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

UPDATE ON LIQUIDATION OF PAPPARICH GROUP SDN BHD

The board of directors ("**Board**") of ST Group Food Industries Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements dated 8 July 2020 and 16 May 2021 (the "**Announcements**") in relation to, *inter alia*, the filing of winding-up petitions by Mr. Chen Khai Voon and Agathisfour Sdn Bhd dated 15 May 2020 and 22 May 2020, respectively, against Papparich Group Sdn Bhd in the High Court of Malaya, and the appointment of Ms. Chan Siew Mei of KPMG Deal Advisory Sdn Bhd as the liquidator of Papparich Group Sdn Bhd (in liquidation) ("**PGSB**") on 5 May 2021.

As stated in the Announcements, PGSB is the Group's joint venture partner in relation to Papparich Australia Pty Ltd ("**PAPL**"), which is an indirect subsidiary of the Group. PGSB itself is not a subsidiary of the Company (whether direct or indirect) or an entity within the Group.

Further to the Announcements, the Board is pleased to announce that the Company's wholly-owned subsidiary, STG Food Industries Pty Ltd ("**SFI**"), had on 22 February 2022, entered into a share sale and purchase agreement with PGSB to acquire 120,000 ordinary shares ("**Sale Shares**") representing 40% of the total issued and paid-up share capital of PAPL from PGSB (the "**Shares Acquisition**") for a consideration of A\$1,393,440/- ("**Sale Shares Consideration**"), to be fully satisfied in cash. The Sale Shares Consideration was determined based on arms' length negotiation and was arrived at on a willing-buyer, willing-seller basis, taking into account, *inter alia*, various factors such as the net tangible asset value of the Sale Shares.

Based on the audited financial statements of the PAPL for the financial year ended 30 June 2021 ("**FY2021**"), the net asset value of the Sale Shares was A\$1,828,666/-.

The Share Acquisition is a transaction under Rule 706A of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Company will continue to provide further updates to its shareholders and potential investors as and when there are any material developments.

Separately on 22 February 2022, SFI entered into a deed of assignment with Fabulous Entity Sdn Bhd ("**FESB**"), a subsidiary of PGSB, to acquire the registered trademark rights owned by FESB to the food and beverage brand name "PappaRich" in Australia and New Zealand ("**Trademarks**") (the "**Trademarks Acquisition**") for a consideration of A\$15,000/- ("**Trademarks Consideration**"), to be fully satisfied in cash. The Trademarks Consideration was determined based on arms' length negotiation and was arrived at taking into account the business prospects of the "PappaRich" brand in Australia and New Zealand.

As none of the relative figures under Rule 1006 exceeds 5%, the Trademarks Acquisition is classified as a non-discloseable transaction under Chapter 10 of the Catalist Rules.

The Board is of the view that the Shares Acquisition and Trademark Acquisition are in the best interest of the Company and its shareholders, taking into account, among others, the following:

- (a) the Share Acquisition will enable the Group to increase its equity interest in PAPL from 50% to 90% and to have majority control in the conduct of the business and affairs of PAPL; and
- (b) the Trademark Acquisition will allow the Group to own the Trademarks and full autonomy to expand and grow the "Papparich" brand in Australia and New Zealand.

Save for the respective directorships and/or shareholdings in the Company and/or its subsidiaries (as the case may be), none of the Directors or controlling Shareholders and their respective associates have any interest, direct, or indirect, in the Shares Acquisition and Trademarks Acquisition.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Saw Tatt Ghee
Executive Chairman and CEO

22 February 2022

*This announcement has been prepared by 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 Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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 Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.