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NEWS RELEASE

ST GROUP REMAINS RESILIENT AND PROFITABLE IN 1H FY2021 AMIDST CHALLENGING ENVIRONMENT

- *Balance sheet remains healthy with A\$11.3 million in fixed deposits, cash and bank balances against borrowings of A\$2.1 million*
- *One-off expenses including provision for doubtful debts and store closure related costs of A\$0.9 million contributed to the lower profit after tax*
- *Expanded its network of outlets from 30 June 2020 by 7 to 123 outlets as at 31 January 2021*
- *Signed contracts to open another six Group-owned and sub-franchised/sub-licensed outlets by June 2021*

Singapore, 8 February 2021 – ST Group Food Industries Holdings Limited (the “**Company**”, and together with its subsidiaries, “**ST Group**” or the “**Group**”), an established food and beverage (“**F&B**”) group headquartered in Australia with a diversified portfolio of six internationally popular brands, namely, “PappaRich”, “NeNe Chicken”, “Gong Cha”, “Hokkaido Baked Cheese Tart”, “IPPUDO” and “iDarts”, two owned brand concepts, “PAFU” and “KURIMU”, and also a franchisee of the “Go Noodle House” brand, today announced its financial results for the six-month period ended 31 December 2020 (“**1H FY2021**”).

Financial Highlights	1H FY2021 (A\$m)	1H FY2020 (A\$m)	Change (%)
Revenue	21.1	29.1	(27.5)
Profit before tax	0.8	2.9	(71.2)
Profit attributable to equity holders of the Company	0.4	1.9	(76.4)
Basic and diluted earnings per share (A\$ cents)	0.2	0.8	(76.1)
Note:			
"1H FY2021": Six-month financial period from 1 July 2020 to 31 December 2020			
"1H FY2020": Six-month financial period from 1 July 2019 to 31 December 2019			

The COVID-19 pandemic has adversely affected the operations of the Group in 1H FY2021. Nonetheless, there are signs of improvement in the major geographical segments that the Group operates in, namely, Australia and New Zealand, where the COVID-19 pandemic has been well-managed and contained. The Group has witnessed the revenue in these geographical segments rebound gradually in the last six months.

Mr. Saw Tatt Ghee (蘇達義), Executive Chairman and Chief Executive Officer of the Company, said, "The COVID-19 pandemic has resulted in an extraordinary and difficult period for the food and beverage industry. We are grateful that our businesses in our major geographical segments have gradually recovered since the height of the COVID-19 pandemic earlier last year. We remain nimble and flexible in our operations, enabling us to achieve operational efficiency, improve customer satisfaction and reduce operational costs."

As the Group continues to focus on its strategy to strengthen its position in key geographical markets, the total number of outlets in the Group's network has increased by 5 from 116 outlets as at 30 June 2020 to 121 outlets as at 31 December 2020. As at 31 January 2021, the network had increased further to 123 outlets. In addition, the Group has signed contracts to open a total 6 Group-owned and sub-franchised/ sub-licensed outlets by June 2021.

Financial Performance

The restrictions arising from the COVID-19 pandemic has affected F&B industry, resulting in a 27.5% decrease in the Group's revenue to A\$21.1 million in 1H FY2021, compared to A\$29.1 million in 1H FY2020.

The F&B retail sales and supply chain sales segments continue to be the major contributors to the Group's total revenue. F&B retail sales decreased by A\$7.2 million or 34.5% from A\$20.9 million in 1H FY2020 to A\$13.7 million in 1H FY2021 as most of the Group-owned outlets in Australia are located in the state of Victoria which was one of the regions that was hit hardest by the pandemic and subjected to strict lockdowns during 1H FY2021. The Group's supply chain sales have rebounded significantly since, registering a mere 3.2% decrease, from A\$5.0 million in 1H FY2020 to A\$4.8 million in 1H FY2021.

Franchise revenue fell 17.1% to A\$2.4 million in 1H FY2021 from A\$2.9 million in 1H FY2020, due to a A\$0.5 million decrease in royalty fee income, as royalty fee income is derived based on fixed percentages of outlets revenue and the COVID-19 pandemic had adversely impacted the businesses of our sub-franchisees and sub-licensees.

In 1H FY2021, the Group incurred one-off expenses including provision for doubtful debt and store closure related costs of A\$0.9 million, which affected the overall financial performance of the Group.

Overall, the profit attributable to equity holders of the Company decreased by 76.4% to A\$0.4 million in 1H FY2021 from A\$1.9 million in 1H FY2020.

Outlook & Future Strategies

On the Group's strategic direction ahead, Mr. Saw said, "The fundamentals of our business remain strong and we are in a healthy cash surplus position with relatively low gearing. We are constantly monitoring the latest development of the COVID-19 pandemic for business opportunities and are cautiously optimistic that we are able to remain agile and adaptable in the current economic climate and navigate through the COVID-19 pandemic until we achieve the new normal state."

The Group has introduced various measures during the height of the COVID-19 pandemic such as online orders, food delivery services and COVID-19 safe management measures to ensure that the Group's outlets continue to operate and generate revenue under restrictions imposed by governments. These measures are likely to remain in-place for the near future even though the pandemic situation in the major geographical segments that the Group operates in has recovered significantly.

About ST Group Food Industries Holdings Limited

Founded in 2011, ST Group holds the exclusive franchise and licence rights to six internationally popular F&B brands, namely, "PappaRich", "NeNe Chicken", "Gong Cha", "Hokkaido Baked Cheese Tart", "IPPUDO" and "iDarts", in various territories. It has also developed two of its own brand concepts, "PAFU" and "KURIMU". ST Group is also a franchisee of the "Go Noodle House" brand.

ST Group operates in the key geographical markets of Australia, New Zealand, Malaysia and the United Kingdom through four main business segments - F&B retail sales under the various brands through outlets owned and operated by the Group, the sub-franchising and sub-licensing of brands to its sub-franchisees and sub-licensees, the sale of F&B ingredients and other supplies to its franchise network through its central kitchen, and receipt of machine income from electronic dart machines installed at sub-franchised

“iDarts” outlets. In June 2019, the Group made headway into England, United Kingdom through the launch of its first “Gong Cha” outlet at City Tower, Manchester, England.

As at 31 January 2021, ST Group had a network of 123 outlets comprising 47 Group-owned outlets and 76 outlets owned by its sub-franchisees and sub-licensees.

For more information, please visit <http://stgroup.net.au/>.

IMPORTANT NOTICE

This press release has been prepared by ST Group Food Industries Holdings Limited (the “Company”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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