
| Rest of the world | 41,320 | 37,599 | 6,672 | 7,334 |
| | <u>599,747</u> | <u>614,995</u> | <u>214,649</u> | <u>210,080</u> |

(1) Bakery operations comprise operation of bakery retail outlets as well as that operated through franchising.

(2) The business segment "Others" comprises the corporate services, treasury functions, investment holding activities, and associated companies.

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

17. Breakdown of revenue and profit after tax

| | Group | | |
|--|---------|---------|----------|
| | FY 2017 | FY 2016 | Increase |
| | \$'000 | \$'000 | (%) |
| (a) Sales reported for first half year | 295,195 | 304,330 | -3.0% |
| (b) Operating profit after tax before deducting minority interests reported for first half year | 16,436 | 6,377 | 157.7% |
| (c) Sales reported for second half year | 304,552 | 310,665 | -2.0% |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 13,481 | 11,220 | 20.2% |

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

| Annual Dividend (in \$ million) | FY2017 | FY 2016 |
|------------------------------------|-------------|-------------|
| Ordinary dividend | | |
| - Interim | 5.6 | 1.4 |
| - Final # | 5.6 | 5.6 |
| Special dividend | | |
| - Paid | 5.6 | 3.8 |
| - Recommended# | 2.8 | |
| Total: | 19.6 | 10.8 |

2017 recommended Special and Final dividend are estimated based on number of shares (excluding treasury shares) outstanding as at the end of the financial year.

BY ORDER OF THE BOARD

Ms. Shirley Tan Sey Liy
Company Secretary
22 February 2018