

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

DIVESTMENT OF CAP EMPIRE S.R.L.

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, Future Investment Holdings Pte. Ltd. (“**FIH**”) has entered into Sale and Purchase Agreement with 101 Caffè S.r.l. (“**101 Caffè**”), an associated company of the Company, to dispose its entire 49% stake in Cap Empire S.r.l. (“**Cap Empire**”) to 101 Caffè, for a total cash consideration of Euro 1.00 (the “**Divestment**”).

The principal activity of Cap Empire is production and marketing of capsules for coffee and other beverages whereas the principal activity of 101 Caffè is distribution of coffee paraphernalia including pods, pads and capsules through its franchise network.

Following the completion of the Divestment, Cap Empire will cease to be an associate company of the Group and will be an associate company of 101 Caffè.

The cash consideration was arrived at following arm’s length negotiations on a “willing buyer and willing seller” basis, taking into account the unaudited net assets value of Cap Empire of Euro 98,816.00 (equivalent to USD119,775.00) as at 30 April 2018.

As none of the relative figures computed based on the applicable bases under Rule 1006 is more than 5%, the Divestment is a non-disclosable transaction.

The above transaction is not expected to have any material impact on the consolidated net tangible assets and earning 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 above transaction.

By order of the Board

Tan Cher Liang
Company Secretary

17 May 2018