



(Company No.: 200302045G)  
(Incorporated in the Republic of Singapore)

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## CLARIFICATION OF MEDIA REPORTS DATED 25 OCTOBER 2019

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### (I) MEDIA REPORTS ON 25 OCTOBER 2019

1. The Board of Directors (the **"Board"**) of BreadTalk Group Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) refers to the Business Times articles both dated 25 October 2019 titled *"BreadTalk's aim for 8% profit margin by 2022 won't be a walk in the park"* and *"BreadTalk eyes margin boost, targets S\$1b market cap"* (collectively, the **"Media Reports"**).
2. We have noted the queries from the Singapore Exchange (**"SGX"**) to confirm and clarify if the information contained in the media reports is (1) new material information; (2) has been disclosed via SGXNet announcement previously; and (3) represents an estimation or projection.

### (II) CLARIFICATION

3. The Company wishes to clarify that the Media Reports on the Group's profit margin and market capitalisation are not new material information:
  - (1) On the target 8% profit margin, the Company wishes to inform that this had been previously disclosed in a CNBC interview dated 1 February 2019 (**"CNBC Interview"**), but not separately announced via SGXNet. Shareholders and investors may access the following link for more information: <https://www.cnbc.com/2019/02/01/.html>
  - (2) In the CNBC Interview, the Company's then CEO, Mr Henry Chu (**"Mr Chu"**) in response to the question "What are your margins like?" mentioned that *"Internally we have set ourselves a target which is 8 percent, which I think for an F&B company is required...So it is not about increasing it from 6 to 8 percent. It's really about pushing hard and as I mentioned earlier, consolidating what we have to continue to grow"*.
  - (3) On the target S\$1 billion market capitalisation, this was previously disclosed as follows:
    - (i) In the Company's Annual Report 2018, Mr Chu had in his CEO's Message on page 16 of the Report stated the Company's aspiration *"of becoming the first Singapore Food and Beverage group to hit a market capitalization of S\$1 billion by 2022"*. (see [http://breadtalk.listedcompany.com/newsroom/20190321\\_201851\\_CTN\\_TN8\\_V4TWGJ8IPV0QK.1.pdf](http://breadtalk.listedcompany.com/newsroom/20190321_201851_CTN_TN8_V4TWGJ8IPV0QK.1.pdf));
    - (ii) In a Business Times report published on 10 December 2018 (see <https://www.businesstimes.com.sg/companies-markets/beyond-asia-breadtalk-has-sights-set-on-europe-and-us>), where it was stated that Mr Chu stated that the aspirations of the Company to achieve a S\$1 billion market capitalization; and
    - (iii) In the CNBC Interview, Mr Chu in response to the question "...Where would you like to take the Group under your watch as CEO? Where do you see BreadTalk Group?" replied *"...we definitely want to increase our market cap. Internally we have set a goal of a billion dollar company for us."*

4. The Company wishes to clarify that, in the context of previous disclosures as mentioned above, the information reported in the Media Reports are aspirational and are not intended to be estimations nor projections.
5. With reference to the statement in the Media Reports that “BreadTalk’s top line is expected to be lifted by about 10 per cent from contributions by the newly acquired Food Junction”, the Company wishes to highlight as follows:
  - (i) our acquisition of the Food Junction business has not been completed, so its description in the Media Reports as “newly acquired” is not correct;
  - (ii) subject to completion of the acquisition, (a) Food Junction’s contribution to our Group’s revenue is our management’s estimate based on present plans for the business and information currently available to us, and (b) our Company shall consolidate Food Junction’s financial information as part of our Group’s financial reporting, and we shall provide more disclosure in a timely manner in due course.

### **(III) CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company should read the Media Reports in the context of the previous disclosures as detailed above in this announcement. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

### **By Order of the Board**

Shirley Tan Sey Liy  
Company Secretary  
29 October 2019