



**For Immediate Release**

**Shareholders Approve Acquisition to Secure Russian Manufacturing Activities**

**Singapore November 6, 2006** - Singapore Exchange Mainboard listed Food Empire Holdings Ltd (Food Empire) announced that an EGM of shareholders today approved the acquisition of a 50% shareholding in Simonelo Limited (Simonelo) and Triple Ace Ventures Limited (Triple Ace).

The acquisition provides long-term stability and continuity for Food Empire's manufacturing facility in Moscow. In addition, it offers a strategic opportunity for possible future expansion.

Simonelo, through a wholly owned subsidiary SNB Invest, owns the Moscow warehouse property currently rented by the Group for its manufacturing operations. Simonelo also owns 100% of Yura Trade, which in turn owns office space in Moscow. Triple Ace is the funding vehicle for SNB Invest and Yura Trade.

Food Empire will pay US\$3.6 million for the 50% shareholding of both Simonelo and Triple Ace. In addition, the Group will provide a US\$3 million five-year loan to Triple Ace by way of a back-to-back loan agreement with a Singaporean commercial bank. The loan funds will be used by Triple Ace to pay outstanding loans and to facilitate the development of additional facilities at the warehouse property.

Mr Tan Wang Cheow, Chairman and Managing Director of Food Empire said, "In December 2005, we announced our plans to establish a new production facility in Moscow to cushion the impact of increases in import costs and to meet local demand for our products. We also announced our intention to acquire a 50% stake in the company that owns the facility.

The acquisition and loan is the next step in the Group's development of a sustainable and cost effective global manufacturing network.”

Contact:

Daphne Wan  
Food Empire Holdings Limited  
+65 6744 8911  
+65 6744 2116  
[daphne@foodempire.com](mailto:daphne@foodempire.com)

Matthew Shaw  
Rubicon Consulting  
+65 6465 3029  
+65 9851 9340  
[matthew@rubicon.com.sg](mailto:matthew@rubicon.com.sg)

### ***About Food Empire Holdings***

SGX mainboard-listed Food Empire Holdings is a leading food and beverage company that manufactures and markets instant beverage products, frozen convenience food, confectionery and snack food.

Food Empire Holdings' products are exported to over 50 countries in markets such as Russia, Eastern Europe, Central Asia, China, Indochina and the US. The Group has 18 representative and liaison offices in 18 countries including Russia, Ukraine, Kazakhstan, Uzbekistan, Iran, Poland, Turkey, Belgium, Bahrain, Mongolia and Vietnam.

The Group's core products include a wide variety of regular and flavoured coffee mixes and cappuccinos, instant chocolate, instant breakfast cereal and flavoured fruit teas. Food Empire also markets a refreshing range of confectionery, snack food such as dried calamari and potato crisps and a delectable assortment of frozen convenience food that includes Asian delicacies.

Food Empire's core brands are MacCoffee, Klassno, Hyson, FesAroma, OrienBites, MacCandy, Zinties and Kracks. MacCoffee, the group's flagship brand, has been consistently rated as a market leader over the past few years and was recently ranked among the top three most popular instant 3-in-1 coffee brands in the group's core markets including Russia, Ukraine and Kazakhstan.

The company has won numerous accolades and awards including being ranked one of "The Most Valuable Singapore Brands" in 2003, 2004 and 2005 at the national brand award organised by IE Singapore. MacCoffee was also ranked one of "The Strongest Singapore Brands". In 2005, Food Empire Holdings was awarded the coveted Star Packaging Award for innovative design and packaging of Zinties Ice Breeze Breath Strips and OrienBites Dim Sum Pack.

***For more information on Food Empire, please visit [www.foodempire.com](http://www.foodempire.com)***

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