

FOOD EMPIRE HOLDINGS LIMITED

(Co Registration No: 200001282G)

INTERESTED PERSON TRANSACTIONS

The Board of Directors of Food Empire Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, FER (HK) Limited (“**FER HK**”), and Euro Asia Dynamic Ventures Limited (“**Euro Asia**”) had respectively entered into a Loan Agreement (the “**Agreement**”) with Triple Ace Ventures Limited (“**Triple Ace**”) to provide an aggregate loan of USD3.4 million (the “**Loan**”) to Triple Ace. FER HK’s portion of the Loan is USD1.7 million.

The provision of Loan to Triple Ace 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.
- (c) Mr. Sudeep Nair is the Chief Executive Officer of the Group and a Director of the Company and owns 50% shareholding in Bestgate and Bestgate is the corporate director of Euro Asia.

Rationale and details of the Loan

The Loan provided by FER HK and Euro Asia is in proportion to their respective shareholdings in Triple Ace, and on the same terms and conditions, for repayment of a bank loan by Triple Ace.

The interest rate of the Loan is 10% per annum.

When aggregate the value of the principal and interests payable on FER HK’s portion of the Loan with all interested person transactions entered into with the same interested person during the financial year up to the date of this announcement, the aggregate amount is approximately USD3.842 million, constituting approximately 3% of the Group’s latest audited net tangible assets for the financial year ended 31 December 2014.

Statement of Audit Committee

The Audit Committee of the Company, having considered, the said transaction is of the view that:-

- (i) the provision of the Loan is on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders; and

- (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

Total Interested Person Transactions

Aggregate value of all Interested person transactions (“IPT”), during the financial year up to the date of this announcement, is set out below:-

Name of interested person	Aggregate value of all IPT during the financial year up to the date of this announcement (excluding transactions less than \$100,000 and transactions conducted under shareholder’s mandate pursuant to Rule 920) US\$’000
<u>Companies associated to Mr. Sudeep Nair (“Director”)</u>	
a) Simonelo Lintied and its subsidiaries	
Rental paid	1,957
b) Triple Ace and its subsidiaries	
Rental paid	108
Loan advanced and interest income	1,777

By Order of the Board

Tan Cher Liang
Company Secretary

22 December 2015