



FOOD EMPIRE HOLDINGS LIMITED
(Co Registration No: 200001282G)

CHANGE OF SHAREHOLDING OF THE GROUP IN POSITIVE FOOD VENTURES PRIVATE LIMITED

This announcement should be read together with the announcement on 31 October 2017 in relation to the subscription of shares in Positive Food Ventures Private Limited (“PFV”).

The Board of Directors of Food Empire Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, EpiQ Food Services Pte Ltd (“**EpiQ**”) and Mr Siddharth Jain (“**SJ**”), a founding director cum shareholder of PFV, have entered into a Sale and Purchase Agreement on 21 December 2020 (“**SPA**”) for the partial disposal of PFV shares held by EpiQ to SJ.

Currently EpiQ holds equity interest representing 80% of the issued and paid up share capital of PFV. Pursuant to the SPA, EpiQ agreed that its shareholding in PFV will be diluted from approximately 80% to approximately 77.2% through the issuance of new shares to a new investor as part of the capital raising allotment. EpiQ also agreed to transfer part of its shareholding interest in PFV to SJ for a nominal consideration of USD1.00 (the “**Consideration**”) (“**Proposed Share Transfer**”) to facilitate the restructuring process of PFV, which includes raising predetermined amount of new capital from third party investors by SJ. The Consideration is agreed based on the net assets value per share of the PFV, which is negative. As PFV expects to continue to incur losses, the restructuring process is in line with the Group’s ongoing efforts to rationalize its loss making businesses.

Upon the completion of the Proposed Share Transfer, the shareholding of EpiQ in PFV will be reduced from 77.2% to approximately 34.5%. Immediately following the Proposed Share Transfer, the shareholding of EpiQ will further be diluted from approximately 34.5% to 25% through a series of future allotment of shares and/or share transfers exercises subject to the terms and conditions in the SPA (“**Subsequent Share Changes**”).

The Proposed Share Transfer and Subsequent Share Changes are expected to be completed within one calendar year from the date of the SPA. Accordingly, the shareholding interest of the Group in PFV will be decreased from 80% to 25% upon completion of the Proposed Share Transfer and Subsequent Share Changes.

Prior to the SPA, EpiQ has given a loan of USD2,050,000.00 (“**Loan**”) to PFV subject to the repayment terms in a loan agreement (and its addendums) mutually agreed between EpiQ and PFV.

Under the SPA, EpiQ and SJ have also agreed that after the Proposed Share Transfer and Subsequent Share Changes, EpiQ shall have the rights to maintain a 25% shareholding interest in PFV as long as the Loan remains outstanding. In the event of a dilution of EpiQ’s interest in PFV, EpiQ is entitled to convert a portion of its outstanding Loan to equity shares of PFV at the price stipulated in the SPA in order to maintain its 25% shareholding interest in PFV.

The Proposed Share Transfer and Subsequent Share Changes are not expected to have any material financial impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Share Transfer and Subsequent Share Changes.

The Company will release further announcement(s) to update shareholders on the development of the Proposed Share Transfer and Subsequent Share Changes.



By order of the Board

Kevin Cho
Company Secretary

21 December 2020