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## NEWS RELEASE

### ST GROUP DELIVERS STRONG MAIDEN RESULTS SINCE LISTING, WITH 42.9% GROWTH IN REVENUE FOR FY2019

- *Excluding IPO expenses, Group's core profit after tax and minority interests would have increased by 46.5%*
- *Group delivered broad-based solid performance across all business segments, driven by F&B retail sales*
- *Total number of outlets increased from 73 outlets as at 30 June 2018 to 113 outlets as at 20 August 2019*

**Singapore, 27 August 2019** – ST Group Food Industries Holdings Limited (the “**Company**”, and together with its subsidiaries, “**ST Group**” or the “**Group**”), an established 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”, as well as two of its own brand concepts, “PAFU” and “KURIMU”, today announced a 42.9% increase in revenue to A\$52.1 million for the financial year ended 30 June 2019 (“**FY2019**”), from A\$36.5 million in the previous financial year (“**FY2018**”).

Mr. Saw Tatt Ghee (蘇達義), Executive Chairman and CEO of the Company, said, “FY2019 has been a milestone year for ST Group as our efforts to grow our brand portfolio and increase our recurring income streams have delivered strong results. Our successful listing on SGX in July 2019 has also provided us with fresh funds for business expansion in the coming financial year. Leveraging on our established franchise system and diversified portfolio of internationally popular brands, we are well-positioned to further expand our business as we forge strong working relationships with our partners globally.”

## Financial Performance

Supported by its strong positioning as a successful master franchisee or master licensee for various brands in its portfolio, in key geographical markets of Australia, New Zealand, Malaysia and the United Kingdom, the Group achieved a 42.9% growth in revenue to A\$52.1 million in FY2019 as compared to A\$36.5 million in FY2018. The F&B retail sales segment continues to be the key growth driver, mainly due to higher contributions from existing outlets as well as contributions from new outlets opened during the financial year. Over the past year, the Group has increased the number of company-owned outlets from 24 as at 30 June 2018 to 41 as at 30 June 2019.

The Group has also increased its total number of sub-franchised and sub-licensed outlets from 49 as at 30 June 2018 to 65 as at 30 June 2019. As a result, the Group's supply chain sales, derived from the sale of F&B ingredients and supplies to its sub-franchisees and sub-licensees, expanded by 20.6% to A\$9.5 million in FY2019 from A\$7.9 million in FY2018.

Franchise revenue registered strong growth of 57.2% to A\$7.1 million in FY2019 from A\$4.5 million in FY2018, due to a rise in project income and royalty income, in line with the increase in the number of sub-franchised and sub-licensed outlets. Project income relates to the renovation and fitting-out of new outlets for sub-franchisees and sub-licensees.

Overall, the Group reported profit after tax and minority interests of A\$2.0 million for FY2019 as compared to A\$2.7 million in FY2018. Excluding the impact of one-off listing expenses incurred in FY2019, the Group's core profit after tax and minority interests for FY2019 would have been A\$4.0 million, an increase of 46.5% from A\$2.7 million in FY2018.

## **Outlook & Future Strategies**

On the Group's strategic direction ahead, Mr. Saw said, "Our first "KURIMU" outlet which was opened in July 2019 has been well-received by consumers, and our second outlet is expected to open in November 2019. We will continue to strengthen our foothold in our key geographical markets as we forge ahead into new markets through the introduction of various brands and concepts."

In July 2019, the Group secured exclusive rights to the "NeNe Chicken" brand in New Zealand as part of its strategy to expand its business in the geographical market, where the Group already has businesses operating under the "PappaRich", "Gong Cha" and "Hokkaido Baked Cheese Tart" brands.

Broadening its geographical network, ST Group had also recently made headway into England, United Kingdom through the launch of its first "Gong Cha" outlet at City Tower, Manchester, England in June 2019. The Group currently operates two "Gong Cha" outlets in England, both of which have been well-received by local consumers. Encouraged by the warm reception, ST Group will continue to explore opportunities to expand its network of "Gong Cha" outlets in the region.

The Group's central kitchen in Australia continues to support the outlets in the Group's network across Australia and New Zealand. Through central production, the Group can achieve scalability and maintain a high standard of consistency and food quality. ST Group will continue to invest in its central kitchen to explore opportunities to adopt new automation and technology to sharpen its competitive edge in the industry. Going forward, the Group has plans to establish a central kitchen and corporate office in Malaysia to support its business expansion strategies in the region.

ST Group has signed contracts to open another nine outlets across four brands by December 2019, including the first "IPPUDO" outlet in New Zealand in October 2019.

## **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 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 20 August 2019, ST Group had a network of 113 outlets comprising 43 Group-owned outlets and 70 outlets owned and operated by its sub-franchisees and sub-licensees across its key geographical markets.

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

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#### **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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