

**ACQUISITION OF 1,650,000 FULLY-PAID ORDINARY SHARES OF
MEGABITE HONG KONG LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of BreadTalk Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Topwin Investment Holding Pte Ltd (“**Topwin**”), has today entered into a share purchase and sale agreement (the “**SPA**”) with Idea Xchange Pte. Ltd. (“**Idea Xchange**”) to acquire 1,650,000 fully-paid ordinary shares (the “**Sale Shares**”) in the Company’s indirect subsidiary, Megabite Hong Kong Limited (“**Megabite (HK)**”) representing 15% of the issued share capital of Megabite (HK) (the “**Acquisition**”).

Following completion of the Acquisition, Topwin shall own 11,000,000 fully-paid ordinary shares of Megabite (HK), and Megabite (HK) shall be a wholly-owned subsidiary of Topwin.

2. CONSIDERATION FOR THE SALE SHARES

The consideration payable by Topwin for the Sale Shares is **S\$1,684,131** (the “**Consideration**”). The Consideration was arrived at after taking into account, *inter alia*, the combined net asset value of Megabite (HK) and Megabite (HK)’s subsidiaries, which are BreadTalk Concept Hong Kong Limited, Food Republic Guangzhou F&B Management Co., Ltd., and Food Republic Shenzhen F&B Management Co., Ltd. (collectively, the “**Megabite (HK) Group**”).

The Consideration will be satisfied upon completion of the Acquisition as follows:

- (a) S\$1,163,131 in cash (the “**Cash Consideration**”); and
- (b) S\$521,000 by way of transfer of 500,000 of the Company’s treasury shares to Idea Xchange (the “**Consideration Shares**”), whereby the per-share issue price of the Consideration Shares is S\$1.042, calculated based on the average closing price of the Company’s shares as quoted on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the 5 market days preceding 31 August 2016.

3. VALUE OF SALE SHARES

Based on the latest combined financial statements of the Megabite (HK) Group, the net asset value attributable to the Sale Shares as at 30 June 2016 is approximately S\$1,784,080.

4. RULE 1006 OF THE SGX-ST LISTING MANUAL

The relevant relative figures computed on the basis of Rules 1006(c) and 1006(d) of the SGX-ST Listing Manual in respect of the Acquisition are below 5%. However, as the relative figure under Rule 1006(b) is negative as a result of the combined losses before tax and minority interests of the Megabite (HK) Group attributable to the Sale Shares of approximately S\$66,000 for the financial period between 1 January 2016 and 30 June 2016, the Company had consulted with the SGX-ST pursuant to Rule 1007(1) of the SGX-ST Listing Manual. Based on the Company’s representations and submissions, the SGX-ST has no objection to the Company’s view that the Acquisition is a “**Non-Discloseable Transaction**” under Rule 1008 of the SGX-ST Listing Manual, and shareholders’ approval is not required for the Acquisition.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the registered office of the Company at 30 Tai Seng Street, #09-01 BreadTalk IHQ, Singapore 534013 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Shirley Tan
Company Secretary
5 September 2016