

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of BreadTalk Group Limited (the “Company”) will be held at 30 Tai Seng Street, #09-01 BreadTalk IHQ Singapore 534013 on Thursday, 20 April 2017 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1.

To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 31 December 2016 together with the Auditors’ Report thereon.

(Resolution 1)
2.

To declare a final dividend of 2.0 cent per share tax exempt (one-tier) for the financial year ended 31 December 2016. (2015: 1.0 cent)

(Resolution 2)
3.

To re-elect the following Directors of the Company retiring pursuant to Regulation 104 of the Constitution of the Company:  
Dr Tan Khée Giap  
Ms Katherine Lee Lih Leng  
[See Explanatory Note (i)]

(Resolution 3)  
(Resolution 4)
4.

To approve the payment of Directors’ fees of S\$177,180 for the financial year ended 31 December 2016. (2015:S\$172,950)

(Resolution 5)
5.

To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)
6.

To transact any other ordinary business which may properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution, with or without any modifications:

7.

**Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (a)

(i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b)

(notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1)

the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution):

(A) by way of renounceable rights issues on a pro rata basis to Shareholders of the Company (“Renounceable Rights Issues”) shall not exceed 100 per centum (100%) of the total number of issued shares excluding treasury shares (as calculated in paragraph (3) below); and

(B) otherwise than by way of Renounceable Rights Issues (“Other Share Issues”) shall not exceed fifty per centum (50%) of the total number of issued shares excluding treasury shares (as calculated in accordance with paragraph (3) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares excluding treasury shares (as calculated in accordance with paragraph (3) below);
- (2)

the Renounceable Rights Issues and Other Share Issues shall not, in aggregate exceed 100 per centum (100%) of the total number of issued shares excluding treasury shares (as calculated in paragraph (3) below);
- (3)

(subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1)(A) and (1)(B) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of this Resolution is passed; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;
- (4)

in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (5)

unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.  
[See Explanatory Note (ii)]

(Resolution 7)

8.

**Authority to issue shares under the BreadTalk Group Limited Employees’ Share Option Scheme**  
That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing BreadTalk Group Limited Employees’ Share Option Scheme (“the Scheme”) and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme, the BreadTalk Group Restricted Share Grant Plan and any other share based schemes (if applicable) shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.  
[See Explanatory Note (iii)]

(Resolution 8)

9.

**Authority to issue shares under the BreadTalk Group Limited Restricted Share Grant Plan (for non-controlling shareholders)**  
When the Remuneration Committee has decided on the grant of any awards in accordance with the provisions of the BreadTalk Group Limited Restricted Share Grant Plan (“the Plan”), and where such awards relate to the issue of new shares, then pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to allot and/or issue from time to time such number of fully-paid shares as may be required to be allotted and/or issued pursuant to the vesting of the awards under the Plan, provided always that the aggregate number of new ordinary shares to be allotted and/or issued pursuant to the Plan, the Scheme and any other share based schemes (if applicable), which the Company may have in place, shall not exceed fifteen per centum (15%) of the total issued shares excluding treasury shares in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.  
[See Explanatory Note (iv)]

(Resolution 9)

10.

**Authority to grant awards to Participants (being controlling shareholders and their associates) pursuant to the Rules of, and issue shares under, the Plan**  
When the Remuneration Committee has decided on the grant of any awards in accordance with the provisions of the Plan to the controlling shareholders and/or their associates as set out below (“the Participants”), the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Plan to the Participants, and where such Awards relate to the issue of new shares, then pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to allot and/or to issue such number of fully-paid shares in the Company to the Participants of awards granted by the Company under the Plan, provided always that the aggregate number of shares available to Controlling Shareholders and their associates under the Plan shall not exceed twenty five per centum (25%) of all the shares available under the Plan and that the number of shares available to each Controlling Shareholder or his associate shall not exceed ten per centum (10%) of all the shares available under the Plan. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company’s next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Name of Participant	No. of shares to be awarded
Associate of Controlling Shareholders	
Mr Frankie Quek Swee Heng	37,000
[See Explanatory Note (v)]	(Resolution 10)

11.

**Renewal of Share Purchase Mandate**  
That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of AGM of the Company) at the price of up to but not exceeding the Maximum Price as defined in paragraph 3.4 of the Appendix to the Annual Report to Shareholder dated 5 April 2017, in accordance with the terms of the Share Purchase Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.  
[See Explanatory Note (vi)]

(Resolution 11)

By Order of the Board

Chew Kok Liang  
Shirley Tan Sey Liy  
Company Secretaries  
Singapore, 5 April 2017

Explanatory Notes:

- (i)

Dr Tan Khée Giap will, upon re-election as Director of the Company, remain as the member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

- (ii)

The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a pro rata basis to shareholders, provided that, the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares).

For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) at the time Resolution 7 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time when Resolution 7 is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for 100% Renounceable Rights Issues (“Enhanced Rights Issue Limit”) is proposed pursuant to the Singapore Exchange Limited’s news release of 13 March 2017 which introduced measure to help companies raise funds expediently for expansion activities or working capital (“SGX News Release”) and unless extended further by SGX-ST, the authority will expire on 31 December 2018. Unless renewed, the mandate sought at this meeting shall expire at the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

The Board of Directors of the Company is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders.

- (iii)

The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme, the Plan and any other share based schemes (if applicable) is limited to 15% of the total issued share capital of the Company excluding treasury shares from time to time. Resolution 8 is independent from Resolution 9 and the passing of Resolution 8 is not contingent on the passing of Resolution 9.

- (iv)

The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next AGM, to issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Plan subject to the maximum number of shares prescribed under the terms and conditions of the Plan. The aggregate number of ordinary shares which may be issued pursuant to the Scheme, the Plan and any other share based schemes (if applicable) is limited to 15% of the total issued share capital of the Company excluding treasury shares from time to time. Resolution 9 is independent from Resolution 10 and the passing of Resolution 9 is not contingent on the passing of Resolution 10.

- (v)

The Ordinary Resolution 10 in item 10 above, if passed, will empower the Directors of the Company to issue shares in the Company to the associate of Controlling Shareholders, granted by the Company under the Plan. Shareholders who are eligible to participate in the Plan shall abstain from voting on Resolution 10.

As at the Latest Practicable Date prior to the printing of this Notice of AGM (i.e. 17 March 2017), the number of shares granted in respect of the Plan since its commencement date are as follows:

Name	Aggregate Number of Restricted Share Granted	Aggregate Number of Restricted Shares Vested
Dr George Quek Meng Tong	179,200	179,200
Katherine Lee Lih Leng	154,000	154,000
Frankie Quek Swee Heng	169,970	125,000
Other Participants*	3,994,232	3,250,540
Total	4,497,402	3,708,740

\* None of the Other Participants is either a controlling shareholder of the Company or an associate of a controlling shareholder of the Company.

The Directors confirm that, as at the Latest Practicable Date (i.e. 17 March 2017):

- (a)

the aggregate number of shares issued under the Plan do not exceed 15% of the total issued shares (excluding treasury shares) in the capital of the Company;
- (b)

the aggregate number of shares granted to controlling shareholders and their associates does not exceed 25% of the shares available under the Plan; and
- (c)

number of shares granted to each controlling shareholder or his or her associate respectively does not exceed 10% of the shares available under the Plan.

The rationale for Resolution 10

Mr Frankie Quek Swee Heng (**Frankie Quek**), CEO, Asean Region, holds an aggregate of 0.02% of the Company’s shareholding (direct and deemed interests). He is involved in the formulation and implementation of the expansion plans of the Group in the Asean Region. With his business acumen and extensive knowledge of the local food and beverage industry, he is assisting the Chairman, Dr George Quek Meng Tong, in overseeing the growth and expansion as well as daily operations of the Group, focusing on the Group’s expansion into the Asean Region. Frankie Quek has been based in Shanghai since 2005 where he has been overseeing the growing bakery and food court operations in Shanghai and Beijing. His expertise has further led to the successful expansion of the BreadTalk brand name to many Asean Cities through a franchise model system managed by the in house franchise team. The Company therefore believes that he has the potential and ability to contribute to the further success of the Group.

By allowing him to participate in the Plan, the Company will have an additional tool to craft a more balanced and innovative remuneration package that will link his total remuneration to the performance of the Group. Frankie Quek will also be able to share in any future appreciation of the Company’s share price that is commensurate with the Company’s future growth through an increase in his shareholdings to a more significant level.

The Directors are of the view that the remuneration package of Frankie Quek is fair given his contributions to the Group. The extension of the Plan to Frankie Quek is consistent with the Company’s objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company.

As the Plan serves as recognition of the past contributions of those eligible to participate in the Plan, as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Frankie Quek should be included in the Plan. The Directors consider it crucial for the Company to provide sufficient incentives which will instill a sense of commitment to the Group.

The participation of and grant of Awards to Frankie Quek under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 28 April 2008. Resolution 10 seeks for the above stated reasons, shareholders’ approval for the Directors decision to grant 37,000 shares to Frankie Quek in accordance with the Plan.

- (vi)

The Ordinary Resolution 11 proposed in item 11 above, if passed, will empower the Directors of the Company effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Paragraph 3.4 to the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2016 are set out in greater detail in the Appendix.

Notes:

1.

A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM (the “Meeting”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2.

A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified,).
3.

The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
4.

The instrument appointing a proxy must be deposited at the registered office of the Company at 30 Tai Seng Street, #09-01 BreadTalk IHQ, Singapore 534013 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
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A Relevant Intermediary is:
- (a)

a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b)

a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c)

the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.