



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

**ANNOUNCEMENT PURSUANT TO RULE 703(1) OF THE LISTING MANUAL
- IMPLEMENTATION OF COST-SAVING MEASURES**

The Board of Directors (the "**Board**") of BreadTalk Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that in view of the ongoing Covid-19 outbreak which has given rise to uncertain market conditions and rapidly changing business conditions, the Group has commenced and will continue to implement a series of cost-saving measures which will have the effect of reducing the executive pay of employees of the Group, further details of which are set out below (the "**Relevant Measures**"). The Group has considered the Relevant Measures only after taking other prior measures which include but are not limited to the implementation of no-pay leave, shorter operating hours, controlled overtime hours and ceasing business-related travel and entertainment activities for employees.

The Relevant Measures entail the following temporary pay cuts:

- (a) with effect from February 2020 until June 2020, reductions of approximately between 30-50% to the pay of employees in China and Hong Kong;
- (b) with effect from March 2020 until June 2020:
 - (i) reductions of approximately between 10-15% to the executive pay of middle management executives of the Group based in ASEAN countries (including Singapore); and
 - (ii) reductions of approximately between 30-50% to the executive pay of senior management executives of the Group.

The Relevant Measures are expected to impact (a) approximately 137 employees in ASEAN countries (including Singapore) and yield estimated savings of approximately S\$177,000 per month for the Group's operations in ASEAN (including Singapore), and (b) approximately 1,840 employees in China and Hong Kong and yield estimated savings of approximately S\$1.38 million per month for the Group's operations in China and Hong Kong. The Relevant Measures are not implemented unilaterally and affected employees will need to provide their consent before they are subject to the Relevant Measures.

The Company will provide updates on any material developments as and when appropriate.

BY ORDER OF THE BOARD

Shirley Tan Sey Liy
Company Secretary
23 March 2020