

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

Food Empire Holdings Limited and its Subsidiaries

Unaudited Condensed Interim Financial Statements

For the six months ended 30 June 2022

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

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**FOOD EMPIRE HOLDINGS LIMITED**  
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**Interim consolidated income statement**

	Note	Group		Increase/ (Decrease) %
		1H 22 US\$'000	1H 21 US\$'000	
Revenue	5	177,355	149,616	18.5
Cost of sales		(125,366)	(101,508)	23.5
Gross profit		51,989	48,108	8.1
Selling and marketing expenses		(13,579)	(18,780)	(27.7)
General and administrative expenses		(17,807)	(16,523)	7.8
Results from operating activities		20,603	12,805	60.9
Net other income	7	8,464	810	944.9
Net finance costs	8	(710)	(460)	54.3
Share of profits of associates		3,967	1,038	282.2
<b>Profit before taxation</b>	9	<b>32,324</b>	<b>14,193</b>	<b>127.7</b>
Income tax expense	11	(5,259)	(2,722)	93.2
<b>Profit for the period</b>		<b>27,065</b>	<b>11,471</b>	<b>135.9</b>
<b>Profit/(loss) attributable to:</b>				
Equity shareholders of the Company		27,071	11,547	134.4
Non-controlling interest		(6)	(76)	(92.1)
		27,065	11,471	135.9

NM denotes not meaningful.

Interim consolidated statement of comprehensive income

	Group		
	1H 22	1H 21	Increase/ (Decrease)
	US\$'000	US\$'000	%
<b>Profit for the period</b>	<b>27,065</b>	<b>11,471</b>	<b>135.9</b>
<b><u>Other comprehensive income:</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation gain	15,479	679	2,179.7
Share of other comprehensive income/(loss) of associates	258	(166)	NM
Exchange differences realised on liquidation of subsidiaries	100	-	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>15,837</b>	<b>513</b>	<b>2,987.1</b>
<b>Total comprehensive income for the period</b>	<b>42,902</b>	<b>11,984</b>	<b>258.0</b>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company	42,912	12,053	256.0
Non-controlling interest	(10)	(69)	(85.5)
	<b>42,902</b>	<b>11,984</b>	<b>258.0</b>

## Interim balance sheet

	Note	Group		Company	
		30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	16	98,271	103,944	-	-
Right-of-use assets		8,915	9,514	312	357
Investment properties	17	-	14,026	-	-
Investments in subsidiaries		-	-	44,485	44,485
Investments in associates		13,271	9,046	-	-
Amount due from an associate (non-trade)		1,545	1,545	-	-
Intangible assets	15	10,343	10,343	-	-
Deferred tax assets		2,981	3,110	-	-
		<b>135,326</b>	<b>151,528</b>	<b>44,797</b>	<b>44,842</b>
<b>Current Assets</b>					
Inventories		107,878	73,521	-	-
Trade receivables		41,080	39,965	9	-
Prepaid operating expenses		9,259	8,074	13	16
Deposits		714	793	-	-
Other receivables		2,361	4,852	-	-
Amounts due from subsidiaries (non-trade)		-	-	4,505	15,213
Amounts due from associates (non-trade)		210	683	-	-
Amount due from a related party (trade)		218	69	-	-
Cash and cash equivalents		59,813	60,557	426	760
		221,533	188,514	4,953	15,989
Assets held for sale	18	21,030	-	-	-
		<b>242,563</b>	<b>188,514</b>	<b>4,953</b>	<b>15,989</b>
<b>Current Liabilities</b>					
Trade payables and accruals		(41,159)	(48,078)	(574)	(1,917)
Lease liabilities	19	(1,672)	(1,989)	(38)	(37)
Interest-bearing loans and borrowings	19	(26,775)	(22,421)	-	-
Other payables		(6,635)	(4,886)	-	-
Amount due to a subsidiary (non-trade)		-	-	(20)	(20)
Amount due to a related party (non-trade)		(754)	(697)	-	-
Amount due to an associate (non-trade)		-	(297)	-	-
Amounts due to associates (trade)		(231)	(131)	-	-
Income tax payable		(2,340)	(1,502)	(15)	(13)
		(79,566)	(80,001)	(647)	(1,987)
Liabilities directly associated with the assets held for sale	18	(460)	-	-	-
		<b>(80,026)</b>	<b>(80,001)</b>	<b>(647)</b>	<b>(1,987)</b>
<b>Net Current Assets</b>					
		<b>162,537</b>	<b>108,513</b>	<b>4,306</b>	<b>14,002</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	19	(1,011)	(1,525)	(126)	(150)
Interest-bearing loans and borrowings	19	(29,393)	(27,385)	-	-
Deferred tax liabilities		(6,559)	(4,572)	-	-
		<b>(36,963)</b>	<b>(33,482)</b>	<b>(126)</b>	<b>(150)</b>
<b>Net Assets</b>					
		<b>260,900</b>	<b>226,559</b>	<b>48,977</b>	<b>58,694</b>
<b>Equity</b>					
Share capital	20	45,700	45,420	45,700	45,420
Treasury shares		(4,469)	(4,242)	(4,469)	(4,242)
Reserves		220,945	186,538	7,746	17,516
Foreign currency translation reserves of a disposal group held for sale		(194)	-	-	-
		<b>261,982</b>	<b>227,716</b>	<b>48,977</b>	<b>58,694</b>
Non-controlling interest		(1,082)	(1,157)	-	-
<b>Total Equity</b>		<b>260,900</b>	<b>226,559</b>	<b>48,977</b>	<b>58,694</b>

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**Interim statements of changes in equity**

Group	Attributable to equity shareholders of the Company								
	Note	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2022		45,420	(4,242)	(11,380)	3,769	194,149	227,716	(1,157)	226,559
<b>Profit/(loss) for the period</b>		-	-	-	-	27,071	27,071	(6)	27,065
<u>Other comprehensive income</u>									
Foreign currency translation gain/(loss)		-	-	15,483	-	-	15,483	(4)	15,479
Share of other comprehensive income of associates		-	-	258	-	-	258	-	258
Exchange differences realised on liquidation of subsidiaries		-	-	100	-	-	100	-	100
<b>Total comprehensive income for the period</b>		-	-	15,841	-	27,071	42,912	(10)	42,902
<u>Contributions by and distributions to owners</u>									
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,648)	(8,648)	-	(8,648)
Exercise of share options		280	-	-	(67)	-	213	-	213
Expiry of share options		-	-	-	(244)	244	-	-	-
Purchase of treasury shares		-	(227)	-	-	-	(227)	-	(227)
Value of employee services received from the issuance of share options		-	-	-	16	-	16	-	16
<b>Total contributions by and distributions to owners</b>		280	(227)	-	(295)	(8,404)	(8,646)	-	(8,646)
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of a subsidiary, representing total changes in ownership interests in subsidiaries		-	-	-	-	-	-	197	197
Loss of control of subsidiaries		-	-	-	-	-	-	(112)	(112)
<b>Total transactions with owners in their capacity as owners</b>		280	(227)	-	(295)	(8,404)	(8,646)	85	(8,561)
<b>Balance as at 30 June 2022</b>		45,700	(4,469)	4,461	3,474	212,816	261,982	(1,082)	260,900

## Interim statements of changes in equity (cont'd)

Group	Attributable to equity shareholders of the Company								
	Note	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2021		43,267	(1,742)	(10,950)	3,865	183,584	218,024	(1,056)	216,968
<b>Profit/(loss) for the period</b>		-	-	-	-	<b>11,547</b>	<b>11,547</b>	<b>(76)</b>	<b>11,471</b>
<u>Other comprehensive income</u>									
Foreign currency translation gain		-	-	672	-	-	672	7	679
Share of other comprehensive loss of associates		-	-	(166)	-	-	(166)	-	(166)
<b>Total comprehensive income for the period</b>		-	-	<b>506</b>	-	<b>11,547</b>	<b>12,053</b>	<b>(69)</b>	<b>11,984</b>
<u>Contributions by and distributions to owners</u>									
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,946)	(8,946)	-	(8,946)
Exercise of share options		1,662	-	-	(408)	-	1,254	-	1,254
Purchase of treasury shares		-	(1,137)	-	-	-	(1,137)	-	(1,137)
Value of employee services received from the issuance of share options		-	-	-	272	-	272	-	272
<b>Total contributions by and distributions to owners</b>		<b>1,662</b>	<b>(1,137)</b>	-	<b>(136)</b>	<b>(8,946)</b>	<b>(8,557)</b>	-	<b>(8,557)</b>
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of a subsidiary, representing total changes in ownership interests in subsidiaries		-	-	-	-	-	-	30	30
<b>Total transactions with owners in their capacity as owners</b>		<b>1,662</b>	<b>(1,137)</b>	-	<b>(136)</b>	<b>(8,946)</b>	<b>(8,557)</b>	<b>30</b>	<b>(8,527)</b>
<b>Balance as at 30 June 2021</b>		<b>44,929</b>	<b>(2,879)</b>	<b>(10,444)</b>	<b>3,729</b>	<b>186,185</b>	<b>221,520</b>	<b>(1,095)</b>	<b>220,425</b>

## Interim statements of changes in equity (cont'd)

Company	Note	Share	Treasury	Foreign	Share-	Accumulated	Total
		capital	shares	currency	based	profits	Equity
		US\$'000	US\$'000	translation	payment	US\$'000	US\$'000
		US\$'000	US\$'000	reserve	reserve	US\$'000	US\$'000
Balance as at 1 January 2022		45,420	(4,242)	(151)	3,769	13,898	58,694
<b>Loss for the period</b>		-	-	-	-	(860)	(860)
<u>Other comprehensive income</u>							
Foreign currency translation loss		-	-	(211)	-	-	(211)
<b>Total comprehensive income for the period</b>		-	-	(211)	-	(860)	(1,071)
<u>Contributions by and distributions to owners</u>							
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,648)	(8,648)
Exercise of share options		280	-	-	(67)	-	213
Expiry of share options		-	-	-	(244)	244	-
Purchase of treasury shares		-	(227)	-	-	-	(227)
Value of employee services received from the issuance of share options		-	-	-	16	-	16
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>280</b>	<b>(227)</b>	<b>-</b>	<b>(295)</b>	<b>(8,404)</b>	<b>(8,646)</b>
<b>Balance as at 30 June 2022</b>		<b>45,700</b>	<b>(4,469)</b>	<b>(362)</b>	<b>3,474</b>	<b>4,634</b>	<b>48,977</b>
Balance as at 1 January 2021		43,267	(1,742)	(36)	3,865	17,139	62,493
<b>Loss for the period</b>		-	-	-	-	(769)	(769)
<u>Other comprehensive income</u>							
Foreign currency translation loss		-	-	(136)	-	-	(136)
<b>Total comprehensive income for the period</b>		-	-	(136)	-	(769)	(905)
<u>Contributions by and distributions to owners</u>							
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,946)	(8,946)
Exercise of share options		1,662	-	-	(408)	-	1,254
Purchase of treasury shares		-	(1,137)	-	-	-	(1,137)
Value of employee services received from the issuance of share options		-	-	-	272	-	272
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>1,662</b>	<b>(1,137)</b>	<b>-</b>	<b>(136)</b>	<b>(8,946)</b>	<b>(8,557)</b>
<b>Balance as at 30 June 2021</b>		<b>44,929</b>	<b>(2,879)</b>	<b>(172)</b>	<b>3,729</b>	<b>7,424</b>	<b>53,031</b>



**FOOD EMPIRE HOLDINGS LIMITED**  
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**Interim consolidated cash flow statement**

	Note	Group	
		1H 22	1H 21
		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		32,324	14,193
Adjustment for :			
Depreciation of property, plant and equipment	9	4,021	3,903
Depreciation of investment properties	9	74	76
Depreciation of right-of-use assets	9	968	961
Gain on loss of control of subsidiaries	7	(274)	-
Impairment loss on loan to an associate	7	-	21
(Gain)/loss on disposal of property, plant and equipment	7	(19)	18
Interest income	8	(122)	(160)
Interest expenses	8	832	620
Exchange realignment		(5,003)	(260)
Share of profits of associates		(3,967)	(1,038)
(Write back)/impairment loss on trade receivables	9	(28)	73
(Write back)/impairment loss on other receivables	9	(43)	17
Inventories (written back)/written down	9	(141)	265
Value of employee services received from the issuance of share options		16	272
Net fair value gain on derivatives		-	19
<b>Operating cash flows before changes in working capital</b>		<b>28,638</b>	<b>18,980</b>
<u>Changes in working capital:</u>			
Increase in trade and other receivables		(889)	(7,958)
Increase in inventories		(16,207)	(6,299)
(Decrease)/increase in trade and other payables		(3,140)	8,113
<b>Cash flows from operations</b>		<b>8,402</b>	<b>12,836</b>
Income taxes paid		(1,935)	(2,106)
<b>Net cash flows from operating activities</b>		<b>6,467</b>	<b>10,730</b>
<b>Cash flows from investing activities</b>			
Interest received		122	144
Purchase of property, plant and equipment		(4,925)	(3,849)
Proceeds from disposal of property, plant and equipment		54	37
Prepayment of right-of-use assets		(386)	-
Dividend received from an associate		-	513
Deposit received relating to disposal group classified as held for sale		1,804	-
Proceeds from disposal of an associate		500	-
Net cash outflow on loss of control of subsidiaries		(207)	-
<b>Net cash flows used in investing activities</b>		<b>(3,038)</b>	<b>(3,155)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(832)	(849)
Dividend paid to shareholders of the Company	12	(8,648)	(8,946)
Repayment of principal portion of interest-bearing loans and borrowings		(26,188)	(22,147)
Proceeds from interest-bearing loans and borrowings		32,824	19,143
Payment of principal portion of lease liabilities		(977)	(879)
Proceeds from issuance of shares		213	1,254
Purchase of treasury shares		(227)	(1,137)
<b>Net cash flows used in financing activities</b>		<b>(3,835)</b>	<b>(13,561)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(406)</b>	<b>(5,986)</b>
Effect of exchange rate changes on cash and cash equivalents		90	(128)
Cash and cash equivalents at beginning of the period		60,557	69,037
<b>Cash and cash equivalents at end of the period</b>		<b>60,241</b>	<b>62,923</b>
Cash and cash equivalents included in assets held for sale	18	(428)	-
<b>Cash and cash equivalents as per interim balance sheet</b>		<b>59,813</b>	<b>62,923</b>

**FOOD EMPIRE HOLDINGS LIMITED**  
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**Notes to the condensed interim consolidated financial statements**

**1. Corporate information**

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding.

**2. Summary of significant accounting policies**

**a. Basis of Preparation**

The condensed interim consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2(b).

The Company's functional currency is Singapore Dollars ("S\$" or "SGD") while the condensed interim consolidated financial statements are presented in United States Dollars ("US\$" or "USD"). The Group adopted USD as the presentation currency as it is more reflective of the business operations of the Group, where transactions are mostly in USD.

**b. Adoption of new and amended standards and interpretations**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**3. Use of judgements and estimates**

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the financial year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no significant judgement made in the process of applying the Group's accounting policies for the six months ended 30 June 2022.

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**4. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**5. Revenue and segment information**

**5.1 Revenue**

**Disaggregation of revenue**

	Sale of goods		Rental income		Other revenue		Total revenue	
	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Russia	57,109	54,468	-	-	-	13	57,109	54,481
Ukraine, Kazakhstan and CIS markets	41,268	35,219	2	2	-	-	41,270	35,221
South-East Asia	45,038	44,453	345	284	11	39	45,394	44,776
South Asia	18,846	5,856	-	-	1	9	18,847	5,865
Others	14,540	9,122	-	-	195	151	14,735	9,273
<b>Total</b>	<b>176,801</b>	<b>149,118</b>	<b>347</b>	<b>286</b>	<b>207</b>	<b>212</b>	<b>177,355</b>	<b>149,616</b>

**Timing of transfer of goods or services**

At a point in time	176,801	149,118	-	-	207	212
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**5.2 Segment information**

For management purposes, the Group is organised into five reportable segments based on geographical locations. The five main segments are:

- (i) Russia
- (ii) Ukraine, Kazakhstan and CIS markets
- (iii) South-East Asia
- (iv) South Asia
- (v) Others

In presenting information on the basis of geographical segments, the segment revenue and results for sale of ingredients are based on the physical location of the factories.

For all other sales, the segment revenue and results are based on the geographical locations of the customers. This is consistent with the manner which the Group's chief operating decision makers review the segment results of the Group.

The Group regularly reviews each reportable segment results for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the condensed interim consolidated financial statements.

## 5.2 Segment information (cont'd)

Geographical Segment	Russia		Ukraine, Kazakhstan and CIS Markets		South-East Asia		South Asia		Others		Total	
	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21	1H 22	1H 21
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
<b>Revenue</b>												
Total segment sales	62,418	57,614	41,270	35,221	107,153	100,284	27,338	13,279	14,735	9,273	252,914	215,671
Inter-segment sales <sup>(a)</sup>	(5,309)	(3,133)	-	-	(61,759)	(55,508)	(8,491)	(7,414)	-	-	(75,559)	(66,055)
Segment sales to external customers	57,109	54,481	41,270	35,221	45,394	44,776	18,847	5,865	14,735	9,273	177,355	149,616
<b>Results :</b>												
Segment results	15,542	4,413	5,872	5,942	7,968	7,299	3,504	2,239	1,050	(687)	33,936	19,206
Interest income	56	64	16	10	9	55	40	29	1	2	122	160
Interest expenses	(122)	(157)	(23)	(19)	(107)	(110)	(574)	(324)	(6)	(10)	(832)	(620)
Share of profits of associates	847	327	-	-	-	-	-	-	3,120	711	3,967	1,038
Income tax (expenses)/credit	(2,129)	352	(568)	(611)	(2,528)	(2,352)	(120)	(99)	86	(12)	(5,259)	(2,722)
Non-controlling interest	2	(1)	-	-	-	-	(2)	40	6	37	6	76
Depreciation for property, plant and equipment	(61)	(438)	(226)	(247)	(1,473)	(1,515)	(2,247)	(1,658)	(14)	(45)	(4,021)	(3,903)
Depreciation for investment properties	-	-	-	-	(74)	(76)	-	-	-	-	(74)	(76)
Depreciation for right-of-use assets	(672)	(716)	(75)	(71)	(141)	(121)	(37)	(26)	(43)	(27)	(968)	(961)
Impairment loss on loan to an associate	-	-	-	-	-	-	-	(21)	-	-	-	(21)
Other non-cash expenses <sup>(b)</sup>	172	(268)	(116)	(43)	159	(240)	(9)	(22)	(12)	(57)	194	(630)
Profit/(loss) attributable to equity shareholders of the Company	13,635	3,576	4,880	4,961	3,813	2,940	555	158	4,188	(88)	27,071	11,547
											<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
											<b>US\$'000</b>	
<b>Assets and liabilities</b>												
Segment assets	99,947	64,471	27,184	26,012	165,542	163,346	76,406	76,878	8,810	9,335	377,889	340,042
Investment in associates	6,233	3,634	-	-	-	-	-	-	7,038	5,412	13,271	9,046
Additions to non-current assets	159	777	163	273	3,781	1,644	1,138	6,826	5	52	5,246	9,572
Segment liabilities	(19,499)	(8,793)	(4,642)	(4,189)	(49,927)	(54,106)	(42,126)	(45,313)	(795)	(1,082)	(116,989)	(113,483)

## 5.2 Segment information (cont'd)

- (a) Inter-segment sales are eliminated on consolidation.  
 (b) Other non-cash expenses consist of allowance for doubtful debt, bad debts written off, inventories written down and value of employee services received from the issuance of share options.

Segment revenue information based on the product segment of external customers are as follows:

	Group	
	1H 22 (US\$'000)	1H 21 (US\$'000)
Beverages	127,298	124,144
Ingredients	29,169	13,039
Others	20,888	12,433
	177,355	149,616

## 6. Financial assets and financial liabilities

The financial assets and liabilities of the Group are carried at amortised cost. There are no financial assets or liabilities carried at fair value subsequent to initial recognition.

## 7. Net other income

	Group		
	1H 22 US\$'000	1H 21 US\$'000	Increase/ (Decrease) %
<u>Other income</u>			
Gain on disposal of property, plant and equipment	19	-	NM
Gain on loss of control of subsidiaries	274	-	NM
Foreign exchange gain	7,335	555	1,221.6
Sales of scrapped items	163	135	20.7
Insurance claim	3	27	(88.9)
Other income	670	132	407.6
	8,464	849	896.9
<u>Other expenses</u>			
Impairment loss on loan to an associate	-	(21)	NM
Loss on disposal of property, plant and equipment	-	(18)	NM
	-	(39)	NM
<b>Net other income</b>	<b>8,464</b>	<b>810</b>	<b>944.9</b>

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**8. Net finance costs**

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>1H 22 US\$'000</b>	<b>1H 21 US\$'000</b>	
Interest income	122	160	(23.8)
Interest expenses on:			
- Bank loans	(693)	(425)	63.1
- Others	(139)	(195)	(28.7)
<b>Net finance costs</b>	<b>(710)</b>	<b>(460)</b>	<b>54.3</b>

**9. Profit before taxation**

The following items have been included in arriving at profit before taxation:

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>1H 22 US\$'000</b>	<b>1H 21 US\$'000</b>	
Depreciation of property, plant and equipment	(4,021)	(3,903)	3.0
Depreciation of investment properties	(74)	(76)	(2.6)
Depreciation of right-of-use assets	(968)	(961)	0.7
Inventories written back/(written down)	141	(265)	NM
Write back/(impairment) loss on trade receivables	28	(73)	NM
Write back/(impairment) loss on other receivables	43	(17)	NM

**10. Related party transactions**

**Sales and purchase of goods and services**

The following significant transactions between the Group and related parties took place at terms agreed between the parties:

	<b>Group</b>	
	<b>1H 22 US\$'000</b>	<b>1H 21 US\$'000</b>
Group		
<b>Triple Ace Ventures Limited and its subsidiaries and Simonele Limited and its subsidiaries</b> <sup>(a)</sup>	929	905
- Payment of lease liabilities		
<b>UDI Marketing Sdn Bhd</b> <sup>(b)</sup>		
- Sale of goods	569	372

(a) Companies associated to one of the director and substantial shareholder, Mr Sudeep Nair.

(b) Company associated to Universal Integrated Corporation Consumer Products Pte Ltd., one of the Group's substantial shareholder.

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**11.Taxation**

The major components of income tax expense in the interim consolidated income statement are:

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>1H 22 US\$'000</b>	<b>1H 21 US\$'000</b>	
Current income tax			
- Current income taxation	(3,177)	(1,851)	71.6
- Over provision for prior year	2	441	(99.5)
Deferred income tax	(2,084)	(1,312)	58.8
Income tax expense	<u>(5,259)</u>	<u>(2,722)</u>	<u>93.2</u>

**12.Dividend**

	<b>The Group and the Company</b>	
	<b>1H 22 US\$'000</b>	<b>1H 21 US\$'000</b>
<b>Ordinary dividends paid:</b>		
Final exempt (one-tier) dividend for 2021: S\$0.0162 (2020: S\$0.022) per share	6,368	8,946
Special exempt (one-tier) dividend for 2021: S\$0.0058 (2020: S\$Nil) per share	2,280	-

**13.Earnings per share**

	<b>Group</b>	
	<b>1H 22</b>	<b>1H 21</b>
<b>Earnings per share</b>		
Basic earnings per share (US cents)	5.04	2.15
Diluted earnings per share (US cents)	5.03	2.11
<b>Weighted average number of shares table</b>		
Weighted average number of shares for calculation of basic EPS	537,191,334	536,711,562
Weighted average number of shares for calculation of diluted EPS	538,284,288	546,041,864

**14.Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-22</b>	<b>31-Dec-21</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>
Net asset value per ordinary share (US cents)	48.74	42.39	9.11	10.93

**15.Intangible assets**

As at 30 June 2022, the carrying amount of the intangible assets is US\$10,343,000 (31 December 2021: US\$10,343,000). There were no indicators of impairment as at 30 June 2022.

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**16. Property, plant and equipment**

During the six months ended 30 June 2022, the Group acquired assets amounting to US\$4,658,000 (30 June 2021: US\$5,162,000).

**17. Investment Properties**

	<b>Group</b>	
	<b>2022</b> US\$'000	<b>2021</b> US\$'000
<b>Cost</b>		
At 1 January	15,197	15,557
Transfer to assets held for sale	(14,817)	-
Exchange realignment	(380)	(360)
At 30 June and 31 December	<u>-</u>	<u>15,197</u>
<b>Accumulated depreciation</b>		
At 1 January	1,171	1,028
Charge for the period/year	74	151
Transfer to assets held for sale	(1,198)	-
Exchange realignment	(47)	(8)
At 30 June and 31 December	<u>-</u>	<u>1,171</u>
<b>Net carrying amount</b>		
At 30 June and 31 December	<u>-</u>	<u>14,026</u>
<b>Valuation of investment properties</b>		
At 30 June and 31 December	<u>NA</u>	<u>24,823</u>

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every year based on the property's highest and best use. The valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and knowledgeable willing seller on an arm's length transaction at the valuation date.

As at 30 June 2022, no valuation was performed in view the investment properties have been transferred to assets held for sale.

**18. Disposal group held for sale**

Future Enterprises Pte. Ltd. ("**Vendor**"), a wholly-owned subsidiary of the Company, has on 9 June 2022 entered into a conditional share purchase agreement ("**SPA**") with Lian Beng (Harrison) Pte. Ltd. ("**Purchaser**"), for the proposed disposal ("**Proposed Disposal**") by the Vendor of 5,000,000 ordinary shares ("**Sale Shares**"), representing 100% of the total issued shares, in the capital of Food Empire Real Estates Pte. Ltd. ("**FERE**") to the Purchaser. The aggregate consideration for the Sale Shares shall be an amount equal to adjusted net asset value of FERE as at the completion date of the Proposed Disposal as determined in accordance with the provisions of the SPA.



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**19. Interest-bearing loans and borrowings and lease liabilities**

**Amount repayable in one year or less, or on demand**

	As at 30 Jun 2022		As at 31 Dec 2021	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(1,672)	-	(1,989)	-
Interest-bearing loans and borrowings	(10,054)	(16,721)	(16,747)	(5,674)
<b>Total</b>	<b>(11,726)</b>	<b>(16,721)</b>	<b>(18,736)</b>	<b>(5,674)</b>

**Amount repayable after one year**

	As at 30 Jun 2022		As at 31 Dec 2021	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(1,011)	-	(1,525)	-
Interest-bearing loans and borrowings	(27,655)	(1,738)	(24,869)	(2,516)
<b>Total</b>	<b>(28,666)</b>	<b>(1,738)</b>	<b>(26,394)</b>	<b>(2,516)</b>

**Details of any collateral**

As at 31 December 2021 and 30 June 2022, the lease liabilities include the leasehold land, factory and office premises and motor vehicles held by subsidiaries of the Group.

As at 31 December 2021 and 30 June 2022, 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 2021 and 30 June 2022, the unsecured interest-bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

**20. Share capital**

	The Group and the Company			
	As at 30 Jun 2022		As at 31 Dec 2021	
	Number of shares	US\$'000	Number of shares	US\$'000
<b>Issued and fully paid:</b>				
At 1 January	545,767,999	45,420	540,917,999	43,267
Issued under employee share option	715,000	280	4,850,000	2,153
At 30 June / 31 December	<b>546,482,999</b>	<b>45,700</b>	<b>545,767,999</b>	<b>45,420</b>

As at 30 June 2022, the Company's total issued shares is 537,513,599 ordinary shares (31 December 2021: 537,198,599) excluding 8,969,400 shares held as treasury shares (31 December 2021: 8,569,400).

**(i) Exercise of share options**

Out of the 21,580,000 outstanding share options on 30 June 2022 (31 December 2021: 20,745,000), 16,690,000 (31 December 2021: 16,005,000) share options are exercisable.

**(ii) Treasury Shares**

As at 30 June 2022, the total number of treasury shares held was 8,969,400 (31 December 2021: 8,569,400).

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

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**(iii) Subsidiary holdings**

The Company's subsidiaries do not hold any shares in the Company during the current financial period reported on.

**21. Subsequent events**

There are no known subsequent events which have led to adjustments to the condensed interim consolidated financial statements.

**Other information required by Listing Rule Appendix 7.2**

**1. Review**

The interim balance sheet of Food Empire Holdings Limited and its subsidiaries as at 30 June 2022 and the related interim consolidated income statement and statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**2. 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.

**3. Review of performance of the Group**

Revenue for the six months ended 30 June 2022 ("1H2022") was US\$177.4 million, a year-on-year ("yoy") increase of 18.5% compared with the US\$149.6 million revenue recorded in 1H2021. The Group's net profit after tax was US\$27.1 million for 1H2022 as compared to US\$11.5 million for 1H2021.

**Revenue by Markets (US\$'000)**

	<b>Group</b>		<b>Increase/ (Decrease)</b>
	<b>1H 22</b>	<b>1H 21</b>	<b>%</b>
	<b>US\$'000</b>	<b>US\$'000</b>	
Russia	57,109	54,481	4.8
Ukraine, Kazakhstan and CIS markets	41,270	35,221	17.2
South-East Asia	45,394	44,776	1.4
South Asia	18,847	5,865	221.3
Other Markets	14,735	9,273	58.9
Total	177,355	149,616	18.5

In the Group's Russia market, revenue increased by 4.8% from US\$54.5 million in 1H2021 to US\$57.1 million in 1H2022.

In the Group's Ukraine, Kazakhstan and CIS markets, revenue increased by 17.2% from US\$35.2 million in 1H2021 to US\$41.3 million in 1H2022 in spite of the depreciation of the Ukrainian Hryvnia and Kazakhstan Tenge.

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In the Group's South-East Asia market, revenue marginally increased by 1.4% from US\$44.8 million in 1H2021 to US\$45.4 million in 1H2022.

In the Group's South Asia market, revenue increased by 221.3% from US\$5.9 million in 1H2021 to US\$18.8 million in 1H2022 mainly due to contribution from the Group's freeze dry coffee business and higher revenue contribution from the Group's spray dry coffee business in India. The Group's coffee business in India continue to experience strong international demand, with the spray dry coffee plant operating at close to maximum production capacity while the freeze dry coffee plant, which commenced operation in 2Q2021, continues to progress well and has increased its utilisation rate.

Revenue in the Group's Other Markets increased by 58.9% from US\$9.3 million in 1H2021 to US\$14.7 million in 1H2022 mainly due to the one-off restructuring of its Europe business.

**Profitability**

For 1H2022, the Group's net profit after tax increased from US\$11.5 million in 1H2021 to US\$27.1 million. This was mainly attributable to higher average selling prices across most of Group's business segments, higher currency exchange gains, lower selling & marketing expenses coupled with higher share of profit from associated company.

For 1H2022, selling and marketing expenses decreased by 27.7% from US\$18.8 million in 1H2021 to US\$13.6 million. This was mainly attributed to lower advertising and promotional expenses, particularly in the Group's South-East Asia market.

For 1H2022, foreign exchange gain was US\$7.3 million as compared to US\$0.6 million for 1H2021.

For 1H2022, the Russian Ruble strengthened from 74.3 Ruble per US dollar on 31 December 2021 to 51.2 Ruble per US dollar on 30 June 2022. The Ukrainian Hryvnia weaken from 27.3 Hryvnia per US dollar on 31 December 2021 to 29.3 Hryvnia per US dollar on 30 June 2022. Over the same period, the Kazakhstan Tenge weakened from 431.0 Tenge per US dollar on 31 December 2021 to 465.1 Tenge per US dollar on 30 June 2022.

**Balance Sheet & Cashflow**

As at 30 June 2022, inventories increased by US\$34.4 million to US\$107.9 million as the Group increased inventory levels to ensure operational continuity due to global supply chain disruptions and geopolitical disturbances.

The Group's trade payables and accruals reduced by US\$6.9m to US\$41.2 million as at 30 June 2022. This was mainly due to procurement optimisation strategies.

The Group's net operating cash inflow decreased from US\$10.7 million in 1H2021 to US\$6.5 million in 1H2022 mainly due to higher working capital requirement. The Group's cash and cash equivalents was US\$59.8 million as at 30 June 2022, compared to US\$60.6 million as at 31 December 2021.

The Group's net assets as at 30 June 2022 were US\$260.9 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 June 2022 was 48.74 US cents as compared to 42.39 US cents as at 31 December 2021.

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

Not applicable.

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**5. 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 operating period and the next 12 months**

The global economy has begun to recover from the effects of the pandemic as countries continue to further ease restrictions and open up their borders. However, it continues to face volatility and uncertainty amidst the inflationary pressure on food and fuel prices resulting from the geopolitical tensions in some of the Group's key markets.

The Group's main market, Russia has seen consistent demand for our products in spite of the geopolitical tensions and currency volatility. We expect the demand to remain stable for the foreseeable future.

The Group's Ukraine, Kazakhstan and CIS markets witnessed an increase in consumer demand mainly from the Group's Kazakhstan market. In Kazakhstan, the Group saw an improvement in the supply chain, which improved in tandem with the easing of COVID regulations. The situation in Ukraine remains uncertain but the Group will continue to monitor and implement strategies for a more efficient supply chain management and sales performance.

The Group's Vietnam market has begun to see a normalisation in demand for our products with the easing of lockdown restrictions. Our efforts to increase promotional activities in Vietnam have been restricted due to the Vietnamese government's COVID regulations. The Group will look to activate promotional activities for the rest of the financial year.

In Malaysia, where the Group operates non-dairy creamer, snacks and instant coffee mix production facilities, demand continues to grow in spite of inflationary pressures on commodity prices. The sales price increase implemented since 1Q2022 has come into full effect. Progress on the Group's non-dairy creamer factory expansion is satisfactory and barring any further unforeseen circumstances, it is expected to be ready for commercial production by end of 3Q2023.

In India, both the Group's spray dry and freeze dry coffee business continue to witness strong international demand. The spray dry coffee plant is operating at near maximum capacity. The freeze dry coffee plant, which commenced operations in 2Q2021, continues to progress well and has increased its utilisation rate to keep up with the growing demand. However, costs are expected to remain high due to record international freight rates and higher raw material prices.

The prolonged supply chain challenges, which has resulted in record high ocean freight rates and high commodity prices, is expected to persist and may continue to impact our profitability.

The Group may also face currency volatility in core markets such as Russia, Ukraine and Kazakhstan, which could impact the results of the Group in the short term.

As announced on SGXNet on 14 April 2022 and 9 June 2022, the Group expects to realise one-off estimated gain of S\$20.5 million (before deducting related expenses) upon the completion of the disposal of Food Empire Real Estates Pte. Ltd. within this financial year.

**6. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

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

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

No.

**(c) Date payable**

Not applicable.

**(d) Record date**

Not applicable.

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

No dividend has been declared for the current financial period as the Board deems it appropriate to retain cash for the Group's capital expenditure and future growth.

**8. 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 has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**9. 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 under Rule 720(1) of the Listing Manual of the SGX-ST) from all its Directors and Executive Officers.

**10. Confirmation by the Board Pursuant to Rule 705(5) of the SGX-ST Listing Manual**

We, Tan Wang Cheow and Sudeep Nair, being two Directors of Food Empire Holdings Limited (the "**Company**"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow  
Director

Sudeep Nair  
Director

Singapore  
11 August 2022