
UPDATE ON USE OF PROCEEDS FROM SHARE PLACEMENT

Further to the Company's announcements on 28 March 2007, 10 April 2007, 13 April 2007 and 13 August 2007, the Board of Directors of BreadTalk Group Limited (the "Company") wishes to provide an update on use of the net proceeds raised from the share placement of 34,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.36 per share.

As at **3 March 2008**, the Company has utilized the net proceeds in the following manner:

	Amount (S\$'000)
Net proceeds from share placement	11,790
<u>Less: Utilization as of 3 March 2008</u>	
(a) Food & Beverages outlet expansion	(3,400)
(b) New Market Development	(1,471)
(c) Repayment of Bank loans	(500)
(d) Working Capital	(1,198)
(e) Upgrading of factory	<u>(500)</u>
	<u>(7,069)</u>
Balance as at 3 March 2008	<u>4,721</u>

The balance amount from the net proceeds will be placed with a bank in Singapore and will be utilized at such appropriate time as determined by the Board of Directors of the Company.

The Company will provide further update on the use of net proceeds when they are materially disbursed.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
4 March 2008