



## ASX ANNOUNCEMENT

### Completion of Sale of Ginger Division

1 October 2020

**Buderim Group Limited** (ASX:BUG) (**Company**) is pleased to announce that it has completed the sale of the Company's combined ginger and tourism business assets (**Ginger Division**) to Buderim Foods Pty Ltd as announced on 6 August 2020 (**Transaction**).

Chairman, Guy Cowan, said: "Following completion, the Company achieves its strategic ambitions of a clear focus in furthering market leadership in branded macadamia products, our foundation in the health and plant based protein foods category."

At the Annual General Meeting scheduled for 30 November 2020, the Company intends to seek shareholder approval to change its name to "Health and Plant Protein Group Ltd" (**HPP Group**).

The Ginger Division assets include:

- The Ginger Factory – the Company's tourist attraction and facility at Yandina, Queensland - including all land, plant and equipment, and related operating assets;
- the brands (including 'Buderim Ginger' and 'The Ginger Factory'), goodwill and intellectual property used in the ginger and tourism businesses; and
- subsidiaries Frespac Ginger (Fiji) Pte Ltd (which conducts the business and activities in Fiji) and Ginger Head Quarters Pty Ltd.

The Company has received total consideration value of c. \$13 million (before Transaction costs), comprising \$11 million cash and c. \$2 million of assumed employee entitlements and equipment leases subject to customary post completion adjustments for net debt and working capital.

Mr Cowan thanks the staff of the Ginger Division for their hard work and loyalty and wished them well under its new ownership by one of the most respected families in the food business in Queensland.

#### Post-sale Strategy

As announced to ASX on 6 August 2020, Mr Andrew Bond has transferred with the Ginger Division. Accordingly, he has ceased to be CEO of the Company, and has been appointed as a non-executive director from 1 October 2020 and will continue until the Annual General Meeting at which he will offer himself for election by shareholders.

Mr Bond was appointed as CEO of the Company on 10 November 2017 and has since been critical to the execution of the Company's strategies and the turnaround of the Ginger Division. Mr Bond has over 25 years of broad corporate leadership experience across a range of industries. Qualifying as a Chartered Accountant whilst with KPMG, before moving to commerce, Mr Bond has held a number of senior roles both domestically and internationally across a variety of industries, predominately FMCG, including senior roles with Capilano Honey Limited, Medihoney Pty Ltd and Fenix Fitness.

Mr Dennis Lin will now assume all management matters in his role as Executive Director and continue to oversee the next phase of strategic developments in the Company.

Mr Lin said "As owner of the largest macadamia orchard in Hawaii with distribution footprint across 52,000 retail outlets in the USA, HPP Group has the vertically integrated expertise and capacity to

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promote the health benefits of macadamia consumption on a highest and best use basis. We will utilise our deep knowledge of distribution channels in the USA and throughout the world to look for additional opportunities that can further enhance shareholder value and returns”.

### **Business Update**

Following completion, the Company made a repayment of \$5 million to its convertible noteholder, Asia Mark Development Limited. The remaining proceeds from the Transaction will be applied towards the working capital of the Company.

The Company continues to work with changing dynamics in the global retail channels, particularly in the USA, driven predominantly by COVID-19 conditions. At the same time, the Company sees sustainable consumer demand for its products, and this is reflected by increased volume from certain existing key accounts and customers, notably in the club channels through branded and private label opportunities. The Company will continue to explore new product development opportunities featuring macadamia that reflect consumption trends, as well as other opportunities that may arise.

This announcement has been authorised for release to the ASX by the Board.

**END**

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### **EDITORS NOTES**

#### **About the Company**

The Company, through its RHO and MacFarms brands, is the largest vertically integrated orchard to retail macadamia nut processor and marketer in the USA. Macadamia nut contains rich nutrients and beneficial plant compounds, and the Company makes its products from wholesome and unmodified ingredients. The macadamia business forms the basis of the Company’s strategic ambitions in becoming a leading independent participant in health and plant based protein food categories.

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