

FOOD EMPIRE HOLDINGS LIMITED

(Co Registration No: 200001282G)

SUBSCRIPTION OF ADDITIONAL 32,000 NEW SHARES IN SIMONELO LIMITED

The Board of Directors of Food Empire Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group’s wholly-owned subsidiary, FER (HK) Limited (“**FER HK**”), has subscribed for an additional 32,000 new shares at nominal value of Euro 1.71 (equivalent to USD 2.24) each and at a premium of Euro 46.10 (equivalent to USD 60.26) each in the share capital of its associated company, Simonelo Limited (“**Simonelo**”). The total subscription price of USD2 million was paid in cash by FER HK and funded through internal resources. The share subscription is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

Simonelo’s principal activity is investment holding. It is 50% owned by FER HK and 50% owned by Euro Asia Dynamic Ventures Limited (“**Euro Asia**”). Euro Asia is 50% owned by Bestgate Investments Limited (“**Bestgate**”) and 50% owned by a third party. The Company’s chief executive officer and director, Mr. Sudeep Nair, is a director and owns 50% shareholdings in Bestgate and Bestgate is the corporate director of Euro Asia.

Simultaneously with FER HK’s share subscription, Euro Asia also subscribed for an equal number of additional new Simonelo shares at the same total subscription price of USD2 million which was paid in cash by Euro Asia. Following the issue and allotment of the additional new shares subscribed by FER HK and Euro Asia, Simonelo’s total issued and paid up share capital increased from USD3,327,232.90 comprising 241,244 shares of nominal value Euro 1.71 (equivalent to USD 2.24) and share premium each to USD7,327,232.90 comprising 305,244 shares of nominal value Euro 1.71 (equivalent to USD 2.24) and share premium each. The percentage shareholdings of each of FER HK and Euro Asia in Simonelo before and after their new share subscriptions remained at 50%.

As the relative figures computed based on the applicable bases under Rule 1006 are all below 5%, the share subscription by FER HK is a non-disclosable transaction under Chapter 10 of the Listing Manual.

Save as disclosed, none of the Directors or controlling shareholders of the Company or their associates has any interest, direct or indirect, in the above transactions.

By Order of the Board

Tan San-Ju
Company Secretary
17 December 2012