

F.F.I. HOLDINGS LIMITED
A.C.N. 009 155 328
23 Knock Place, Jandakot, W.A. 6164
Telephone +61 8 9417 4088 Facsimile +61 8 9417 3063

ASX ANNOUNCEMENT

ACQUISITION OF ORCHARD ICING BUSINESS

The Directors of F.F.I. Holdings Limited ("**FFI**") are pleased to advise that the Company has entered into an agreement to purchase the food manufacturing operations known as the Orchard Icing Business ("**Orchard Icing**").

Orchard Icing is well established in the niche cake decorating market sector and operates as a part of Orchard Manufacturing Co. Pty. Ltd. Orchard Icing specialises in the manufacture, packaging and distribution of a range of retail and food service "ready to use" rolled icing cake decoration products.

FFI intends to restructure Orchard Icing and merge the operations with FFI's existing cake decorations division, "Nemar Cake Toppings".

The purchase together with working capital and restructure costs will require an investment of approximately \$850,000 which will be funded from FFI's existing cash resources. Gross revenue from Orchard Icing is expected to exceed \$1 million per annum. While the acquisition is not expected to have any significant impact on FFI's current year earnings, the combined operation is expected to improve future profit margins.

Strategically the acquisition is an important extension for the Company. Orchard Icing has many synergies with the existing FFI business in the areas of manufacturing, marketing and distribution. Orchard Icing's products complement FFI's existing Nemar Cake Toppings product portfolio and will improve market share.

The Directors are confident that this acquisition will enhance FFI's food operations and improve the long term profitability of the cake decorations division.

About FFI Holdings Ltd

F.F.I. Holdings Ltd is a Western Australian based food company with manufacturing, processing and packing operations covering the following areas –

- ◆ "Chocolate Products of Australia" – industrial supply of chocolate and chocolate compounds.
- ◆ "Nemar Cake Toppings" – cake decorations and confectionery products.
- ◆ "Prepack"- contract packing and blending.
- ◆ "Fresh Food Industries" – bakers jams and fruit fillings.
- ◆ "Tradition Smallgoods" – fresh sausages, bacon and processed meat products.

In addition to its food operations, the Company owns a significant amount of industrial/commercial property which is held for long term investment purposes. The property holding adjoins the Company's existing food factories and is ideally suited for further subdivision and development.

Rodney Moonen

Chairman

3rd May 2017