FOOD EMPIRE HOLDINGS LIMITED

(Co Registration No: 200001282G)

Full Year Financial Statement and Dividend Announcement for the Year ended 31 December 2013

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		
	4Q 13	4Q 12	Increase/ (Decrease)	12M 13	12M 12	Increase/ (Decrease)
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	**74,097**	**68,473**	**8.2**	**262,886**	**237,663**	**10.6**
Changes in inventories of finished goods	(2,606)	(5,698)	10.6	15,816	4,915	9.9
Raw materials and consumables used	(37,739)	(30,767)		(154,877)	(131,420)	
Staff costs	(9,757)	(8,275)	17.9	(34,604)	(29,115)	18.9
Depreciation of property, plant and equipment	(866)	(897)	(3.5)	(3,297)	(2,805)	17.5
Depreciation of investment properties	(17)	(11)	54.5	(48)	(41)	17.1
Foreign exchange (loss)/gain	(773)	455	NM	(2,062)	585	NM
Other operating expenses	(23,127)	(19,571)	18.2	(72,317)	(60,325)	19.9
Finance costs	(39)	(137)	(71.5)	(235)	(341)	(31.1)
Other income	555	605	(8.3)	900	1,111	(19.0)
Share of profit of associates	84	196	(57.1)	529	1,290	(59.0)
(Loss)/profit before taxation (Note 1)	**(188)**	**4,373**	**NM**	**12,691**	**21,517**	**(41.0)**
Taxation (Note 2)	(147)	(841)	(82.5)	(1,350)	(1,276)	5.8
(Loss)/profit after taxation	**(335)**	**3,532**	**NM**	**11,341**	**20,241**	**(44.0)**
(Loss)/profit attributable to:						
Equity shareholders of the Company	(226)	3,630	NM	11,696	20,486	(42.9)
Non-controlling interest	(109)	(98)	11.2	(355)	(245)	44.9
	(335)	**3,532**	**NM**	**11,341**	**20,241**	**(44.0)**

Notes:

1. Included in (loss)/profit before taxation are as follows:

	4Q 13	4Q 12	Increase/ (Decrease)	12M 13	12M 12	Increase/ (Decrease)
	US$'000	US$'000	%	US$'000	US$'000	%
Interest income	15	82	(81.7)	122	355	(65.6)
Negative goodwill	-	407	(100.0)	-	414	(100.0)
Impairment of doubtful receivables	(61)	(271)	(77.5)	(83)	(349)	(76.2)
(Write down)/write back of inventories	(158)	8	NM	(315)	(38)	728.9
Write back of impairment loss on investment property	431	-	NM	431	-	NM

2. Included in the taxation is as follows:

	Group			Group		
	4Q 13 US$'000	4Q 12 US$'000	Increase/ (Decrease) %	12M 13 US$'000	12M 12 US$'000	Increase/ (Decrease) %
Over/(under) provision for prior year	12	(27)	NM	324	393	(17.6)

NM denotes not meaningful.

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

	Group			Group		
	4Q 13 US$'000	4Q 12 US$'000	Increase/ (Decrease) %	12M 13 US$'000	12M 12 US$'000	Increase/ (Decrease) %
(Loss)/profit net of tax	**(335)**	**3,532**	**NM**	**11,341**	**20,241**	**(44.0)**
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain	(478)	(134)	256.7	(1,663)	481	NM
Share of other comprehensive (loss)/profit of associates	(294)	187	NM	(889)	(357)	149.0
Other comprehensive (loss)/income for the period/year, net of tax	**(772)**	**53**	**NM**	**(2,552)**	**124**	**NM**
Total comprehensive (loss)/income for the period/year	**(1,107)**	**3,585**	**NM**	**8,789**	**20,365**	**(56.8)**
Total comprehensive (loss)/income attributable to:						
Equity shareholders of the Company	(998)	3,683	NM	9,144	20,610	(55.6)
Non-controlling interest	(109)	(98)	11.2	(355)	(245)	44.9
	(1,107)	**3,585**	**NM**	**8,789**	**20,365**	**(56.8)**

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 2013 US$'000	31 Dec 2012 US$'000	31 Dec 2013 US$'000	31 Dec 2012 US$'000
Non-Current Assets				
Property, plant and equipment	61,493	33,562	133	186
Investment properties	13,331	11,400	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	14,806	12,890	-	-
Intangible assets	13,343	13,343	-	-
Other receivables	-	378	-	-
Amount due from an associate	-	2,600	-	-
Deferred tax assets	618	207	-	-
	103,591	**74,380**	**44,678**	**44,731**
Current Assets				
Cash and cash equivalents	27,664	46,596	37	418
Trade receivables	52,548	54,501	-	-
Deferred expenses	162	165	-	-
Prepaid operating expenses and other debtors	6,894	6,746	34	46
Derivatives	-	178	-	-
Other receivables	3,140	938	-	-
Amounts due from subsidiaries (non-trade)	-	-	7,542	7,353
Amounts due from associates (non-trade)	169	539	-	-
Inventories	42,988	27,172	-	-
	133,565	**136,835**	**7,613**	**7,817**
Current Liabilities				
Trade payables and accruals	(31,263)	(27,593)	(1,135)	(1,327)
Finance lease creditors	(19)	(10)	-	-
Interest-bearing loans and borrowings	(3,885)	(1,122)	-	-
Other payables	(5,873)	(8,398)	-	-
Amount due to subsidiaries (non-trade)	-	-	(22)	(22)
Amounts due to associates (trade)	(47)	-	-	-
Provision for taxation	(797)	(394)	(27)	-
	(41,884)	**(37,517)**	**(1,184)**	**(1,349)**
Net Current Assets	**91,681**	**99,318**	**6,429**	**6,468**
Non-Current Liabilities				
Finance lease creditors	(33)	(37)	-	-
Interest-bearing loans and borrowings	(28,343)	(11,768)	-	-
Deferred tax liabilities	(660)	(473)	-	-
	(29,036)	**(12,278)**	**-**	**-**
Net Assets	**166,236**	**161,420**	**51,107**	**51,199**
Equity				
Share capital	40,719	40,464	40,719	40,464
Treasury shares	(317)	(317)	(317)	(317)
Reserves	125,550	121,267	10,705	11,052
	165,952	**161,414**	**51,107**	**51,199**
Non-controlling interest	284	6	-	-
Total Equity	**166,236**	**161,420**	**51,107**	**51,199**

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 2013		As at 31 Dec 2012	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Finance lease creditors	(19)	-	(10)	-
Interest-bearing loans and borrowings	(3,666)	(219)	(1,122)	-
Total	(3,685)	(219)	(1,132)	-

Amount repayable after one year

	As at 31 Dec 2013		As at 31 Dec 2012	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Finance lease creditors	(33)	-	(37)	-
Interest-bearing loans and borrowings	(24,393)	(3,950)	(11,768)	-
Total	(24,426)	(3,950)	(11,805)	-

Details of any collateral

As at 31 December 2012 and 31 December 2013, the finance lease liabilities were secured by charge over the related lease vehicles held by subsidiaries of the Group.

As at 31 December 2012 and 31 December 2013, 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 2013, the unsecured interest bearing loan and borrowing of a subsidiary was covered by corporate guarantee 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			
	4Q 13 US$'000	4Q 12 US$'000	12M 13 US$'000	12M 12 US$'000
Cash flows from operating activities:				
(Loss) / profit from operations before taxation	(188)	4,373	12,691	21,517
Adjustment for :				
Depreciation of property, plant and equipment	866	897	3,297	2,805
Depreciation of investment properties	17	11	48	41
Gain on disposal of property, plant and equipment	-	(5)	(10)	(19)
Interest income	(15)	(82)	(122)	(355)
Interest expenses	39	137	235	341
Exchange realignment	(312)	(341)	(960)	(261)
Share of profit of associates	(84)	(196)	(529)	(1,290)
Impairment for doubtful receivables	61	271	83	349
Write down/(write back) of inventories	158	(8)	315	38
Write back of impairment loss on property, plant and equipment	(25)	(50)	(25)	(134)
Write back of impairment loss on investment property	(431)	-	(431)	-
Value of employee services received for issue of share options	147	80	509	331
Negative goodwill	-	(407)	-	(414)
Operating profit before working capital changes	**233**	**4,680**	**15,101**	**22,949**
Decrease/(increase) in trade and other receivables	4,297	536	(870)	6,413
Decrease/(increase) in inventories	2,448	5,998	(16,131)	(2,203)
Increase/(decrease) in trade and other payables	3,329	(4,077)	(593)	(242)
Cash flows generated from/(used in) operations	**10,307**	**7,137**	**(2,493)**	**26,917**
Income taxes paid	(904)	(568)	(1,949)	(2,473)
Net cash flows generated from/(used in) operating activities	**9,403**	**6,569**	**(4,442)**	**24,444**
Cash flows from investing activities				
Interest income received	15	82	122	355
Purchase of property, plant and equipment	(6,139)	(1,165)	(28,619)	(5,839)
Purchase of investment property	(805)	-	(1,715)	-
Proceeds from disposal of property, plant and equipment	108	-	169	197
Dividends income from an associate	-	31	325	31
Capital injection in an associate	-	(2,000)	-	(2,000)
Net cash inflow on acquisition of subsidiaries	-	-	-	29
Net cash flows used in investing activities	**(6,821)**	**(3,052)**	**(29,718)**	**(7,227)**
Cash flows from financing activities				
Interest expenses paid	(39)	(137)	(235)	(341)
Proceeds from issuance of shares	-	663	201	693
Purchase of treasury shares	-	-	-	(317)
Dividends paid to shareholders of the Company	-	-	(5,316)	(4,504)
Capital injection from non-controlling interests of subsidiaries	630	-	633	-
Repayment of interest-bearing loans and borrowings	(276)	(281)	(1,103)	(1,109)
Proceeds from interest-bearing loans and borrowings	8,512	-	20,770	-
Repayment of obligation under finance leases	(4)	(6)	(25)	(14)
Proceeds from obligation under finance lease	-	-	30	-
Net cash flows generated from/(used in) financing activities	**8,823**	**239**	**14,955**	**(5,592)**
Net increase/(decrease) in cash and cash equivalents	**11,405**	**3,756**	**(19,205)**	**11,625**
Effect of exchange rate changes on cash and cash equivalents	24	(17)	273	(177)
Cash and cash equivalents at beginning of the period/year	16,235	42,857	46,596	35,148
Cash and cash equivalents at end of the period/year	**27,664**	**46,596**	**27,664**	**46,596**

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 – 4Q

	Attributable to equity holders of the Company								
	Share capital US$'000	Treasury shares US$'000	Foreign currency translation reserve US$'000	Asset revaluation reserve US$'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 October 13	**40,665**	**(317)**	**(806)**	**60**	**1,498**	**125,703**	**166,803**	**(237)**	**166,566**
Loss for the period	-	-	-	-	-	(226)	(226)	(109)	(335)
Other comprehensive income									
Foreign currency translation	-	-	(478)	-	-	-	(478)	-	(478)
Share of other comprehensive loss of associates	-	-	(294)	-	-	-	(294)	-	(294)
Total comprehensive loss for the period	-	-	(772)	-	-	(226)	(998)	(109)	(1,107)
Value of employee services received for issue of share options	-	-	-	-	147	-	147	-	147
Exercise of share options	54	-	-	-	(54)	-	-	-	-
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	630	630
Balance as at 31 December 13	**40,719**	**(317)**	**(1,578)**	**60**	**1,591**	**125,477**	**165,952**	**284**	**166,236**
Balance as at 1 October 12	**39,781**	**(317)**	**921**	**60**	**1,076**	**115,467**	**156,988**	**104**	**157,092**
Profit for the period	-	-	-	-	-	3,630	3,630	(98)	3,532
Other comprehensive income									
Foreign currency translation	-	-	(134)	-	-	-	(134)	-	(134)
Share of other comprehensive income of associates	-	-	187	-	-	-	187	-	187
Total comprehensive income/(loss) for the period	-	-	53	-	-	3,630	3,683	(98)	3,585
Value of employee services received for issue of share options	-	-	-	-	80	-	80	-	80
Issuance of ordinary shares	663	-	-	-	-	-	663	-	663
Exercise of share options	20	-	-	-	(20)	-	-	-	-
Balance as at 31 December 12	**40,464**	**(317)**	**974**	**60**	**1,136**	**119,097**	**161,414**	**6**	**161,420**

The Group – 12M

	Attributable to equity holders of the Company								
	Share capital US$'000	Treasury shares US$'000	Foreign currency translation reserve US$'000	Asset revaluation reserve US$'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 13	**40,464**	**(317)**	**974**	**60**	**1,136**	**119,097**	**161,414**	**6**	**161,420**
Profit for the year	-	-	-	-	-	11,696	11,696	(355)	11,341
Other comprehensive income									
Foreign currency translation	-	-	(1,663)	-	-	-	(1,663)	-	(1,663)
Share of other comprehensive loss of associates	-	-	(889)	-	-	-	(889)	-	(889)
Total comprehensive (loss)/income for the year	-	-	(2,552)	-	-	11,696	9,144	(355)	8,789
Value of employee services received for issue of share options	-	-	-	-	509	-	509	-	509
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(5,316)	(5,316)	-	(5,316)
Issuance of new shares	201	-	-	-	-	-	201	-	201
Exercise of share options	54	-	-	-	(54)	-	-	-	-
Capital injection from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	633	633
Balance as at 31 December 13	**40,719**	**(317)**	**(1,578)**	**60**	**1,591**	**125,477**	**165,952**	**284**	**166,236**
Balance as at 1 January 12	**39,751**	**-**	**850**	**60**	**825**	**103,115**	**144,601**	**251**	**144,852**
Profit for the year	-	-	-	-	-	20,486	20,486	(245)	20,241
Other comprehensive income									
Foreign currency translation	-	-	481	-	-	-	481	-	481
Share of other comprehensive loss of associates	-	-	(357)	-	-	-	(357)	-	(357)
Total comprehensive income/(loss) for the year	-	-	124	-	-	20,486	20,610	(245)	20,365
Value of employee services received for issue of share options	-	-	-	-	331	-	331	-	331
Issuance of new shares	693		-	-	-	-	693	-	693
Exercise of share options	20	-	-	-	(20)	-	-	-	-
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(4,504)	(4,504)	-	(4,504)
Purchase of treasury shares	-	(317)	-	-	-	-	(317)	-	(317)
Balance as at 31 December 12	**40,464**	**(317)**	**974**	**60**	**1,136**	**119,097**	**161,414**	**6**	**161,420**

The Company – 4Q

	Attributable to equity holders 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$'000	Total Equity US$'000
Balance as at 1 October 13	**40,665**	**(317)**	**4,150**	**1,498**	**(346)**	**45,650**
Profit for the period	-	-	-	-	5,367	5,367
Other comprehensive income						
Foreign currency translation	-	-	(57)	-	-	(57)
Total comprehensive (loss)/income for the period	-	-	(57)	-	5,367	5,310
Value of employee services received for issue of share options	-	-	-	147	-	147
Exercise of share options	54	-	-	(54)	-	-
Balance as at 31 December 13	**40,719**	**(317)**	**4,093**	**1,591**	**5,021**	**51,107**
Balance as at 1 October 12	**39,781**	**(317)**	**4,130**	**1,076**	**188**	**44,858**
Profit for the period	-	-	-	-	5,494	5,494
Other comprehensive income						
Foreign currency translation	-	-	104	-	-	104
Total comprehensive income for the period	-	-	104	-	5,494	5,598
Value of employee services received for issue of share options	-	-	-	80	-	80
Issuance of ordinary shares	663	-	-	-	-	663
Exercise of share options	20	-	-	(20)	-	-
Balance as at 31 December 12	**40,464**	**(317)**	**4,234**	**1,136**	**5,682**	**51,199**

The Company – 12M

	Attributable to equity holders 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$'000	Total Equity US$'000
Balance as at 1 January 13	**40,464**	**(317)**	**4,234**	**1,136**	**5,682**	**51,199**
Profit for the year	-	-	-	-	4,655	4,655
Other comprehensive income						
Foreign currency translation	-	-	(141)	-	-	(141)
Total comprehensive (loss)/income for the year	-	-	(141)	-	4,655	4,514
Value of employee services received for issue of share options	-	-	-	509	-	509
Dividends paid to equity shareholders of the Company	-	-	-	-	(5,316)	(5,316)
Exercise of share options	54	-	-	(54)	-	-
Issuance of new shares	201	-	-	-	-	201
Balance as at 31 December 13	**40,719**	**(317)**	**4,093**	**1,591**	**5,021**	**51,107**
Balance as at 1 January 12	**39,751**	**-**	**3,869**	**825**	**5,291**	**49,736**
Profit for the year	-	-	-	-	4,895	4,895
Other comprehensive income						
Foreign currency translation	-	-	365	-	-	365
Total comprehensive income for the year	-	-	365	-	4,895	5,260
Value of employee services received for issue of share options	-	-	-	331	-	331
Issuance of new shares	693	-	-	-	-	693
Exercise of share options	20	-	-	(20)	-	-
Dividends paid to equity shareholders of the Company	-	-	-	-	(4,504)	(4,504)
Purchase of treasury shares	-	(317)	-	-	-	(317)
Balance as at 31 December 12	**40,464**	**(317)**	**4,234**	**1,136**	**5,682**	**51,199**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

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

	FY 2013	FY 2012
Share Capital		
Number of issued ordinary shares as at 1 Jan (excluding treasury shares)	531,992,999	529,413,999
Issued for cash under employee share option scheme		
- at the exercise price of S$0.335 each	220,000	-
- at the exercise price of S$0.505 each	70,000	-
- at the exercise price of S$0.315 each	140,000	-
Ordinary shares held as treasury shares	-	(150,000)
Balance of issued ordinary shares as at 31 Mar (excluding treasury shares)	532,422,999	529,263,999
- at the exercise price of S$0.335 each	230,000	110,000
- at the exercise price of S$0.315 each	68,000	-
Ordinary shares held as treasury shares	-	(408,000)
Balance of issued ordinary shares as at 30 Jun (excluding treasury shares)	532,720,999	528,965,999
Ordinary shares held as treasury shares	-	(443,000)
Balance of issued ordinary shares as at 30 Sep (excluding treasury shares)	532,720,999	528,522,999
- at the exercise price of S$0.229 each	-	3,300,000
- at the exercise price of S$0.335 each	-	30,000
- at the exercise price of S$0.315 each	-	140,000
Ordinary shares held as treasury shares	-	-
Balance of issued ordinary shares as at 31 Dec (excluding treasury shares)	532,720,999	531,992,999
Share Option - exercise price of S$0.229		
Balance as at 1 Jan	100,000	3,400,000
Options exercised during the period	-	-
Balance of unexercised share options as at 31 Mar and 30 Jun and 30 Sep	100,000	3,400,000
Options exercised during the period	-	(3,300,000)
Balance of unexercised share options as at 31 Dec	100,000	100,000
Share Option - exercise price of S$0.335		
Balance as at 1 Jan	3,560,000	3,730,000
Options exercised during the period	(220,000)	-
Balance as at 31 Mar	3,340,000	3,730,000
Options exercised during the period	(230,000)	(110,000)
Options lapsed during the period	-	(30,000)
Balance as at 30 Jun and 30 Sep	3,110,000	3,590,000
Options exercised during the period	-	(30,000)
Balance as at 31 Dec	3,110,000	3,560,000

	FY 2013	FY 2012
Share Option - exercise price of S$0.505		
Balance as at 1 Jan	3,950,000	4,050,000
Options exercised during the period	(70,000)	-
Balance as at 31 Mar	3,880,000	4,050,000
Options lapsed during the period	-	(100,000)
Balance as at 30 Jun, 30 Sep and 31 Dec	3,880,000	3,950,000
Share Option - exercise price of S$0.315		
Balance as at 1 Jan	4,130,000	4,470,000
Options exercised during the period	(140,000)	-
Balance as at 31 Mar	3,990,000	4,470,000
Options exercised during the period	(68,000)	-
Options lapsed during the period	-	(200,000)
Balance as at 30 Jun and 30 Sep	3,922,000	4,270,000
Options exercised during the period	-	(140,000)
Balance as at 31 Dec	3,922,000	4,130,000
Share Option - exercise price of S$0.669		
Balance as at 1 Jan	-	-
Granted to eligible participants on 8 March 2013	4,880,000	-
Balance as at 31 Mar and 30 Jun, 30 Sep and 31 Dec	4,880,000	-

Out of the 15,892,000 outstanding share options on 31 December 2013 (31 December 2012: 11,740,000), 11,012,000 (31 December 2012: 11,740,000) share options are exercisable.

Treasury Shares

As at 31 December 2013, the total number of treasury shares held was 1,001,000 (31 December 2012: 1,001,000).

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	
	As at 31 Dec 2013	As at 31 Dec 2012
Issued ordinary shares	532,720,999	531,992,999

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.

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 qualifications or emphasis of a matter).

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 period compared with those of the audited financial statements as at 31 December 2012, except for the adoption of revised FRS which came into effect on 1 January 2013.

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.

The adoption of revised FRS as highlighted in paragraph 4 does not have a material impact on the financial statements for the period under review.

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.

	4Q 13	4Q 12	12M 13	12M 12
(Loss)/Earnings per share				
Based on existing issued share capital (USD cents)	(0.04)	0.68	2.20	3.87
On a fully diluted basis (USD cents)	(0.04)	0.68	2.18	3.85

	Group		Group	
	4Q 13	4Q 12	12M 13	12M 12
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	532,720,999	529,868,108	532,594,106	529,285,660
Weighted average number of shares for calculation of diluted EPS	536,666,042	533,499,489	536,946,157	532,172,030

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-13	31-Dec-12	31-Dec-13	31-Dec-12
Net asset value per ordinary share (USD cents)	31.15	30.34	9.59	9.62

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 2013 ("FY2013") was US$262.9 million, a year-on-year ("yoy") increase of 10.6% over the US$237.7 million revenue recorded in FY2012.

The Group's profit after tax decreased by 44.0% yoy from US$20.2 million in FY2012 to US$11.3 million in FY2013.

Revenue by Region (US$'000)

	Group			Group		
	4Q 13 US$'000	4Q 12 US$'000	Increase/ (Decrease) %	12M 13 US$'000	12M 12 US$'000	Increase/ (Decrease) %
Russia	40,670	38,166	6.6	152,925	136,875	11.7
Eastern Europe and Central Asia	24,582	22,858	7.5	83,226	74,563	11.6
Other Markets	8,845	7,449	18.7	26,735	26,225	1.9
Total	74,097	68,473	8.2	262,886	237,663	10.6

In FY2013, sales to the Group's largest region, Russia, rose by 11.7% to US$152.9 million compared to US$136.9 million in FY2012.

In the Group's Eastern Europe and Central Asia region (comprising Ukraine, Kazakhstan and the CIS Countries), sales increased by 11.6% from US$74.6 million in FY2012 to US$83.2 million in FY2013.

Sales to the Group's Other Markets increased by 1.9% from US$26.2 million in FY2012 to US$26.7 million in FY2013 due to higher sales in Vietnam and Myanmar.

Profitability

For FY2013, the Group recorded a profit after tax of US$11.3 million as compared to US$20.2 million in FY2012.

The decline in profitability was mainly due to the following: -

1) Increase in Advertising and Promotion (A&P) activities in key markets to strengthen the Group's market position in the light of intense competition
2) Staff costs increased due to higher salaries and higher headcount arising from newly acquired and newly set up companies.
3) Foreign exchange losses.
4) Costs associated with investment in new markets.
5) Start-up costs associated with the Group's pursuit of several upstream green-field projects.

On the currency front, the Group saw weaknesses in its key markets during FY2013. The Russian Ruble fell from 30.4 Ruble per US dollar on 31 December 2012 to 32.7 Ruble per US dollar on 31 December 2013. Over the same period, Ukrainian Hryvnia dropped from 8.08 to 8.24 Hryvnia per US dollar; while the Kazakhstani Tenge fell from 150.3 to 153.6 Tenge per US dollar.

Balance Sheet & Cashflow

Property, plant and equipment increased from US$33.6 million in FY2012 to US$61.5 million, because of the Group's investment in several upstream green-field projects.

Investment properties increased from US$11.4 million in FY2012 to US$13.3 million, because of the Group's construction of an investment property at 81 Playfair Road coupled with a write back of impairment loss of US$0.4 million for the Group's investment property at 30 Mandai Road.

The increase in other receivables from US$0.9 million as at 31 December 2012 to US$3.1 million as at 31 December 2013 was mainly due to higher custom duties associated with import of goods and recovery of prepaid tax.

The increase in inventories of US$15.8 million in FY2013 was due to change in business processes of our operations in Russia and also in line with higher revenue.

The Group's borrowings and debt securities were US$32.3 million as at 31 December 2013, compared to US$12.9 million as at 31 December 2012. This increase is largely attributed to the partial debt financing of the Group's investment in several upstream green-field projects and the construction of an investment property at 81 Playfair Road.

There was a net operating cash outflow of US$4.4 million in FY2013, compared to a net operating cash inflow of US$24.4 million in FY2012, largely due to increase in working capital. The Group's cash and cash equivalents was US$27.7 million as at 31 December 2013, compared to US$46.6 million as at 31 December 2012. The decrease in cash and cash equivalents was mainly due to the partial funding of the Group's investment in several upstream green-field projects with cash and the change in the business processes in our key markets.

The Group's net assets as at 31 December 2013 were US$166.2 million. The net asset value per ordinary share (excluding non-controlling interests) as at 31 December 2013 was 31.15 US cents as compared to 30.34 US cents as at 31 December 2012.

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.

The Group operates mainly in overseas markets and its performance would be affected by the following factors:

- currency volatility and devaluation in our key markets;
- uncertain political, economic and social situation in Ukraine (second largest market)
- raw material prices;
- competitive market conditions; and
- the possibility of changes in regulatory policies in the Group's operating markets.

As one of the leading brand and distribution companies in Russia and CIS countries, the Group has to constantly invest to build brand equity. This investment is reflected in an increase in brand valuation for the Group, which was validated by a study conducted by international brand valuation consultant, Brand Finance Consultancy (Singapore) Private Limited. Based on a review of its various businesses, the study concluded the valuation of its proprietary flagship brand "MacCoffee" has risen to US$139.7 million in 2013, up from US$110.1 million in 2007, while its key brands have been assigned a total value of US$174.8 million.

For FY2013, in the face of strong competition, the Group had to incur significantly higher A&P to ensure it maintains a leadership position that would enable the Group to capitalize on opportunities from a position of strength. The Group expects A&P activities to remain high in FY2014, but lower than FY2013.

The Group has embarked on a number of upstream green-field projects to mitigate some of the uncertainties in commodities prices in the longer term and also build new capabilities. These include a non-dairy creamer plant, a new packaging plant and a new snack factory in Malaysia, which have been completed and are in various stages of commissioning. Full scale commercial production at all three plants is expected to commence in 2Q2014. The Group's other upstream project, an instant coffee plant in India, is currently being built and is expected to be ready by early 2015. These initiatives entail significant capital expenditure spending and start-up costs, but will allow the Group to operate more competitively in the years ahead.

Since the beginning of 2014, the Group has seen sharper currency volatility in the Ruble due to the decision by the Russian Central bank to adopt a more flexible currency stance to boost export competitiveness. Similarly, the Ukrainian Hryvnia and Kazakhstani Tenge have also devalued due to political crisis and market pressure. As the Group is economically exposed to these markets, a prolonged and significant devaluation of their currencies will negatively affect the Group. The Group is monitoring the situation closely and will take practical and necessary steps to mitigate any negative impact.

Meanwhile, the Group continues to be on the lookout for M&A opportunities that are in line with its overall strategy for diversification as well as growth.

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 Amount per Share (in Singapore cents)	0.563
Tax Rate	1-tier tax exempted

The above proposed dividend would be subject to the approval of the Shareholders at the forthcoming Annual General Meeting scheduled for 23 April 2014.

(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
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	1.231
Tax Rate	1-tier tax exempted

(c) **Date payable**

The dividend, if approved by the shareholders at the Annual General Meeting schedule for 23 April 2014, will be paid on 21 May 2014.

(d) **Books closure date**

Notice is hereby given that, subject to the shareholders' approval of the payment of the dividends at the Annual General Meeting scheduled for 23 April 2014, the Share Transfer Books and the Register of Members of the Company will be closed on 3 May 2014. Duly completed registrable transfers received by the Company's 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 2 May 2014 will be registered for the dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividends will be paid by the Company to CDP which will, in turn, distribute the dividends to holders of the securities accounts.

12. If no dividend have been declared/recommended, a statement to that effect.

No 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 did not obtain any 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.

	Beverages		Other products		Total per consolidated financial statements	
	2013 (US$'000)	2012 (US$'000)	2013 (US$'000)	2012 (US$'000)	2013 (US$'000)	2012 (US$'000)
Revenue						
Segment revenue from external customers	247,180	224,136	15,706	13,527	262,886	237,663
Other information						
Interest income	103	336	19	19	122	355
Interest expenses	(199)	(334)	(36)	(7)	(235)	(341)
Dividend income	-	-	325	31	325	31
Depreciation of property, plant and equipment	(2,792)	(2,746)	(505)	(59)	(3,297)	(2,805)
Depreciation of investment properties	-	-	(48)	(41)	(48)	(41)
Share of profit of associates	152	295	377	995	529	1,290
Impairment for doubtful receivables	(70)	(342)	(13)	(7)	(83)	(349)
Write down of inventories	(267)	(37)	(48)	(1)	(315)	(38)
Write back of impairment loss on property, plant and equipment	21	131	4	3	25	134
Write back of impairment loss on investment property	-	-	431	-	431	-
Negative good will	-	406	-	8	-	414
Value of employees services received for issue of share options	(509)	(331)	-	-	(509)	(331)
Results						
Segment results before tax	10,453	20,097	2,238	1,420	12,691	21,517

Geographical information

Segment revenue information based on the geographical locations of customers are as follows:	Group	
	2013	2012
	(US$'000)	(US$'000)
Russia	152,925	136,875
Eastern Europe and Central Asia	83,226	74,563
Other countries	26,735	26,225
	262,886	237,663

15. 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.

16. A breakdown of sales.

	31-Dec-13 US$'000	31-Dec-12 US$'000	Increase/ (Decrease) %
Revenue reported for first half year	122,674	110,705	10.8%
Operating profit after tax before deducting minority interests reported for first half financial year	9,124	8,671	5.2%
Revenue reported for second half year	140,212	126,958	10.4%
Operating profit after tax before deducting minority interests reported for second half financial year	2,217	11,570	-80.8%

17. 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$'000) FY2013*	Previous Full Year (US$'000) FY2012
Ordinary	2,372	5,316
Special	-	-
Total:	2,372	5,316

*Amounts are translated into United States Dollars ("US$") at the exchange rate of S$1.2645 to US$1.00

18. 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.

19. Confirmation by the Board Pursuant to Rule 705(5)

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 financial year ended 31 December 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
1 March 2014