

ACQUISITION OF PROPERTY IN SHANGHAI, PEOPLE'S REPUBLIC OF CHINA

1. INTRODUCTION

The Board of Directors of BreadTalk Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that Shanghai Star Food F&B Management Co., Ltd. (a wholly-owned subsidiary of the Company) ("**SHSF**") has entered into several Sales and Purchase Agreements to acquire an office space located at No. 258 Longqi Road, Shanghai Xuhui District, People's Republic of China (the "**Property**") (the "**Acquisition**").

2. INFORMATION ON THE PROPERTY

The Property is a 50 years leasehold property consisting of 18 strata units on the same level, with a total floor area approximating 2,041 sqm (21,968 sqf).

The purchase consideration of CNY104.2 million (approximately S\$20.98 million based on an exchange rate of CNY1 = S\$0.20139), excluding transaction costs, will be funded partially by a bank loan secured against the Property and internal funds.

3. RATIONALE FOR THE ACQUISITION

Currently the Group's employees in Shanghai are situated in different locations and the purchase will allow our Shanghai team to be consolidated within a single location so as to facilitate better control and coordination. The Property will also cater for the potential expansion of the Shanghai operations along with the planned revenue growth.

Aside from the above, the purchase of our own office premises will also help to allay rental cost pressures.

4. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the financial year ending 31 December 2014.

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 31 March 2014, the relative figures for the Acquisition 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 31 March 2014
Net asset value	Not applicable to an acquisition of assets
Rule 1006(b)	For financial period ended 31 March 2014
Net profits attributable to the acquisition of shares in the asset	Not applicable
Rule 1006(c)	
Aggregate amount of consideration for the Acquisition (S\$'000)	S\$20,978
Market capitalisation of the Company as at 30 July 2014 (S\$'000)	S\$250,888
Size of relative figure	5.3%
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

6. **INTEREST(S) OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect in the Acquisition.

By Order of the Board of the Company

Lawrence Yeo
Group Chief Financial Officer
31 July 2014