

BREADTALK GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200302045G)

INVESTMENT IN PERENNIAL SOMERSET INVESTORS PTE. LTD. WHICH HAS, THROUGH ITS WHOLLY-OWNED SUBSIDIARY, PERENNIAL 111 SOMERSET PTE. LTD., ENTERED INTO AN AGREEMENT TO ACQUIRE TRIPLEONE SOMERSET

1. INTRODUCTION

The Board of Directors of BreadTalk Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that Imagine Properties Pte Ltd. (a wholly-owned subsidiary of the Company) ("**IPPL**") has today entered into a Letter of Participation ("**Letter**") with Perennial Real Estate Holdings Pte. Ltd. ("**PREH**") to invest S\$17,490,000 in Perennial Somerset Investors Pte. Ltd. ("**PSIPL**") to acquire TripleOne Somerset (the "**Property**") through the subscription of junior bonds, preference shares and ordinary shares to be issued by PSIPL (the "**Proposed Investment**"), details of which are set out in paragraph 2.2 below.

2. OVERVIEW OF THE PROPOSED INVESTMENT

2.1 Information on the Property

TripleOne Somerset, a 17 storey commercial building with a 2 level retail podium and 2 separate basement car parks, is located strategically within the prime Orchard Road precinct next to Somerset Mass Rapid Transit ("**MRT**") station and along two major road frontages, namely Somerset Road and Devonshire Road.

2.2 Information on the Proposed Investment

PSIPL will issue junior bonds, preference shares and ordinary shares to a consortium of investors for the purposes of acquiring the entire share capital of AREIF (Singapore I) Pte. Ltd. ("**AREIF**"), which owns TripleOne Somerset through its wholly-owned subsidiary Perennial 111 Somerset Pte. Ltd. ("**PSPL**").

PSPL has entered into a share purchase agreement with Gorgeous International Limited to acquire the entire share capital of AREIF (the "**SPA**") for a consideration of S\$970,000,000. Prior to the issuance of the junior bonds, the preference shares and ordinary shares by PSIPL to the consortium of investors, PSIPL is a wholly-owned subsidiary of PREH.

Pursuant to the terms of the Letter, IPPL has agreed to subscribe for S\$17,490,000 of the junior bonds, preference shares and ordinary shares to be issued by PSIPL (the "**Subscription Amount**").

2.3 Subscription Amount

Upon execution of the Letter, IPPL will pay S\$2,570,500 in aggregate, as a deposit (the “**Deposit**”) to PSIPL or its order, which Deposit is to be applied towards satisfaction of part of the Subscription Amount due from IPPL.

The balance of the Subscription Amount of S\$14,919,500 is to be paid to PSIPL or its order on the date of issue of the S\$17,490,000 in principal amount of the junior bonds, preference shares and ordinary shares to IPPL, which would be the completion date of the acquisition of the Property and is expected to be in March 2014.

The Subscription Amount is proposed to be funded by internal resources and bank financing.

3. RATIONALE FOR THE PROPOSED INVESTMENT

- (a) TripleOne Somerset is strategically located in the Orchard Road precinct and is adjacent to the Somerset MRT station.
- (b) The proposed investment allows the Group, a Food & Beverage (F&B) specialist, to add value to the prime commercial asset. The Group will be granted the first right of refusal to its retail space.
- (c) Presents opportunity for repositioning to enhance the rental yield of the Property.

4. FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects of the Proposed Investment on the share capital of the Company, the net tangible asset value (“**NTA**”) per ordinary share in the capital of the Company (the “**Share**”) and earnings per Share (“**EPS**”), based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2012 (“**FY2012**”) and the terms in the Letter, are set out below:-

(a) Share Capital

The Proposed Investment will have no impact on the number of issued Shares of the Company.

(b) NTA per Share

Assuming that the Proposed Investment had been completed on 31 December 2012, it would have no impact on the NTA per Share of the Group.

(c) EPS

Assuming that the Proposed Investment had been completed on 1 January 2012, it would have no impact on the Earnings per Share of the Group.

5. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE SGX-ST LISTING MANUAL

Based on the latest announced financial statements of the Group for the financial period ended 30 September 2013, the relative figures for the Proposed Investment computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Rule 1006(a)	As at 30 September 2013
Net asset value	Not applicable to an acquisition of assets
Rule 1006(b)	For financial period ended 30 September 2013
Net profits attributable to the acquisition of shares in the asset	Not applicable as the investment is a newly start up company
Rule 1006(c)	
Aggregate amount of consideration for the Proposed Investment (S\$'000)	S\$17,490
Market capitalisation ⁽¹⁾ of the Company as at 8 January 2014 (being the last trading day immediately preceding the date of the Letter) (S\$'000)	S\$250,888
Size of relative figure	7.0%
Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration for the acquisition compared with the number of equity securities previously in issue	Not Applicable as equity securities is not part of the consideration

Note:-

- (1) The market capitalisation of the Company is based on 281,328,614 Share in issue (excluding treasury shares) as at 8 January 2014 (being the last trading day immediately preceding the date of the Letter) and the weighted average price of the Share transacted on the SGX-ST on the same date of S\$0.8918.

6. INTEREST(S) OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Dr George Quek Meng Tong, is the Chairman and an executive director of the Company, Save as disclosed in this announcement, none of the Directors of the Company has any interest, direct or indirect in the Proposed Investment and the Company has not received any notification from any controlling shareholder that it has any interest, direct or indirect in the Proposed Investment. No person is proposed to be appointed as a director of the Company in connection with the Proposed Investment.

7. DOCUMENT FOR INSPECTION

A copy of the Letter is available for inspection at the registered office of the Company at 30 Tai Seng Street, #09-01, Singapore 534013 during normal business hours for a period of 3 months from the date of this Announcement.

By Order of the Board of the Company

Lawrence Yeo
Group Chief Financial Officer
9 January 2014