



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

**PROPOSED ACQUISITION BY BTG VAULT PTE. LTD. OF A STRATEGIC INTEREST IN NPPG
(THAILAND) PUBLIC COMPANY 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 its wholly-owned subsidiary, BTG Vault Pte. Ltd. (“**BTG Vault**”) had, on 8 April 2019, entered into sale and purchase agreements (the “**SPAs**”) for the acquisition of a strategic interest (the “**Proposed Acquisition**”) in NPPG (Thailand) Public Company Limited (the “**Target Company**”, or “**NPPG**”).

Pursuant to the SPAs, the Proposed Acquisition shall be carried out over two (2) tranches as follows:

- (a) “**Tranche 1**” (which shall be completed fifteen (15) days from the entry of the SPAs), comprising 285,000,000 shares (approximately 15% of NPPG), of which:
 - (i) 200,000,000 shares shall be purchased from Mr. Suraphong Triamchanchai;
 - (ii) 50,000,000 shares shall be purchased from Mr. Chanachai Leenabanchong;
and
 - (iii) 35,000,000 shares shall be purchased from Mr. Kamjad Ramakul;
- (b) “**Tranche 2**” (which shall be completed fifteen (15) days from 31 January 2020), comprising 95,000,000 shares (approximately 5% of NPPG) of which:
 - (i) 22,000,000 shares shall be purchased from Mr. Suraphong Triamchanchai;
 - (ii) 28,000,000 shares shall be purchased from Laurels Magnifique Worldwide Inc., a private company incorporated under the laws of the British Virgin Islands;
 - (iii) 14,000,000 shares shall be purchased from Mr. Lapasrada Phodivorakhun;
 - (iv) 11,000,000 shares shall be purchased from Mr. Chaiyanind Phodivorakhun;
and
 - (v) 20,000,000 shares shall be purchased from Mr. Pavat Thanapornmontri.

Upon completion of the Proposed Acquisition, NPPG will become an associated company of BTG Vault.

Notwithstanding that there are separate SPAs for the different sellers (the “**Sellers**”), the Company is of the view that the Proposed Acquisition should be dealt with as a singular transaction, and accordingly, the Company is making this announcement pursuant to Rules 704(17)(a) and 704(17)(c) of the Singapore Exchange Securities Trading Limited’s (the “**SGX-ST**”) Listing Manual (the “**Listing Manual**”).

2. **INFORMATION ON NPPG AND RATIONALE FOR THE PROPOSED ACQUISITION**

NPPG was founded in 1987 to produce and distribute flexible plastic packaging for various types of consumer products. It was subsequently listed on the Stock Exchange of Thailand in 1993. NPPG has since expanded its business scope to food and restaurants, and it has acquired major brands such as A&W, Kitchen Plus, and Dean and DeLuca.

Founded as a bakery brand in Singapore in 2000 and listed on the SGX-ST in 2003, the Group has rapidly expanded to become an award-winning food and beverage group that has established its mark on the world stage with its bakery, restaurant, food atrium and 40th food concepts. With close to 1,000 retail stores spread across sixteen (16) countries, its brand portfolio comprises direct-owned brands such as BreadTalk, Toast Box, Food Republic, Bread Society, Thye Moh Chan, The Icing Room and partner brands such as Din Tai Fung, Nayuki (奈雪), TaiGai (台盖), Sō Ramen, Song Fa Bak Kut Teh and Wu Pao Chun Bakery.

The Group first entered Thailand in 2005. In the last fourteen (14) years, it grew its presence through strategic expansion of BreadTalk bakeries, Food Republic outlets and Din Tai Fung restaurants in Thailand. Most recently, the Group brought the renowned Song Fa Bak Kut Teh restaurant listed on the Michelin Guide Singapore's Bib Gourmand into the Thailand market at Central World in Bangkok. The concept was very well received at its launch.

This investment will see the Group bring its strength in retail food and beverage management to the table, and allow us to leverage on NPPG's capabilities in food packaging and manufacturing. It will also provide us access into NPPG's strong network of local partners with expertise in the large scale food production and distribution space, which will in turn enable us to add new revenue streams and achieve lower cost of production, both in Thailand and potentially the region. Accordingly, the Proposed Acquisition is not considered to be a diversification of the Group's business.

3. **INFORMATION ON THE SELLERS**

The Sellers are not related to the Group, and none of the Directors, the Company's substantial shareholders and/or their respective associates has any interests (direct or indirect) in the Sellers.

4. **PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

4.1 **Consideration**

The total consideration for the Proposed Acquisition is Thailand Baht ("**THB**") 570,000,000, calculated based on the sale price of THB 1.5 per sale share (the "**Consideration**").

The Consideration was arrived at after arms' length negotiations, on a willing-buyer, willing-seller basis, and took into consideration the audited net book value of 100% of the Target being THB 1,075,434,176, and the latest available open market value of the Target being THB 2,264,978,943 (being the weighted average price attributable to NPPG shares transacted on 5 April 2019, being the last market day on which there was trading in NPPG shares preceding the date of the SPAs).

The Consideration will be satisfied in cash, by bank borrowings and internal resources.

4.2 **Put Option**

In connection with the Proposed Acquisition, Mr. Suraphong Triamchanchai and VR Lifestyle Company Limited have granted to BTG Vault an irrevocable and exclusive put option pursuant to which BTG Vault may require them to purchase all or part of the 380,000,000 shares which it would have acquired pursuant to the Proposed Acquisition, which put option shall be exercisable during the one (1) year following the completion of each of Tranche 1 and Tranche 2.

4.3 Undertakings by the Sellers

In connection with the Proposed Acquisition, the Sellers have, amongst others, undertaken that:

- (a) they shall cause four (4) existing directors of NPPG to resign their directorship and ensure that four (4) nominees of BTG Vault are appointed as executive directors of NPPG;
- (b) they shall assist BTG Vault to amend NPPG's authorisations such that at least one (1) of BTG Vault's nominees shall be an authorised director to sign and bind NPPG for any and all transactions; and
- (c) after the execution of the SPAs, unless prior written consent of BTG Vault is obtained, the Sellers shall ensure that the Company shall not, amongst others, allow any of the assets or property of NPPG to be disposed of or transferred, and do or cause anything to be done whereby NPPG's financial position shall be reduced to less than that as at the date of the SPAs.

4.4 Conditions Precedent

The Proposed Acquisition is conditional upon, amongst others, the following conditions having been fulfilled (or waived in accordance with the SPAs):

- (a) the representations and warranties set out in the SPAs remaining true, correct and accurate as at the date of the SPAs and the dates of completion;
- (b) the receipt of all necessary governmental and/or corporate approvals (if any) for the entry into and performance of the SPAs and other documents contemplated; and
- (c) the Sellers holding or obtaining physical original share certificate(s) in respect of the sale shares issued by the Thailand Securities Depository Company Limited (which shall be duly endorsed and transferred to BTG Vault at the applicable completion).

4.5 Completion

Completion of Tranche 1 of the Proposed Acquisition shall occur fifteen (15) days after the date of the SPAs, while completion of Tranche 2 thereof shall occur fifteen (15) days from 31 January 2020.

5. FINANCIAL EFFECTS

The *pro forma* financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company after the Proposed Acquisition.

5.1 Net Tangible Assets

Assuming that the Proposed Acquisition had been completed on 31 December 2018, the effect of the Proposed Acquisition on the Group's net tangible assets ("**NTA**") per share as at 31 December 2018 ("**FY2018**") will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group attributable to shareholders of the Company (S\$'000)	162,736	162,736
Number of shares ('000)	563,277	563,277
NTA per share (cents)	28.89	28.89

5.2 Earnings Per Share

Assuming that the Proposed Acquisition had been completed on 1 January 2018, the effect of the Proposed Acquisition on the Group's earnings per share ("EPS") for FY2018 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to shareholders of the Company for FY2018 (S\$'000)	15,191	12,813
Weighted average number of shares ('000)	563,209	563,209
EPS (cents)	2.70	2.27

5.3 Gearing

There is no material impact on the gearing ratio of the Group and the Company arising from the Proposed Acquisition.

6. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the applicable bases under Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits of approximately attributable to the assets acquired, compared with the Group's net profits	-7.05% ⁽¹⁾⁽²⁾⁽⁴⁾
Rule 1006(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	4.98% ⁽¹⁾⁽³⁾⁽⁴⁾
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

1. Computed based on the completion of the entire Proposed Acquisition (i.e. Tranche 1 and Tranche 2).
2. Computed based on the audited net loss attributable to NPPG of S\$2,195,885 (THB 51,515,468) and the Group's net profit of S\$31,143,000 as at 31 December 2018.
3. Computed based on the Consideration and the market capitalisation of the Company which was in turn computed based on 563,762,342 ordinary shares (excluding 24,134 treasury shares) and the closing price of S\$0.865 per share transacted on 5 April 2019, being the market day preceding the date of the SPAs.
4. Based on an exchange rate of S\$1.00 = THB 23.46, for information only.

Accordingly, the Company is making this announcement pursuant also to Chapter 10 of the Listing Manual as the Proposed Acquisition is a discloseable transaction (pursuant to Rules

1004 and 1010) as one of the relative figures computed on the applicable bases under Rule 1006 exceeds 5%.

Notwithstanding the foregoing, with regards to the relative figure pursuant to Rule 1006(b) being negative, the Company has, pursuant to Rule 1007(1), concurrently with this announcement, consulted the SGX-ST. The Company will make further announcements on any material development in respect of the Proposed Acquisition as and when appropriate.

7. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date hereof, none of the directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholdings in the Company.

8. SERVICE AGREEMENTS

No person is to be appointed to the Board of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

Copies of the SPAs in connection with the Proposed Acquisition will be made available for inspection during normal business hours at the Company's registered office at BreadTalk IHQ, 30 Tai Seng Street, #09-01 Singapore 534013, for a period of three (3) months from the date of this announcement.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. CAUTIONARY STATEMENT

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
9 April 2019