

## Food Empire inks strategic partnership with Ikhlas Capital to expand Southeast Asia and South Asia business

- *Ikhlas Capital to inject US\$40.0 million into a SPV wholly-owned by Food Empire in exchange for 5-year redeemable exchangeable notes at 5.5% annual interest.*
- *SPV to hold, or possess the option to hold, a portfolio of business operations, including the Group's Southeast Asia and South Asia business.*
- *Paves the way for the Group to tap into Ikhlas Capital's local presence, knowledge and network in Southeast Asia to accelerate its growth plans for the region.*

**SINGAPORE – 20 August 2024** – Leading multinational F&B manufacturing and distribution company, Food Empire Holdings Limited (“**Food Empire**”, or together with its subsidiaries, the “**Group**”) will receive a capital injection of US\$40.0 million through a strategic partnership with Ikhlas Capital that will pave the way for the Group to develop and expand its fastest growing Southeast Asia and South Asia segments.

The capital injection is expected to drive capital expenditure and mergers and acquisitions in Southeast Asia and South Asia, which will enable Food Empire to accelerate its plans for these regions. Food Empire's Southeast Asia and South Asia segments have consistently achieved healthy performance in the past years and the Group expects them to be the key growth drivers for its business moving forward. In the first half of 2024, revenue from the Southeast Asia and South Asia segments surged 34.8%, and 36.0% respectively, and this growth momentum is expected to continue into the second half of the year.

Ikhlas Capital is an ASEAN-focused private equity fund manager with a dynamic portfolio of regional investors, which includes sovereign funds and the family offices of some of the biggest F&B conglomerates. The founding partners of Ikhlas Capital are well-known ASEAN professionals who have spent a combined total of more than 100 years of their careers in the region and are highly recognised leaders in their respective professional fields and countries.

As a strategic partner, Ikhlas Capital will work with Food Empire to develop the Group's long-term ASEAN strategy with the aim of value creation for all stakeholders. The Group will tap into Ikhlas Capital's vast network to open doors to valuable partnerships and business opportunities in the region.

**Food Empire, CEO, Mr Sudeep Nair**, said: *“Food Empire brings to the table a strong record in managing emerging markets in extreme volatility. We are backed by eight world class facilities and a pipeline of new capacity expansion projects that will support our next phase of growth.*

*“Beyond the injection of funds, Ikhlas Capital is a strong strategic partner whose interests are aligned with ours. As an ASEAN-focused fund with a dynamic network of investors and regional expertise, they*

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*are the best partners to support us as we shift our focus to Southeast Asia and South Asia. We are confident that with our combined efforts, we will be able to unlock Food Empire's real value for shareholders."*

**Kenny Kim, CEO of Ikhlas Capital**, said: *"We are thrilled to partner with Food Empire Holdings, a prominent Southeast Asian company with a robust portfolio and leading market share across its core markets. We believe that we can support Food Empire's growth in its most dynamic and fastest growing regions, further strengthening the Group's market leadership and driving sustainable long-term success."*

The capital injection will be by way of an issuance of redeemable exchangeable notes ("**RENS**"). Food Empire has inked note subscription agreements with Ikhlas Capital for the issuance of 5-year RENS at 5.5% annual interest valued at US\$40.0 million in aggregate. The RENS will be issued by a special purpose vehicle ("**SPV**") that will be incorporated and wholly owned by the Group. The SPV will hold, or possess the option to hold, a portfolio of business operations, including the Group's business in Southeast Asia and South Asia.

The RENS are exchangeable into new ordinary shares in the capital of Food Empire at an exchange price of S\$1.09 per share at any time 24 months after the Closing Date up to the Maturity Date<sup>1</sup> or convertible into new ordinary shares in the capital of the SPV.

Net proceeds from the transaction will be allocated for future expansion plans and investments.

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### **Cautionary Statement**

*Shareholders are advised to read this business update and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.*

### **About Food Empire Holdings Limited (Bloomberg Code: FEH SP)**

SGX Mainboard-listed Food Empire Holdings ("**Food Empire**" or together with its subsidiaries, the "**Group**") is a multinational food and beverage manufacturing and distribution group headquartered in Singapore. With a portfolio spanning instant beverages, snack foods, and a growing presence in food

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<sup>1</sup> Closing Date: Twenty One (21) business days from satisfaction of conditions; Maturity Date: Five (5) years from the Closing Date.

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ingredients, Food Empire's products are sold in over 60 countries across North Asia, Eastern Europe, South-East Asia, South Asia, Central Asia, Middle East, and North America. Supported by 8 manufacturing facilities in 5 countries and 23 offices worldwide, Food Empire offers an enticing range of branded beverages and snacks, including classic and flavoured coffee mixes and cappuccinos, chocolate drinks, flavoured fruity teas, bubble tea, instant cereal blends, and potato chips. Its food ingredients business features the finest freeze-dried and spray-dried instant coffee, as well as non-dairy creamer.

Food Empire owns a family of proprietary brands – including MacCoffee, CaféPHỐ, Petrovskaya Sloboda, Klassno, Hillway, and Kracks. MacCoffee – the Group's flagship brand – has been consistently ranked as the leading 3-in-1 instant coffee brand in the Group's core markets. The Group employs innovative brand-building activities, localised to match the flavour of the local markets in which its products are sold.

Since its public listing in 2000, Food Empire has won numerous accolades and awards including being recognised as one of the "Most Valuable Singapore Brands" by IE Singapore (now known as Enterprise Singapore), while MacCoffee has been ranked as one of "The Strongest Singapore Brands" and CaféPhố received "Top Brand" Award by Influential Brands. Forbes Magazine has thrice named Food Empire as one of the "Best Under A Billion" companies in Asia and the company has also been awarded as one of Asia's "Top Brands" by Influential Brands.

Food Empire is dedicated to sustainability, as evidenced by the receipt of the Sustainability Award at the Securities Investors Association (Singapore) 20th Investors' Choice Award – and it also emerged as the winner of The Enterprise Award at the Singapore Business Awards 2020/2021.

For more information, please refer to: [www.foodempire.com](http://www.foodempire.com)

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***Issued by August Consulting on behalf of Food Empire Holdings Limited***

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