



ST GROUP

(Incorporated in the Republic of Singapore on 11 January 2018)  
(Company Registration No: 201801590R)

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## PROPOSED PLACEMENT OF 9,382,641 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY

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### 1. INTRODUCTION

- 1.1. The board of directors (“**Directors**” or “**Board**”) of ST Group Food Industries Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 20 December 2023, entered into subscription agreements (each a “**Subscription Agreement**” and collectively, the “**Subscription Agreements**”) with each of the subscribers set out in paragraph 2.2 of this announcement (the “**Subscribers**”).
- 1.2. Subject to and upon the terms of the respective Subscription Agreements, the Subscribers have agreed to subscribe and pay for, and the Company will allot and issue to the Subscribers, an aggregate of 9,382,641 new ordinary shares in the share capital of the Company (each a “**Subscription Share**”, and collectively the “**Subscription Shares**”) at an issue price of S\$0.170 (the “**Issue Price**”) for each Subscription Share, amounting to an aggregate sum of S\$1,595,048.97 (the “**Subscription Consideration**”) (the “**Proposed Placement**”).

### 2. DETAILS OF THE PROPOSED PLACEMENT

#### 2.1. The Issue Price

The Issue Price of S\$0.170 represents a premium of approximately 1.19% to the volume weighted average price of S\$0.168 based on trades done on 19 December 2023 on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) being the last full market day on which there was trading in the Shares prior to the date on which the Subscription Agreements were executed.

#### 2.2. Details of the Subscribers and their respective subscriptions

*Shareholders should note that information relating to the Subscribers in this paragraph and elsewhere in this announcement were provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

2.2.1. The details of the Subscribers and their respective subscription of the Subscription Shares are as follows:

Name of Subscriber	Number of Subscription Shares	Total Consideration
Chin Lee Heong	6,964,565	S\$1,183,976.05
Tan Tai Kooi	1,683,076	S\$286,122.92
Lim Tze Yen	735,000	S\$124,950.00

2.2.2. The percentage shareholding interest of the Subscribers before and after the Proposed Placement are as follows:

Name of Subscriber	Before the Proposed Placement		After the Proposed Placement	
	No of Shares	Percentage of existing share capital of the Company <sup>(1)</sup> (%)	No of Shares	Percentage of enlarged share capital of the Company <sup>(2)</sup> (%)
Chin Lee Heong	Nil	Nil	6,964,565	2.73%
Tan Tai Kooi	Nil	Nil	1,683,076	0.66%
Lim Tze Yen	8,388,000	3.42%	9,123,000	3.58%

**Notes:**

(1) Based on the number of Shares divided by the existing issued and paid-up share capital of the Company of 245,602,800 ordinary shares (excluding treasury shares) immediately before the Proposed Placement.

(2) Based on the number of Shares and Subscription Shares divided by the issued and paid-up share capital of the Company of 254,985,441 ordinary shares (excluding treasury shares) immediately after the Proposed Placement.

2.2.3. Further information on the Subscribers is set out below:

Name of Subscriber	Background of the Subscriber
Chin Lee Heong (“Mr Chin”)	Mr Chin is a businessman from Malaysia and has been involved in the industrial supplies business for more than 20 years. He is experienced in electrical maintenance, repair and operations for the oil and gas segment, utility and telecommunications services as well as fibre engineering work services.
Tan Tai Kooi (“Mr Tan”)	Mr Tan is a businessman from Malaysia and has been involved in the creative and retail fashion industry for more than 7 years.
Lim Tze Yen (“Mr Lim”)	Mr Lim is a businessman from Malaysia and has been involved in investment banking for more than 20 years. He is currently managing investment portfolios for a family office. Mr Lim also indirectly holds 30% shares as an investor in one of the indirect subsidiaries of the Company, GCTea Outlets 2 Ltd. GCTea Outlets 2 Ltd. is one of the companies under which the Group operates its “Gong Cha” brand franchise in the United Kingdom. Mr Lim is neither a director nor employee of any of the companies in the Group.

2.2.4. The Subscribers were first introduced to the Company through the business contacts and connections of Mr Saw Tatt Ghee, the Executive Chairman and Chief Executive Officer. The Subscribers had expressed an interest to invest in the Company through the Proposed Placement for their own respective financial investment purposes.

2.2.5. Save as disclosed above, the Subscribers do not have any connections or relationships (including business relationships) with the Group, any of the Directors and/or substantial shareholders of the Company as at the date of this announcement.

2.2.6. The Subscribers have each represented and warranted to the Company, amongst others, that:

- (a) each of them is independent of, and not acting in concert (as defined in The Singapore Code on Take-overs and Mergers) with any other party to obtain or consolidate effective control in the Company through the subscription of the Subscription Shares;
- (b) each of them is not a Director or a substantial shareholder of the Company, an interested person as defined in Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) or any other person in the categories set out in Rule 812(1) of the Catalyst Rules (as the case may be); and
- (c) each of them is subscribing for the Subscription Shares solely for the purposes of investment and solely for their own benefit and as principal (and not as an underwriter or a placement agent or a nominee or a trustee for any person) and has not entered into any arrangement or agreement to sell or otherwise dispose of any of the Subscription Shares to any person.

### 2.3. Payment of the consideration by the respective Subscribers

The Subscribers will be paying for their respective Subscription Shares fully by way of cash.

### 2.4. The Subscription Shares

2.4.1. Following completion of the Proposed Placement (“**Completion**”), the Company’s issued share capital will increase from 245,602,800 ordinary shares (excluding treasury shares) in the share capital of the Company (“**Shares**”) to 254,985,441 Shares (excluding treasury shares). The

Subscription Shares represent approximately 3.82% (rounded to two decimal places) of the existing issued share capital of the Company comprising 245,602,800 Shares (excluding treasury shares) as at the date of this announcement and will represent approximately 3.68% (rounded to two decimal places) of the enlarged issued share capital of the Company of 254,985,441 Shares (excluding treasury shares), based on the assumption that there will be no changes to the number of Shares (excluding treasury shares) before Completion.

- 2.4.2. The Subscription Shares, when issued and delivered, will be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto and shall rank *pari passu* in all respects with the Shares existing as at the date of the issuance of the Subscription Shares save for dividends, rights, allotments or other distributions, the record date of which falls on or before the date of allotment and issuance of the Subscription Shares.
- 2.4.3. The Proposed Placement will not result in a transfer of controlling interest of the Company within the definition of Rule 803 of the Catalist Rules and there are no share borrowing arrangements for the Proposed Placement. The Proposed Placement is not expected to give rise to any material conflicts of interest.

2.5. Additional Listing Application

The Company will be making an application, through its continuing sponsor, Hong Leong Finance Limited, to the SGX-ST for the listing of and quotation of the Subscription Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice in respect of all of the Subscription Shares from SGX-ST.

2.6. No payment of introducer fee or placement commission

No introducer fee or placement commission has been paid or will be payable by the Company in connection with the Proposed Placement and no placement agent has been appointed for the Proposed Placement.

2.7. Exemption from the prospectus requirement

The offer and allotment and issuance of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

**3. OTHER SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS**

3.1. Completion

- 3.1.1. Subject to the terms and conditions of each of the Subscription Agreements, Completion shall take place on the date falling no later than the 10<sup>th</sup> business day after the satisfaction of the last of the conditions precedent to each of the Subscription Agreements or waived in accordance with the terms of each of the Subscription Agreements (as the case may be), or such other date as may be agreed in writing between the parties to each of the Subscription Agreements (the “**Completion Date**”).
- 3.1.2. On the Completion Date, the Subscribers shall make payment to, or procure that payment is made to, the Company for their respective consideration in respect of their respective Subscription Shares.

3.2. Conditions Precedent

Completion is conditional upon, amongst others, the following conditions:

- (a) the approval in-principle from the SGX-ST being obtained for the listing and quotation of the Subscription Shares and such approval not having been revoked or amended as at the Completion Date, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Company, and to the extent that any conditions for the listing and quotation of the Subscription Shares are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (b) the Company obtaining such approval(s) from its board of Directors in connection with the Subscription Agreements and the transactions contemplated herein as may be necessary;
- (c) the allotment, issue, and subscription of the Subscription Shares by the Subscriber not being prohibited by any statute, order, rule, regulation or directive promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore;
- (d) the entry into and completion of the Subscription not being in contravention of the Catalist Rules, the Securities and Futures Act and such other applicable laws and regulations;
- (e) the representations and warranties of the Company in the Subscription Agreement being true, accurate, and correct as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Company having performed in all of its obligations herein to be performed on or before the Completion Date;
- (f) the representations and warranties of the Subscriber in the Subscription Agreement being true, accurate, and correct as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Subscriber having performed in all of its obligations herein to be performed on or before the Completion Date; and
- (g) there not having been at any time prior to or on the Completion Date the occurrence of any of the following events:
  - (i) liquidation or bankruptcy of any of the Company and/or the Subscriber;
  - (ii) termination of substantially all or part of the business of the Company and/or any of its subsidiaries, by resolution of the general meeting of its shareholders;
  - (iii) appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of the Company and/or any of its subsidiaries; or
  - (iv) attachment, sequestration, execution or seizure of substantially all or part of the assets of the Company and/or any of its subsidiaries.

### 3.3. Long-Stop Date

Each of the Subscription Agreements is subject to the long-stop date falling six (6) months after the date of the respective Subscription Agreements or any other date that the Subscriber may agree with the Company (the "**Long-Stop Date**"). The Subscription Agreements will terminate on or before the Long-Stop Date (or such later date as the Company and the Subscribers may agree in writing) if any of the conditions precedent set out in paragraph 3.2 of this announcement are not satisfied or otherwise mutually waived by the Company and the respective Subscribers, or the time for performance is not extended by the respective Subscribers. In respect of which, neither of such Subscriber nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the subscription of the Subscription Shares by the Subscriber, save for any other rights or liabilities which have accrued prior to such termination, or which are expressed to apply after such termination.

#### 4. RATIONALE AND USE OF PROCEEDS

- 4.1. The Company is proposing to undertake the Proposed Placement to raise funds for the Group's expansion of its business operations, including its franchise network and introduction of new brands and concepts, as and when the opportunity arises. The Board believes that the Proposed Placement will strengthen the Group's financial position and provide flexibility to capitalise on growth opportunities in its business, as part of the Group's strategy for long-term business growth.
- 4.2. The aggregate consideration payable by the Subscribers is S\$1,595,048.97. The estimated net proceeds from the Proposed Placement is approximately S\$1,569,129 (after deducting estimated fees and expenses of approximately S\$25,920) ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds as follows:
  - (a) Approximately 60% of the Net Proceeds will be utilised for the Group's expansion of its business operations, including its franchise network and introduction of new brands and concepts; and
  - (b) The balance will be utilised for investment purposes, including into new and prospective portfolio companies.
- 4.3. Pending deployment of the Net Proceeds for such purposes, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purpose on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Group.
- 4.4. The Company will make periodic announcements on the breakdown and utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Company will provide a status report on the use of the Net Proceeds in its annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

#### 5. AUTHORITY TO ISSUE THE PLACEMENT SHARES

- 5.1. The Subscription Shares will be issued pursuant to the share issue mandate ("**Share Issue Mandate**") which was approved by shareholders of the Company as an ordinary resolution at the annual general meeting of the Company convened on 25 October 2023 ("**AGM**"). Pursuant to the Share Issue Mandate, Directors of the Company have the authority to issue Shares and/or make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, such that the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the AGM, of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the AGM.
- 5.2. As at the date of the AGM, the Company had an issued share capital of 245,602,800 Shares (excluding 397,200 treasury shares). Accordingly, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 245,602,800 Shares, of which the maximum number of Shares that can be issued other than on a *pro rata* basis is 122,801,400 Shares.
- 5.3. As at the date of this announcement, no Shares have been issued pursuant to the Share Issue Mandate, and the Company does not have any existing warrants, convertibles, options or share awards.

## 6. FINANCIAL EFFECTS

### 6.1. Assumptions

The pro forma financial effects of the Proposed Placement on the Group are set forth below and have been computed based on the audited financial statements of the Group for its financial year ended 30 June 2023 (“FY2023”).

The financial effects of the Proposed Placement are based on the following bases and assumptions:

- (a) The Subscription Shares are fully placed out;
- (b) The estimated fees and expenses (including professional fees in relation to the Proposed Placement) incurred by the Company in connection with the Proposed Placement is approximately S\$25,920;
- (c) The financial effect on the net tangible asset per Share is computed based on the assumption that the Proposed Placement was completed on 30 June 2023; and
- (d) The financial effect on the earnings per Share is computed based on the assumption that the Proposed Placement was completed on 1 July 2022,

and based on an exchange rate of A\$:S\$0.8956 as at 19 December 2023.

### 6.2. Share Capital

Details on the share capital of the Company before and after the allotment and issuance of all of the Subscription Shares are as follows:

	<b>Before the allotment and issuance of all Subscription Shares</b>	<b>After the allotment and issuance of all Subscription Shares</b>
Issued and paid-up share capital as at 30 June 2023 (A\$)	57,200,620	58,981,604
Number of Shares as at 30 June 2023 (excluding treasury shares) <sup>(1)</sup>	245,602,800	254,985,441

**Note:**

(1) As at the date of this announcement, the Company has 397,200 treasury shares.

### 6.3. Net Tangible Assets (“NTA”)

Details on the NTA per Share of the Group before and after the allotment and issuance of all of the Subscription Shares are as follows:

	<b>Before the allotment and issuance of all Subscription Shares</b>	<b>After the allotment and issuance of all Subscription Shares</b>
NTA of the Group as at 30 June 2023 (A\$)	18,079,386	19,831,428
Total number of issued and paid-up Shares (excluding treasury shares) <sup>(1)</sup>	245,602,800	254,985,441
NTA per Share of the Group (A\$ cents)	7.36	7.78

**Note:**

(1) As at the date of this announcement, the Company has 397,200 treasury shares.

6.4. Earnings per Share (“EPS”)

Details on the Earnings per Share of the Group before and after the allotment and issuance of all of the Subscription Shares are as follows:

	<b>Before the allotment and issuance of all Subscription Shares</b>	<b>After the allotment and issuance of all Subscription Shares</b>
Net earnings for FY2023 (A\$)	1,963,746	1,934,805
Weighted average number of Shares	245,602,800	254,985,441
EPS per Share (A\$ cents)	0.80	0.76

6.5. The pro forma financial effects of the Proposed Placement are presented solely for illustrative purposes only and are not intended to be indicative or reflective of the actual financial position of the Group after Completion of the Proposed Placement.

**7. CONFIRMATION BY DIRECTORS**

7.1. In accordance with Rule 810(1)(c) of the Catalist Rules, the Directors are of the opinion that after taking into consideration:



- (i) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Placement is being undertaken for reasons provided in paragraph 4 above; and
  - (ii) the present bank facilities and the Net Proceeds arising from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.
- 7.2. Notwithstanding the above, the Company has decided to undertake the Proposed Placement as per the reasons set out in

## **8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and their respective associates, and to the best of the knowledge of the Directors, none of the substantial shareholders of the Company, as well as their respective associates, has any interest, whether direct or indirect, in the Proposed Placement (other than in his capacity as Director or shareholder of the Company, as the case may be).

## **9. DIRECTORS' 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 Placement, 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.

## **10. DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the Subscription Agreements are available for inspection during the normal business hours at the registered office of the Company at 16 Raffles Quay #17-03 Hong Leong Building, Singapore 048581 for a period of three (3) months from the date of this announcement.

## **11. CAUTIONARY STATEMENT**

Shareholders should note that the Proposed Placement remains subject to, amongst others, fulfilment of the conditions precedent under the Subscription Agreements. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

## **BY ORDER OF THE BOARD**

Saw Tatt Ghee  
Executive Chairman and CEO

20 December 2023

*This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.*