

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

Second Half Year and Full Year Financial Statements and Dividend Announcement for the year ended 31 December 2020

PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	2H20	2H19	Increase/ (Decrease)	12M20	12M19	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	140,024	150,080	(6.7)	272,971	288,570	(5.4)
Cost of sales	(88,384)	(92,383)	(4.3)	(168,325)	(176,815)	(4.8)
Gross profit	51,640	57,697	(10.5)	104,646	111,755	(6.4)
Selling and marketing expenses	(16,534)	(21,806)	(24.2)	(35,996)	(41,500)	(13.3)
General and administrative expenses	(17,864)	(20,961)	(14.8)	(34,786)	(39,858)	(12.7)
Results from operating activities	17,242	14,930	15.5	33,864	30,397	11.4
Net other (expenses)/income (Note 1)	(764)	693	NM	(586)	2,384	NM
Net finance costs (Note 2)	(230)	(848)	(72.9)	(593)	(1,407)	(57.9)
Share of (loss)/profit of associates	(47)	163	NM	(450)	162	NM
Profit before taxation (Note 3)	16,201	14,938	8.5	32,235	31,536	2.2
Income tax expense (Note 4)	(2,962)	(2,312)	28.1	(5,781)	(5,840)	(1.0)
Profit for the period	13,239	12,626	4.9	26,454	25,696	2.9
Profit attributable to:						
Equity shareholders of the Company	13,378	12,847	4.1	26,785	26,112	2.6
Non-controlling interest	(139)	(221)	(37.1)	(331)	(416)	(20.4)
	13,239	12,626	4.9	26,454	25,696	2.9

NM denotes not meaningful.

Notes:
1. Net other (expenses)/income comprises:

	Group			Group		
	2H 20 US\$'000	2H 19 US\$'000	Increase/ (Decrease) %	12M 20 US\$'000	12M 19 US\$'000	Increase/ (Decrease) %
Gain on partial disposal of an associate	-	-	NM	58	-	NM
Gain on dilution of investment in an associate	178	-	NM	178	-	NM
Foreign exchange gain	-	-	NM	-	610	NM
Sales of scrapped items	96	97	(1.0)	172	191	(9.9)
Insurance claim	27	12	125.0	79	16	393.8
Gain on loss of control of a subsidiary	1,728	-	NM	1,728	-	NM
Other income	551	927	(40.6)	1,625	1,737	(6.4)
	2,580	1,036	149.0	3,840	2,554	50.4
Other expenses						
Foreign exchange loss	(1,191)	(226)	427.0	(2,293)	-	NM
Impairment loss on loan to an associate	(2,130)	-	NM	(2,130)	-	NM
Loss on disposal of property, plant and equipment	(23)	(117)	(80.3)	(3)	(170)	(98.2)
	(3,344)	(343)	874.9	(4,426)	(170)	2,503.5
Net other (expenses)/income	(764)	693	NM	(586)	2,384	NM

2. Net finance costs comprises:

	Group			Group		
	2H 20 US\$'000	2H 19 US\$'000	Increase/ (Decrease) %	12M 20 US\$'000	12M 19 US\$'000	Increase/ (Decrease) %
Interest income	155	129	20.2	334	218	53.2
Interest expenses on:						
- Bank loans	(176)	(389)	(54.8)	(443)	(918)	(51.7)
- Others	(209)	(588)	(64.5)	(484)	(707)	(31.5)
	(385)	(977)	(60.6)	(927)	(1,625)	(43.0)
Net finance costs	(230)	(848)	(72.9)	(593)	(1,407)	(57.9)

3. Included in profit before taxation are as follows:

	Group			Group		
	2H 20	2H 19	Increase/ (Decrease)	12M 20	12M 19	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Depreciation of property, plant and equipment	(3,135)	(3,046)	2.9	(6,086)	(5,978)	1.8
Depreciation of investment properties	(84)	(83)	1.2	(166)	(167)	(0.6)
Depreciation of right-of-use assets	(967)	(1,076)	(10.1)	(1,930)	(2,098)	(8.0)
Inventories written down	(890)	(1,238)	(28.1)	(972)	(1,322)	(26.5)
(Write back)/Impairment loss on receivables	72	(438)	NM	(100)	(460)	(78.3)

4. Included in the taxation is as follows:

	Group			Group		
	2H 20	2H 19	Increase/ (Decrease)	12M 20	12M 19	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Current income tax						
- Current income taxation	(2,416)	(2,848)	(15.2)	(4,880)	(6,100)	(20.0)
- Over provision for prior year	(73)	(250)	(70.8)	(65)	(228)	(71.5)
Deferred income tax	(473)	786	NM	(836)	488	NM
Income tax expense	(2,962)	(2,312)	28.1	(5,781)	(5,840)	(1.0)

1(a)(ii) Statement of group comprehensive income

	Group			Group		
	2H 20	2H 19	Increase/ (Decrease)	12M 20	12M 19	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit net of tax	13,239	12,626	4.9	26,454	25,696	2.9
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain	(1,556)	1,783	NM	(8,686)	5,303	NM
Share of other comprehensive income of associates	34	(27)	NM	(141)	597	NM
Exchange differences realised on disposal of subsidiaries	49	(52)	NM	49	(52)	NM
Other comprehensive income for the period/year, net of tax	(1,473)	1,704	NM	(8,778)	5,848	NM
Total comprehensive income for the period/year	11,766	14,330	(17.9)	17,676	31,544	(44.0)
Total comprehensive income attributable to:						
Equity shareholders of the Company	11,920	14,543	(18.0)	18,001	31,957	(43.7)
Non-controlling interest	(154)	(213)	(27.7)	(325)	(413)	(21.3)
	11,766	14,330	(17.9)	17,676	31,544	(44.0)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000
Non-Current Assets				
Property, plant and equipment	104,284	99,325	-	-
Right-of-use assets	10,487	10,434	-	-
Investment properties	14,529	16,159	-	-
Investments in subsidiaries	-	-	44,485	44,635
Investments in associates	10,799	11,619	-	-
Intangible assets	10,343	10,343	-	-
Deferred tax assets	3,443	3,208	-	-
	153,885	151,088	44,485	44,635
Current Assets				
Inventories	50,129	55,852	-	-
Trade receivables	31,193	35,872	-	-
Prepaid operating expenses and deposits	5,554	6,526	15	11
Other receivables	2,450	3,307	-	-
Amounts due from subsidiaries (non-trade)	-	-	19,517	21,901
Amount due from an associate (non-trade)	85	100	-	-
Amount due from a related party (trade)	311	113	-	-
Cash and cash equivalents	69,037	54,735	1,134	322
	158,759	156,505	20,666	22,234
Current Liabilities				
Trade payables and accruals	(28,766)	(34,987)	(2,449)	(2,200)
Lease liabilities	(1,786)	(2,005)	-	-
Interest-bearing loans and borrowings	(18,403)	(14,690)	-	-
Other payables	(3,294)	(6,051)	(146)	-
Amount due to a subsidiary (non-trade)	-	-	(21)	(20)
Amount due to a related party (non-trade)	(654)	(568)	-	-
Amount due to an associate (non-trade)	(295)	(255)	-	-
Amount due to an associate (trade)	(21)	(108)	-	-
Income tax payable	(1,778)	(1,539)	(42)	(29)
	(54,997)	(60,203)	(2,658)	(2,249)
Net Current Assets	103,762	96,302	18,008	19,985
Non-Current Liabilities				
Lease liabilities	(2,616)	(4,837)	-	-
Interest-bearing loans and borrowings	(35,330)	(35,315)	-	-
Deferred tax liabilities	(2,733)	(1,535)	-	-
	(40,679)	(41,687)	-	-
Net Assets	216,968	205,703	62,493	64,620
Equity				
Share capital	43,267	42,020	43,267	42,020
Treasury shares	(1,742)	(477)	(1,742)	(477)
Reserves	176,499	165,352	20,968	23,077
	218,024	206,895	62,493	64,620
Non-controlling interest	(1,056)	(1,192)	-	-
Total Equity	216,968	205,703	62,493	64,620

1(b)(ii) Aggregate amount of group's borrowings and debt securities.
Amount repayable in one year or less, or on demand

	As at 31 Dec 2020		As at 31 Dec 2019	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(1,786)	-	(2,005)	-
Interest-bearing loans and borrowings	(8,291)	(10,112)	(5,190)	(9,500)
Total	<u>(10,077)</u>	<u>(10,112)</u>	<u>(7,195)</u>	<u>(9,500)</u>

Amount repayable after one year

	As at 31 Dec 2020		As at 31 Dec 2019	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(2,616)	-	(4,837)	-
Interest-bearing loans and borrowings	(35,330)	-	(34,358)	(957)
Total	<u>(37,946)</u>	<u>-</u>	<u>(39,195)</u>	<u>(957)</u>

Details of any collateral

As at 31 December 2019 and 31 December 2020, the lease liabilities include the leasehold land, factory and office premises and motor vehicles held by subsidiaries of the Group.

As at 31 December 2019 and 31 December 2020, the secured interest-bearing loans and borrowings were secured by mortgages over the related freehold & leasehold properties and fixed charges over plant & machinery owned by subsidiaries of the Group.

As at 31 December 2019 and 31 December 2020, the unsecured interest-bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	2H 20 US\$'000	2H 19 US\$'000	12M 20 US\$'000	12M 19 US\$'000
Cash flows from operating activities				
Profit from operations before taxation	16,201	14,938	32,235	31,536
Adjustment for :				
Depreciation of property, plant and equipment	3,135	3,046	6,086	5,978
Depreciation of investment properties	84	83	166	167
Depreciation of right-of-use assets	967	1,076	1,930	2,098
Gain on loss of control of a subsidiary	(1,728)	-	(1,728)	-
Impairment loss on loan to an associate	2,130	-	2,130	-
Loss on disposal of property, plant and equipment	23	117	3	170
Interest income	(155)	(129)	(334)	(218)
Interest expenses	385	977	927	1,625
Exchange realignment	(338)	(139)	1,056	(1,272)
Share of loss/(profit) of associates	47	(163)	450	(162)
(Write back)/impairment loss on trade receivables	(92)	430	80	452
Impairment loss on other receivables	20	8	20	8
Inventories written down	890	1,238	972	1,322
Gain on partial disposal of an associate	-	-	(58)	-
Gain on dilution of investment in an associate	(178)	-	(178)	-
Value of employee services received for issue of share options	638	411	905	823
Bad debts written off	-	97	-	97
Operating cash flows before changes in working capital	22,029	21,990	44,662	42,624
Changes in working capital:				
Decrease/(increase) in trade and other receivables	1,474	2,709	2,411	(2,893)
Decrease/(increase) in inventories	1,281	(1,115)	(485)	(3,509)
(Decrease)/increase in trade and other payables	(1,955)	3,934	(8,177)	8,548
Cash flows from operations	22,829	27,518	38,411	44,770
Income taxes paid	(2,875)	(3,157)	(4,397)	(5,488)
Net cash flows from operating activities	19,954	24,361	34,014	39,282
Cash flows from investing activities				
Interest received	180	190	408	355
Purchase of property, plant and equipment	(4,266)	(6,576)	(9,802)	(38,100)
Subsequent expenditure on investment property	(4)	-	(4)	-
Proceeds from disposal of property, plant and equipment	30	189	75	206
Prepayment of right-of-use assets	(18)	-	(2,862)	-
Dividend income from associates	329	531	329	531
Proceeds from partial disposal of an associate	-	-	136	-
Net cash outflow on loss of control in a subsidiary	(24)	-	(24)	-
Net cash flows used in investing activities	(3,773)	(5,666)	(11,744)	(37,008)
Cash flows from financing activities				
Interest paid	(862)	(1,739)	(2,032)	(2,846)
Capital injection from non-controlling interest of a subsidiary	-	-	-	42
Dividend paid to ordinary shareholders of the Company	-	-	(7,595)	(2,638)
Repayment of interest-bearing loans and borrowings	(16,502)	(27,298)	(37,650)	(54,216)
Proceeds from interest-bearing loans and borrowings	23,817	27,057	41,215	70,685
Repayment of obligations under lease liabilities	(787)	(724)	(1,630)	(1,654)
Proceeds from dilution of interest in a subsidiary	68	-	68	-
Proceeds from issuance of shares	781	591	966	639
Purchase of treasury shares	(1,050)	(160)	(1,265)	(160)
Net cash flows from/(used in) financing activities	5,465	(2,273)	(7,923)	9,852
Net increase in cash and cash equivalents	21,646	16,422	14,347	12,126
Effect of exchange rate changes on cash and cash equivalents	803	(153)	(45)	391
Cash and cash equivalents at beginning of the period/year	46,588	38,466	54,735	42,218
Cash and cash equivalents at end of the period/year	69,037	54,735	69,037	54,735

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group – 2H 20

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 July 2020	42,264	(692)	(9,492)	3,503	170,035	205,618	(1,363)	204,255
Profit/(loss) for the period	-	-	-	-	13,378	13,378	(139)	13,239
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(1,541)	-	-	(1,541)	(15)	(1,556)
Share of other comprehensive income of associates	-	-	34	-	-	34	-	34
Exchange differences realised on disposal of subsidiaries	-	-	49	-	-	49	-	49
Total comprehensive income for the period	-	-	(1,458)	-	13,378	11,920	(154)	11,766
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	638	-	638	-	638
Issuance of new shares	781	-	-	-	-	781	-	781
Purchase of treasury shares	-	(1,050)	-	-	-	(1,050)	-	(1,050)
Exercise of share options	222	-	-	(222)	-	-	-	-
Dilution of interest in a subsidiary	-	-	-	-	117	117	(49)	68
Loss of control of a subsidiary	-	-	-	-	-	-	510	510
Expiry of employee share options	-	-	-	(54)	54	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	1,003	(1,050)	-	362	171	486	461	947
Balance as at 31 December 2020	43,267	(1,742)	(10,950)	3,865	183,584	218,024	(1,056)	216,968

The Group – 2H 19

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 July 2019	41,265	(317)	(3,862)	3,110	151,314	191,510	(979)	190,531
Profit/(loss) for the period	-	-	-	-	12,847	12,847	(221)	12,626
<u>Other comprehensive income</u>								
Foreign currency translation gain	-	-	1,775	-	-	1,775	8	1,783
Share of other comprehensive income of associates	-	-	(27)	-	-	(27)	-	(27)
Exchange differences realised on disposal of subsidiaries	-	-	(52)	-	-	(52)	-	(52)
Total comprehensive income for the period	-	-	1,696	-	12,847	14,543	(213)	14,330
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	411	-	411	-	411
Issuance of new shares	591	-	-	-	-	591	-	591
Purchase of treasury shares	-	(160)	-	-	-	(160)	-	(160)
Exercise of share options	164	-	-	(164)	-	-	-	-
Expiry of employee share options	-	-	-	(56)	56	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	755	(160)	-	191	56	842	-	842
Balance as at 31 December 2019	42,020	(477)	(2,166)	3,301	164,217	206,895	(1,192)	205,703

The Group – 12M 20

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 January 2020	42,020	(477)	(2,166)	3,301	164,217	206,895	(1,192)	205,703
Profit/(loss) for the year	-	-	-	-	26,785	26,785	(331)	26,454
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(8,692)	-	-	(8,692)	6	(8,686)
Share of other comprehensive income of associates	-	-	(141)	-	-	(141)	-	(141)
Exchange differences realised on disposal of subsidiaries	-	-	49	-	-	49	-	49
Total comprehensive income for the year	-	-	(8,784)	-	26,785	18,001	(325)	17,676
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	905	-	905	-	905
Issuance of new shares	966	-	-	-	-	966	-	966
Purchase of treasury shares	-	(1,265)	-	-	-	(1,265)	-	(1,265)
Exercise of share options	281	-	-	(281)	-	-	-	-
Dividend paid to ordinary shareholders of the Company	-	-	-	-	(7,595)	(7,595)	-	(7,595)
Dilution of interest in a subsidiary	-	-	-	-	117	117	(49)	68
Loss of control of a subsidiary	-	-	-	-	-	-	510	510
Expiry of employee share options	-	-	-	(60)	60	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	1,247	(1,265)	-	564	(7,418)	(6,872)	461	(6,411)
Balance as at 31 December 2020	43,267	(1,742)	(10,950)	3,865	183,584	218,024	(1,056)	216,968

The Group – 12M 19

	Attributable to equity shareholders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	
Balance as at 1 January 2019	41,202	(317)	(8,011)	2,713	140,687	176,274	(821)	175,453
Profit/(loss) for the year	-	-	-	-	26,112	26,112	(416)	25,696
<u>Other comprehensive income</u>								
Foreign currency translation gain	-	-	5,300	-	-	5,300	3	5,303
Share of other comprehensive income of associates	-	-	597	-	-	597	-	597
Exchange differences realised on disposal of subsidiaries	-	-	(52)	-	-	(52)	-	(52)
Total comprehensive income for the year	-	-	5,845	-	26,112	31,957	(413)	31,544
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	823	-	823	-	823
Issuance of new shares	639	-	-	-	-	639	-	639
Purchase of treasury shares	-	(160)	-	-	-	(160)	-	(160)
Exercise of share options	179	-	-	(179)	-	-	-	-
Dividend paid to ordinary shareholders of the Company	-	-	-	-	(2,638)	(2,638)	-	(2,638)
Expiry of employee share options	-	-	-	(56)	56	-	-	-
Total contributions by and distributions to owners	818	(160)	-	588	(2,582)	(1,336)	-	(1,336)
<u>Changes in ownership interest in subsidiaries</u>								
Capital injection from non-controlling interest of a subsidiary, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	42	42
Total transactions with owners in their capacity as owners	818	(160)	-	588	(2,582)	(1,336)	42	(1,294)
Balance as at 31 December 2019	42,020	(477)	(2,166)	3,301	164,217	206,895	(1,192)	205,703

The Company – 2H

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total Equity US\$'000
Balance as at 1 July 2020	42,264	(692)	(737)	3,503	11,251	55,589
Profit for the period	-	-	-	-	5,834	5,834
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	701	-	-	701
Total comprehensive income for the period	-	-	701	-	5,834	6,535
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	638	-	638
Issuance of new shares	781	-	-	-	-	781
Exercise of share options	222	-	-	(222)	-	-
Purchase of treasury shares	-	(1,050)	-	-	-	(1,050)
Expiry of employee share options	-	-	-	(54)	54	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	1,003	(1,050)	-	362	54	369
Balance as at 31 December 2020	43,267	(1,742)	(36)	3,865	17,139	62,493
Balance as at 1 July 2019	41,265	(317)	(196)	3,110	6,154	50,016
Profit for the period	-	-	-	-	13,517	13,517
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	245	-	-	245
Total comprehensive income for the period	-	-	245	-	13,517	13,762
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	411	-	411
Issuance of new shares	591	-	-	-	-	591
Exercise of share options	164	-	-	(164)	-	-
Purchase of treasury shares	-	(160)	-	-	-	(160)
Expiry of employee share options	-	-	-	(56)	56	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	755	(160)	-	191	56	842
Balance as at 31 December 2019	42,020	(477)	49	3,301	19,727	64,620

The Company – 12M

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total Equity US\$'000
Balance as at 1 January 2020	42,020	(477)	49	3,301	19,727	64,620
Profit for the year	-	-	-	-	4,947	4,947
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(85)	-	-	(85)
Total comprehensive income for the year	-	-	(85)	-	4,947	4,862
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	905	-	905
Issuance of new shares	966	-	-	-	-	966
Exercise of share options	281	-	-	(281)	-	-
Dividend paid to ordinary shareholders of the Company	-	-	-	-	(7,595)	(7,595)
Purchase of treasury shares	-	(1,265)	-	-	-	(1,265)
Expiry of employee share options	-	-	-	(60)	60	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	1,247	(1,265)	-	564	(7,535)	(6,989)
Balance as at 31 December 2020	43,267	(1,742)	(36)	3,865	17,139	62,493
Balance as at 1 January 2019	41,202	(317)	(217)	2,713	9,986	53,367
Profit for the year	-	-	-	-	12,323	12,323
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	266	-	-	266
Total comprehensive income for the year	-	-	266	-	12,323	12,589
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	823	-	823
Issuance of new shares	639	-	-	-	-	639
Exercise of share options	179	-	-	(179)	-	-
Purchase of treasury shares	-	(160)	-	-	-	(160)
Dividend paid to ordinary shareholders of the Company	-	-	-	-	(2,638)	(2,638)
Expiry of employee share options	-	-	-	(56)	56	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	818	(160)	-	588	(2,582)	(1,336)
Balance as at 31 December 2019	42,020	(477)	49	3,301	19,727	64,620

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of movement in the number of issued ordinary shares (excluding treasury shares), treasury shares and share options are as follows: -

	FY 2020	FY 2019
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (including treasury shares)	537,797,999	535,162,999
Ordinary shares held as treasury shares	(4,338,300)	(1,425,500)
Issued for cash under employee share option scheme:		
- at the exercise price of S\$0.308 each	930,000	205,000
- at the exercise price of S\$0.315 each	350,000	20,000
- at the exercise price of S\$0.335 each	-	2,410,000
- at the exercise price of S\$0.505 each	1,840,000	-
Balance of issued ordinary shares as at 31 Dec (excluding treasury shares)	<u>536,579,699</u>	<u>536,372,499</u>
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan	100,000	2,510,000
Options exercised during the period	-	(2,410,000)
Options lapsed during the period	(100,000)	-
Balance as at 31 Dec	<u>-</u>	<u>100,000</u>
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan	2,930,000	3,080,000
Options exercised during the period	(1,840,000)	-
Options lapsed during the period	(100,000)	(150,000)
Balance as at 31 Dec	<u>990,000</u>	<u>2,930,000</u>
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan	2,710,000	2,730,000
Options exercised during the period	(350,000)	(20,000)
Balance as at 31 Dec	<u>2,360,000</u>	<u>2,710,000</u>
<u>Share Option - exercise price of S\$0.669</u>		
Balance as at 1 Jan	3,810,000	3,980,000
Options lapsed during the period	-	(170,000)
Balance as at 31 Dec	<u>3,810,000</u>	<u>3,810,000</u>
<u>Share Option - exercise price of S\$0.308</u>		
Balance as at 1 Jan	4,415,000	4,671,000
Options exercised during the period	(930,000)	(205,000)
Options lapsed during the period	(150,000)	(51,000)
Balance as at 31 Dec	<u>3,335,000</u>	<u>4,415,000</u>
<u>Share Option - exercise price of S\$0.693</u>		
Balance as at 1 Jan and 31 Dec	<u>550,000</u>	<u>550,000</u>

	FY 2020	FY 2019
<u>Share Option - exercise price of S\$0.679</u>		
Balance as at 1 Jan	4,600,000	4,750,000
Options lapsed during the period	(150,000)	(150,000)
Balance as at 31 Dec	<u>4,450,000</u>	<u>4,600,000</u>
<u>Share Option - exercise price of S\$0.556</u>		
Balance as at 1 Jan	5,450,000	-
Granted to eligible participants on 15 Mar 2019	-	5,450,000
Options lapsed during the period	(150,000)	-
Balance as at 31 Dec	<u>5,300,000</u>	<u>5,450,000</u>
<u>Share Option - exercise price of S\$0.667</u>		
Balance as at 1 Jan	-	-
Granted to eligible participants on 6 Mar 2020	5,450,000	-
Options lapsed during the period	(150,000)	-
Balance as at 31 Dec	<u>5,300,000</u>	<u>-</u>

Out of the 26,095,000 outstanding share options on 31 December 2020 (31 December 2019: 24,565,000), 16,280,000 (31 December 2019: 16,190,000) share options are exercisable.

Treasury Shares

As at 31 December 2020, the total number of treasury shares held was 4,338,300 (31 December 2019: 1,425,500).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares is as follows: -

	Group	
	<u>As at 31 Dec 2020</u>	<u>As at 31 Dec 2019</u>
Issued ordinary shares	536,579,699	536,372,499

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2019, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I)s has no material effect on the financial statements for the current year.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	2H 20	2H 19	12M 20	12M 19
Profit per share				
Based on existing issued share capital (US cents)	2.50	2.40	5.01	4.89
On a fully diluted basis (US cents)	2.48	2.38	4.98	4.84
	Group		Group	
	2H 20	2H 19	12M 20	12M 19
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	535,846,764	535,063,152	534,826,420	534,448,939
Weighted average number of shares for calculation of diluted EPS	539,119,264	539,395,839	538,337,872	539,023,222

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	31-Dec-20	31 Dec 2019	31-Dec-20	31 Dec 2019
Net asset value per ordinary share (US cents)	40.63	38.57	11.65	12.05

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue for the financial year ended 31 December 2020 ("FY2020") was US\$273.0 million, a year-on-year ("yoy") decrease of 5.4% compared with the US\$288.6 million revenue recorded in FY2019. The Group's net profit after tax increased 2.9% to US\$26.5 million for FY2020.

On a half-yearly basis, revenue for the second half ended 31 December 2020 ("2H2020") decreased 6.7% from US\$150.1 million to US\$140.0 million. The Group's profit after tax for 2H2020 increased by 4.9% to US\$13.2 million.

Revenue by Markets (US\$'000)

	Group			Group		
	2H 20 US\$'000	2H 19 US\$'000	Increase/ (Decrease) %	12M 20 US\$'000	12M 19 US\$'000	Increase/ (Decrease) %
Russia	51,248	58,179	(11.9)	99,555	112,570	(11.6)
Ukraine, Kazakhstan and CIS markets	34,069	36,698	(7.2)	67,833	69,374	(2.2)
South-East Asia	41,449	39,999	3.6	81,013	78,267	3.5
South Asia	4,154	4,324	(3.9)	7,224	8,664	(16.6)
Other Markets	9,104	10,880	(16.3)	17,346	19,695	(11.9)
Total	140,024	150,080	(6.7)	272,971	288,570	(5.4)

In FY2020, revenue in the Group's largest market, Russia, decreased by 11.6% to US\$99.6 million as compared to US\$112.6 million in FY2019 mainly due to the ongoing disruptions caused by the Covid-19 pandemic, which have resulted in lockdowns. Russia experienced a surge in Covid-19 cases which led to increased movement restrictions of population, resulting in lower footfall of consumers in retail outlets, as well as widespread logistical and supply chain challenges to our distributors across many regions. The fall in oil prices also caused a devaluation of the Russian Ruble against the US dollar that further affected revenue. The average exchange rate was 72.0 Ruble per US dollar in FY2020 as compared to 64.7 Ruble per US dollar in FY2019.

In the Group's Ukraine, Kazakhstan and CIS markets, revenue decreased by 2.2% from US\$69.4 million in FY2019 to US\$67.8 million in FY2020 due to the Covid-19 related disruptions and lockdowns across these regions.

In the Group's South-East Asia market, revenue increased by 3.5% from US\$78.3 million in FY2019 to US\$81.0 million in FY2020 mainly due to higher revenue contribution from the Group's snacks manufacturing facility and non-dairy creamer plant in Malaysia.

In the Group's South Asia market, revenue decreased by 16.6% from US\$8.7 million in FY2019 to US\$7.2 million in FY2020 mainly due to lower revenue contribution from the Group's coffee plant in India which has been negatively affected by Covid-19 disruptions in production and also faced cancellation/ postponement of orders from customers due to Covid-19 lockdowns in their respective countries.

Revenue in the Group's Other Markets decreased by 11.9% from US\$19.7 million in FY2019 to US\$17.3 million in FY2020 mainly due to lower revenue contribution from the Group's Europe and China markets. All these markets were also negatively affected by disruptions caused by Covid-19 pandemic and lockdowns.

On a half-yearly basis, the Group's revenue in 2H2020 was US\$140.0 million, a decrease of 6.7% as compared to 2H2019. This was largely due to lower sales contribution from the Group's Russia and Ukraine markets due to the devaluation of Russian Ruble and Ukrainian Hryvnia against the US dollar.

Profitability

Although 2020 had been a very difficult year for the global economy, the Group was able to generate higher profits both in 2H2020 and FY2020 compared to the previous corresponding periods. This is testimony to the strength of our tried and tested management and robustness of our businesses in the markets we operate in. In the midst of the very difficult business and operating environment due to the Covid-19 pandemic, the Group remained focused on optimising sales through branding, product development and expanding distribution networks, rationalised sales related expenses and took active measures to mitigate the effects of the devaluation of currencies of the Group's core markets.

For FY2020, the Group's net profit after tax increased by 2.9% to US\$26.5 million. The increase was mainly due to higher profitability from the Group's South-East Asia segment and lower expenses as a result of tighter cost controls. For 2H2020, the Group's net profit after tax increased by 4.9% to US\$13.2 million.

For FY2020, selling and marketing expenses decreased by US\$5.5 million from US\$41.5 million in FY2019 to US\$36.0 million. For 2H2020, selling and marketing expenses decreased by US\$5.3 million from US\$21.8 million in 2H2019 to US\$16.5 million. The decrease was mainly due to lower advertising and promotion expenses, and manpower cost.

For FY2020, general and administrative expenses decreased by US\$5.1 million from US\$39.9 million in FY2019 to US\$34.8 million. For 2H2020, general and administrative expenses decreased to US\$17.9 million as compared to US\$21.0 million in 2H2019. The decrease was mainly due to lower manpower cost, travelling and office related expenses.

For FY2020, foreign exchange loss was at US\$2.3 million as compared to foreign exchange gain of US\$0.6 million in FY2019. For 2H2020, foreign exchange loss increased by 427.0% from US\$0.2 million in 2H2019 to US\$1.2 million.

For FY2020, the profitability was achieved in spite of weakening of currencies in most of the core markets in Russia, Ukraine and Kazakhstan. Russian Ruble weakened from 61.9 Ruble per US dollar on 31 December 2019 to 73.9 Ruble per US dollar on 31 December 2020. Over the same period Ukrainian Hryvnia weakened from 23.7 Hryvnia per US dollar on 31 December 2019 to 28.3 Hryvnia per US dollar on 31 December 2020 and Kazakhstan Tenge weakened from 381.7 Tenge per US dollar on 31 December 2019 to 420.2 Tenge per US dollar on 31 December 2020.

Balance Sheet & Cashflow

As at 31 December 2020, inventories decreased by US\$5.7 million to US\$50.1 million while trade payables and accruals decreased by US\$6.2 million to US\$28.8 million due to lower stock holding and lower procurements.

Trade receivables decreased by US\$4.7 million to US\$31.2 million as at 31 December 2020 mainly due to lower translated USD receivables in view of the devaluation of the Russian Ruble against the US dollar.

The Group's cash and cash equivalents increased to US\$69.0 million as at 31 December 2020, compared to US\$54.7 million as at 31 December 2019 mainly due to lower capital expenditure and partly offset by higher working capital requirement and lower bank borrowings.

The Group's net assets as at 31 December 2020 were US\$217.0 million. The net asset value per ordinary share (excluding non-controlling interests) as at 31 December 2020 was 40.63 US cents as compared to 38.57 US cents as at 31 December 2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For 1H2021, operating environment is likely to remain challenging as we expect a pattern of gradual and uneven reopening of economies to continue for the foreseeable future, coupled with tight capacity in the freight markets. On a more positive note, recent approval of a number of Covid-19 vaccines by Health Authorities worldwide may portend the beginning of an end to the pandemic. The Group is hopeful that sustained global efforts to develop and implement more effective healthcare solutions, together with an increase in vaccine adoption rate may roll back some of the containment efforts and result in a more normal operating environment for 2H2021. However, the situation with the pandemic is still fluid and local lockdowns may continue to be implemented when there is a rise in infection rates.

In the Group's Russia and Ukraine markets, incidences of infection peaked around December 2020 after a post-summer holidays surge.

In the Group's Vietnam market, which was relatively unscathed by Covid-19 in 2020, an outbreak of infection in January 2021 forced the local authorities to impose movement restrictions in affected provinces.

In Malaysia, where the Group operates Non-Dairy Creamer, Snacks and Coffee mix packing facilities, Movement Control Orders have again been re-introduced in most states since January 2021 due to growing Covid-19 infection among its migrant workers. The Group has taken strict steps to ensure the safety of its staff and operations remain largely unaffected.

In India, where the Group operates Instant Coffee manufacturing facilities, the Covid-19 situation is steadily improving. Its first plant has reported uninterrupted production since 2H2020. The second Instant Coffee plant is currently in the final stages of testing and is on track to commence commercial production in 2Q2021.

The Group has complied with all Covid-19 regulatory requirements in all markets and does not expect any material impact on any of the Group's current contractual obligations.

Despite the difficult operating conditions, the Group has demonstrated a high degree of business resilience and the Board is confident that the Group's businesses will remain sustainable, backed by an experienced Management team.

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	2.2 Singapore cents per ordinary share
Tax Rate	Tax exempted (One-Tier)

The proposed first and final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 26 April 2021.

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	First and Final	Special
Dividend Type	Cash	Cash
Dividend Rate	1 Singapore cent per ordinary share	1 Singapore cent per ordinary share
Tax Rate	Tax exempted (One-Tier)	Tax exempted (One-Tier)

(c) *Date payable*

The proposed first and final dividend, if approved by the shareholders at the forthcoming Annual General Meeting scheduled for 26 April 2021, will be paid on 21 May 2021.

(d) Record date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 7 May 2021. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m. on 6 May 2021 will be registered to determine shareholders' entitlement to the proposed first and final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 6 May 2021 will be entitled to the proposed first and final dividend.

12. If no dividend have been declared/recommended, a statement to that effect and reason for the decision.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Geographical Segment	Russia		Ukraine, Kazakhstan and CIS Markets		South-East Asia		South Asia		Others		Elimination		Per consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue														
Sales to external customers	99,555	112,570	67,833	69,374	81,013	78,267	7,224	8,664	17,346	19,695	-	-	272,971	288,570
Inter-segment sales	1,824	1,158	-	-	115,978	120,985	12,155	14,914	-	-	(129,957)	(137,057)	-	-
Total Revenue	101,379	113,728	67,833	69,374	196,991	199,252	19,379	23,578	17,346	19,695	(129,957)	(137,057)	272,971	288,570
Results :														
Segment results	13,301	16,657	12,810	13,223	41,510	35,785	3,117	3,767	(1,335)	(1,628)	(25,964)	(24,180)	43,439	43,624
Interest income													334	218
Interest expenses													(927)	(1,625)
Share of (loss)/profit of associates													(450)	162
Income tax expenses													(5,781)	(5,840)
Non-controlling interest													331	416
Depreciation for property, plant and equipment													(6,086)	(5,978)
Depreciation for investment properties													(166)	(167)
Depreciation for right-of-use assets													(1,930)	(2,098)
Other non-cash expenses													(1,979)	(2,600)
Profit attributable to equity shareholders of the Company													26,785	26,112
Assets and liabilities														
Segment assets	68,457	70,390	16,622	18,499	147,938	143,875	71,863	68,870	7,764	5,959	-	-	312,644	307,593
Investment in associates	5,820	8,812	-	-	-	-	-	-	4,979	2,807	-	-	10,799	11,619
Additions to non-current assets	888	1,193	849	494	4,470	1,426	7,526	38,176	9	225	-	-	13,742	41,514
Segment liabilities	(12,246)	(18,421)	(1,501)	(2,103)	(39,710)	(38,904)	(41,205)	(41,430)	(1,014)	(1,032)	-	-	(95,676)	(101,890)

Information by products

Segment revenue information from external customers based on the different product	Group	
	2020	2019
	(US\$'000)	(US\$'000)
Beverages	231,509	249,798
Ingredients	21,368	20,778
Others	20,094	17,994
	<u>272,971</u>	<u>288,570</u>

15. Confirmation by the Company in compliance with Rule 720(1) of the SGX-ST Listing Manual

The Company has procured the undertakings (in the format set out in Appendix 7.7) from all its Directors and Executive Officers.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

	Group		Increase/ (Decrease) %
	31-Dec-20 US\$'000	31-Dec-19 US\$'000	
Revenue reported for first half year	132,947	138,490	-4.0%
Operating profit after tax before deducting non-controlling interests reported for first half financial year	13,215	13,070	1.1%
Revenue reported for second half year	140,024	150,080	-6.7%
Operating profit after tax before deducting non-controlling interests reported for second half financial year	13,239	12,626	4.9%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (US\$'000) FY2020*	Previous Full Year (US\$'000) FY2019
Ordinary	8,943	3,887
Special	-	3,887
Total:	<u>8,943</u>	<u>7,774</u>

*Amounts are translated into United States Dollars ("US\$") at the exchange rate of S\$1.32 to US\$1.00

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

Kevin Cho
Company Secretary
24 February 2021