

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

RESTRUCTURING OF SUBSIDIARY COMPANIES

The Board of Directors of Food Empire Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Group is in the process of restructuring the following subsidiary companies (collectively referred to as “**Restructuring**”):

Capitalisation of amount owing to Future Investment Holdings Pte. Ltd. and Empire Teas (PVT) Ltd by Tea Avenue (Private) Limited

The Company’s wholly-owned subsidiary, Future Investment Holdings Pte. Ltd. (“**FIHPL**”) and the Company’s associate company, Empire Teas (PVT) Ltd (“**ET**”) have agreed to capitalise the outstanding loan payable by Tea Avenue (Private) Limited (“**TASL**”) to them in the form of share capital of **TASL** (“**Loan Capitalisation**”).

After the Loan Capitalisation, the total issued and paid-up share capital of TASL will increase from LKR99,842,280.00 (equivalent to USD635,070.87) comprising 9,984,228 ordinary shares to LKR198,460,830.00 (approximately USD1,128,163.69) comprising 19,846,083 ordinary shares in which FIHPL holds 5,917,113 ordinary shares (representing 29.8% shareholding), ET holds 3,944,742 ordinary shares (representing 19.9% shareholding) and the Company’s indirect subsidiary, Tea Avenue Pte. Ltd. (“**TAPL**”) holds 9,984,228 ordinary shares (representing 50.3% shareholding) in TASL.

Disposal of Tea Avenue Pte. Ltd. and Tea Avenue (Private) Limited to Empire Teas (PVT) Ltd

Upon completion of the Loan Capitalisation, FIHPL will dispose its effective 60% shareholding in TAPL and TASL to ET for a total consideration of USD15,900.00 (the “**Disposal**”).

The consideration for the Disposal was arrived at a willing buyer and willing seller basis, after taking into consideration, among others, the collective unaudited net asset value of TAPL and TASL.

The Disposal is in line with the Group’s ongoing efforts to rationalise its loss making businesses.

As the relative figures computed based on each of the applicable bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited’s Listing Manual amounted to less than 5%, the Disposal is a non-discloseable transaction.

Following the Disposal, TAPL and TASL will cease to be subsidiaries of the Group.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Restructuring.

The Restructuring 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

31 January 2022