

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

RESTRUCTURING OF ASSOCIATED COMPANIES

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, FER (HK) Limited (“**FER HK**”) had entered into a Sale & Purchase Agreement (“**Agreement**”) with the Company’s 50% owned associated company incorporated in British Virgin Islands, Triple Ace Ventures Limited (“**Triple Ace**”) to divest FER HK’s 50% shareholding in Simonelo Limited (“**Simonelo**”) to Triple Ace.

Pursuant to the Agreement, FER HK will divest its 50% shareholding in Simonelo to Triple Ace for a total consideration of US\$2,145,020.00 (the “**Restructuring**”). The consideration was arrived at a willing buyer and willing seller basis, after taking into consideration the latest unaudited net asset value of Simonelo amounting to US\$4,303,258.00.

Triple Ace will also acquire 50% shareholding in Simonelo from Euro Asia Dynamic Ventures Limited (“**Euro Asia**”). Triple Ace will eventually own 100% shareholding in Simonelo. There will be no change in the Group’s effective shareholding interest of 50% in Simonelo before and after the Restructuring.

The Restructuring is an interested person transaction as Triple Ace is considered a company that is associated to Mr. Sudeep Nair, given that:

- (a) Triple Ace is 50% owned by FER HK and 50% owned by Euro Asia;
- (b) Euro Asia is 50% owned by Bestgate Investments Limited (“**Bestgate**”) and 50% owned by a third party; and
- (c) Mr. Sudeep Nair is the Chief Executive Officer of the Group and a Director of the Company and owns 100% shareholding in Bestgate and Bestgate is the corporate director of Euro Asia.

Mr. Sudeep Nair has a 25% shareholding interest in the Restructuring. Accordingly, the Restructuring will constitute an interested person transaction under Chapter 9 of the Singapore Exchange Securities Trading Limited’s listing manual (“**Listing Manual**”).

The aggregate value of all interested person transactions (excluding transactions that are less than \$100,000) entered into between the Group and Triple Ace, Simonelo and their related subsidiaries for the current financial ending 31 December 2021 amounted to approximately US\$3,969,000.00, which amounts to less than 3% of the Group’s latest audited net tangible assets. In addition, the Restructuring also falls under the exemption for shareholder’s approval pursuant to Rule 905 of the Listing Manual. However, the Company has elected to make an announcement to inform shareholders of the Group’s restructuring plan.

The aggregate value of all interested person transactions (excluding transactions that are less than \$100,000) for the current financial year ending 31 December 2021 amounted to approximately US\$4,675,000.00, representing approximately 2.3% of the Group’s latest audited net tangible assets.

The Audit Committee of the Company was of the view that the Restructuring is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Interests of Directors, Controlling Shareholders or Substantial Shareholders

Other than the interests of Mr. Sudeep Nair as stated above, none of the Directors or the Controlling Shareholders or Substantial Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Restructuring.

The above transaction 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.

By order of the Board

Kevin Cho
Company Secretary

23 December 2021