

**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 2023

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

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**FOOD EMPIRE HOLDINGS LIMITED**  
**(Co Registration No: 20001282G)**

**Interim consolidated income statement**

	Note	Group		Increase/ (Decrease) %
		1H 23 US\$'000	1H 22 US\$'000	
Revenue	5	198,246	177,355	11.8
Cost of sales		(128,739)	(125,366)	2.7
Gross profit		69,507	51,989	33.7
Selling and marketing expenses		(15,737)	(13,579)	15.9
General and administrative expenses		(19,214)	(17,807)	7.9
Results from operating activities		34,556	20,603	67.7
Net other (expenses)/income	7	(759)	8,464	NM
Net finance income/(costs)	8	170	(710)	NM
Share of (losses)/profits of associates and joint venture		(99)	3,967	NM
<b>Profit before taxation</b>	9	<b>33,868</b>	<b>32,324</b>	<b>4.8</b>
Income tax expense	11	(7,227)	(5,259)	37.4
<b>Profit for the period</b>		<b>26,641</b>	<b>27,065</b>	<b>(1.6)</b>
<b>Profit/(loss) attributable to:</b>				
Equity shareholders of the Company		26,662	27,071	(1.5)
Non-controlling interest		(21)	(6)	250.0
		26,641	27,065	(1.6)

NM denotes not meaningful.

## Interim consolidated statement of comprehensive income

	Group		Increase/ (Decrease)
	1H 23 US\$'000	1H 22 US\$'000	%
<b>Profit for the period</b>	<b>26,641</b>	<b>27,065</b>	<b>(1.6)</b>
<b><u>Other comprehensive (loss)/income:</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation (loss)/gain	(12,202)	15,479	NM
Share of other comprehensive (loss)/income of associates and joint venture	(26)	258	NM
Exchange differences realised on disposal of subsidiaries	-	100	NM
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(12,228)</b>	<b>15,837</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>14,413</b>	<b>42,902</b>	<b>(66.4)</b>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company	14,434	42,912	(66.4)
Non-controlling interest	(21)	(10)	110.0
	<b>14,413</b>	<b>42,902</b>	<b>(66.4)</b>

## Interim balance sheet

	Note	Group		Company	
		30 Jun 2023 US\$'000	31 Dec 2022 US\$'000	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	16	102,160	101,251	-	-
Right-of-use assets		12,097	13,094	247	284
Investments in subsidiaries		-	-	44,485	44,485
Investments in associates and joint venture		11,705	11,830	-	-
Amount due from a joint venture (non-trade)		3,000	1,000	-	-
Intangible assets	15	8,302	8,302	-	-
Deferred tax assets		3,778	3,675	-	-
		<b>141,042</b>	<b>139,152</b>	<b>44,732</b>	<b>44,769</b>
<b>Current Assets</b>					
Inventories		77,593	74,030	-	-
Trade receivables		32,111	31,477	4	-
Prepaid operating expenses		8,182	5,605	9	17
Deposits		627	480	-	-
Other receivables		3,074	3,168	-	-
Amounts due from subsidiaries (non-trade)		-	-	5,553	31,433
Amounts due from associates and joint venture (non-trade)		1,622	1,713	-	-
Amount due from a related party (trade)		255	274	-	-
Cash and cash equivalents		106,565	125,596	1,176	1,070
		<b>230,029</b>	<b>242,343</b>	<b>6,742</b>	<b>32,520</b>
<b>Current Liabilities</b>					
Trade payables and accruals		(40,810)	(48,358)	(704)	(5,901)
Lease liabilities	17	(2,004)	(1,710)	(37)	(37)
Interest-bearing loans and borrowings	17	(16,166)	(13,478)	-	-
Other payables		(3,394)	(4,412)	-	-
Amounts due to subsidiaries (non-trade)		-	-	(22)	(53)
Amount due to a related party (trade)		(222)	-	-	-
Amount due to a related party (non-trade)		(754)	(754)	-	-
Amount due to an associate (trade)		(139)	(213)	-	-
Income tax payable		(3,487)	(2,368)	(44)	(50)
		<b>(66,976)</b>	<b>(71,293)</b>	<b>(807)</b>	<b>(6,041)</b>
<b>Net Current Assets</b>		<b>163,053</b>	<b>171,050</b>	<b>5,935</b>	<b>26,479</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	17	(3,591)	(4,652)	(95)	(113)
Interest-bearing loans and borrowings	17	(23,745)	(24,776)	-	-
Deferred tax liabilities		(6,106)	(5,175)	-	-
		<b>(33,442)</b>	<b>(34,603)</b>	<b>(95)</b>	<b>(113)</b>
<b>Net Assets</b>		<b>270,653</b>	<b>275,599</b>	<b>50,572</b>	<b>71,135</b>
<b>Equity</b>					
Share capital	18	47,502	46,168	47,502	46,168
Treasury shares		(9,942)	(6,569)	(9,942)	(6,569)
Reserves		234,219	237,105	13,012	31,536
		<b>271,779</b>	<b>276,704</b>	<b>50,572</b>	<b>71,135</b>
Non-controlling interest		(1,126)	(1,105)	-	-
<b>Total Equity</b>		<b>270,653</b>	<b>275,599</b>	<b>50,572</b>	<b>71,135</b>

**FOOD EMPIRE HOLDINGS LIMITED**  
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**Interim statements of changes in equity**

Group	Attributable to equity shareholders of the Company								
	Note	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 2023		46,168	(6,569)	(12,404)	3,667	245,842	276,704	(1,105)	275,599
<b>Profit/(loss) for the period</b>		-	-	-	-	26,662	26,662	(21)	26,641
<u>Other comprehensive (loss)/income</u>									
Foreign currency translation loss		-	-	(12,202)	-	-	(12,202)	-	(12,202)
Share of other comprehensive loss of associates and joint venture		-	-	(26)	-	-	(26)	-	(26)
<b>Total comprehensive (loss)/income for the period</b>		-	-	(12,228)	-	26,662	14,434	(21)	14,413
<u>Contributions by and distributions to owners</u>									
Dividends paid to shareholders of the Company	12	-	-	-	-	(17,294)	(17,294)	-	(17,294)
Exercise of share options		1,334	-	-	(317)	-	1,017	-	1,017
Purchase of treasury shares		-	(3,373)	-	-	-	(3,373)	-	(3,373)
Value of employee services received from the issuance of share options and share awards		-	-	-	291	-	291	-	291
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		1,334	(3,373)	-	(26)	(17,294)	(19,359)	-	(19,359)
<b>Balance as at 30 June 2023</b>		<b>47,502</b>	<b>(9,942)</b>	<b>(24,632)</b>	<b>3,641</b>	<b>255,210</b>	<b>271,779</b>	<b>(1,126)</b>	<b>270,653</b>

## 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 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 disposal 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>									
Dividends 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>									
Capitalisation of loan from non-controlling interest of a subsidiary		-	-	-	-	-	-	197	197
Disposal of subsidiaries		-	-	-	-	-	-	(112)	(112)
<b>Total changes in ownership interests in subsidiaries</b>		-	-	-	-	-	-	85	85
<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)

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 2023		46,168	(6,569)	913	3,667	26,956	71,135
<b>Loss for the period</b>		-	-	-	-	(1,140)	(1,140)
<u>Other comprehensive loss</u>							
Foreign currency translation loss		-	-	(64)	-	-	(64)
<b>Total comprehensive loss for the period</b>		-	-	(64)	-	(1,140)	(1,204)
<u>Contributions by and distributions to owners</u>							
Dividends paid to shareholders of the Company	12	-	-	-	-	(17,294)	(17,294)
Exercise of share options		1,334	-	-	(317)	-	1,017
Purchase of treasury shares		-	(3,373)	-	-	-	(3,373)
Value of employee services received from the issuance of share options and share awards		-	-	-	291	-	291
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>1,334</b>	<b>(3,373)</b>	<b>-</b>	<b>(26)</b>	<b>(17,294)</b>	<b>(19,359)</b>
<b>Balance as at 30 June 2023</b>		<b>47,502</b>	<b>(9,942)</b>	<b>849</b>	<b>3,641</b>	<b>8,522</b>	<b>50,572</b>
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 loss</u>							
Foreign currency translation loss		-	-	(211)	-	-	(211)
<b>Total comprehensive loss for the period</b>		-	-	(211)	-	(860)	(1,071)
<u>Contributions by and distributions to owners</u>							
Dividends 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>



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

	Note	Group	
		1H 23 US\$'000	1H 22 US\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		33,868	32,324
Adjustment for :			
Depreciation of property, plant and equipment	9	4,362	4,021
Depreciation of investment properties	9	-	74
Depreciation of right-of-use assets	9	1,282	968
Gain on disposal of subsidiaries	7	-	(274)
Gain on disposal of property, plant and equipment	7	(9)	(19)
Interest income	8	(1,918)	(122)
Interest expenses	8	1,748	832
Exchange realignment		(2,274)	(5,003)
Share of losses/(profits) of associates and joint venture		99	(3,967)
Write-back of impairment loss on trade receivables	9	(98)	(28)
Impairment loss/(write-back of impairment loss) on other receivables	9	1	(43)
Inventories written-down/(written-back)	9	27	(141)
Value of employee services received from the issuance of share options and share awards		291	16
<b>Operating cash flows before changes in working capital</b>		<b>37,379</b>	<b>28,638</b>
<u>Changes in working capital:</u>			
Increase in trade and other receivables		(2,590)	(889)
Increase in inventories		(11,076)	(16,207)
Decrease in trade and other payables		(7,318)	(3,140)
<b>Cash flows from operations</b>		<b>16,395</b>	<b>8,402</b>
Income taxes paid		(5,518)	(1,935)
<b>Net cash flows from operating activities</b>		<b>10,877</b>	<b>6,467</b>
<b>Cash flows from investing activities</b>			
Interest received		1,190	122
Purchase of property, plant and equipment		(7,346)	(4,925)
Loan to a joint venture		(2,000)	-
Proceeds from disposal of property, plant and equipment		12	54
Prepayment of right-of-use assets		-	(386)
Deposit received relating to disposal group classified as held for sale		-	1,804
Proceeds from disposal of an associate		-	500
Net cash outflow on disposal of subsidiaries		-	(207)
<b>Net cash flows used in investing activities</b>		<b>(8,144)</b>	<b>(3,038)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(1,831)	(832)
Dividends paid to shareholders of the Company	12	(17,294)	(8,648)
Repayment of principal portion of interest-bearing loans and borrowings		(48,236)	(26,188)
Proceeds from interest-bearing loans and borrowings		49,891	32,824
Payment of principal portion of lease liabilities		(1,013)	(977)
Proceeds from issuance of shares		1,017	213
Purchase of treasury shares		(3,373)	(227)
<b>Net cash flows used in financing activities</b>		<b>(20,839)</b>	<b>(3,835)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(18,106)</b>	<b>(406)</b>
Effect of exchange rate changes on cash and cash equivalents		(925)	90
Cash and cash equivalents at beginning of the period		125,596	60,557
<b>Cash and cash equivalents at end of the period</b>		<b>106,565</b>	<b>60,241</b>
Cash and cash equivalents included in assets held for sale		-	(428)
<b>Cash and cash equivalents as per interim balance sheet</b>		<b>106,565</b>	<b>59,813</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 2023 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 2023 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 2022.

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 2022.

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 2023.

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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 23	1H 22	1H 23	1H 22	1H 23	1H 22	1H 23	1H 22
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Russia	70,608	57,109	-	-	-	-	70,608	57,109
Ukraine, Kazakhstan and CIS	49,507	41,268	2	2	-	-	49,509	41,270
South-East Asia	45,834	45,038	-	345	23	11	45,857	45,394
South Asia	21,729	18,846	-	-	-	1	21,729	18,847
Others	10,455	14,540	-	-	88	195	10,543	14,735
<b>Total</b>	<b>198,133</b>	<b>176,801</b>	<b>2</b>	<b>347</b>	<b>111</b>	<b>207</b>	<b>198,246</b>	<b>177,355</b>

**Timing of transfer of goods or services**

At a point in time	198,133	176,801	-	-	111	207
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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
- (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 consolidated financial statements.

Transfer pricing between operating parties, are on arm's length basis in a manner similar to transactions with third parties.

## 5.2 Segment information (cont'd)

	Russia		Ukraine, Kazakhstan and CIS		South-East Asia		South Asia		Others		Total	
	1H 23	1H 22	1H 23	1H 22	1H 23	1H 22	1H 23	1H 22	1H 23	1H 22	1H 23	1H 22
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
<b>Revenue</b>												
Total segment sales	77,712	62,418	49,509	41,270	116,659	107,153	32,013	27,338	10,543	14,735	286,436	252,914
Inter-segment sales <sup>(a)</sup>	(7,104)	(5,309)	-	-	(70,802)	(61,759)	(10,284)	(8,491)	-	-	(88,190)	(75,559)
Segment sales to external customers	70,608	57,109	49,509	41,270	45,857	45,394	21,729	18,847	10,543	14,735	198,246	177,355
<b>Results :</b>												
Segment results	16,290	15,542	10,597	5,872	7,060	7,968	6,156	3,220	(446)	1,060	39,657	33,662
Interest income	742	56	542	16	370	9	165	40	99	1	1,918	122
Interest expenses	(376)	(122)	(26)	(23)	(75)	(107)	(1,266)	(574)	(5)	(6)	(1,748)	(832)
Share of profits/(losses) of associates and joint venture	136	847	798	-	-	-	-	-	(1,033)	3,120	(99)	3,967
Income tax (expense)/credit	(2,284)	(2,129)	(1,214)	(568)	(2,687)	(2,528)	(1,013)	(120)	(29)	86	(7,227)	(5,259)
Non-controlling interest	1	2	-	-	-	-	-	(2)	20	6	21	6
Depreciation of property, plant and equipment	(490)	(61)	(219)	(226)	(1,368)	(1,473)	(2,271)	(2,247)	(14)	(14)	(4,362)	(4,021)
Depreciation of investment properties	-	-	-	-	-	(74)	-	-	-	-	-	(74)
Depreciation of right-of-use assets	(858)	(672)	(144)	(75)	(192)	(141)	(67)	(37)	(21)	(43)	(1,282)	(968)
Gain/(loss) on disposal of subsidiaries	-	-	-	-	-	-	-	284	-	(10)	-	274
Other non-cash expenses <sup>(b)</sup>	(95)	172	11	(116)	(138)	159	(17)	(9)	23	(12)	(216)	194
Profit/(loss) attributable to equity shareholders of the Company	13,066	13,635	10,345	4,880	2,970	3,813	1,687	555	(1,406)	4,188	26,662	27,071
											<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
											<b>US\$'000</b>	
Segment assets	57,956	62,453	36,772	25,808	195,223	210,615	74,675	76,301	6,445	6,318	371,071	381,495
Investment in associates and joint venture	3,680	4,472	3,129	2,299	-	-	-	-	4,896	5,059	11,705	11,830
Additions to non-current assets	439	6,138	144	569	6,106	11,310	438	2,164	1	8	7,128	20,189
Segment liabilities	(11,237)	(18,275)	(6,281)	(4,295)	(43,192)	(41,210)	(38,519)	(41,300)	(1,189)	(816)	(100,418)	(105,896)

## 5.2 Segment information (cont'd)

- (a) Inter-segment sales are eliminated on consolidation.
- (b) Other non-cash expenses consist of allowance for doubtful debts, bad debts written off, inventories written down and value of employee services received from the issuance of share options and share awards as presented in the respective notes to the financial statements.

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

	<b>Group</b>	
	<b>1H 23</b> (US\$'000)	<b>1H 22</b> (US\$'000)
Beverages	150,312	127,298
Ingredients	33,202	29,169
Others	14,732	20,888
	198,246	177,355

## 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 (expenses)/income

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>1H 23</b> <b>US\$'000</b>	<b>1H 22</b> <b>US\$'000</b>	
<u>Other income</u>			
Gain on disposal of property, plant and equipment	9	19	(52.6)
Gain on disposal of subsidiaries	-	274	NM
Foreign exchange gain	-	7,335	NM
Sales of scrapped items	172	163	5.5
Insurance claim	1	3	(66.7)
Other income	115	670	(82.8)
	297	8,464	(96.5)
<u>Other expenses</u>			
Foreign exchange loss	(1,056)	-	NM
	(1,056)	-	NM
<b>Net other (expenses)/income</b>	<b>(759)</b>	<b>8,464</b>	<b>NM</b>

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**8. Net finance income/(costs)**

	<b>Group</b>		
	<b>1H 23</b>	<b>1H 22</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Interest income	1,918	122	1,472.1
Interest expenses on:			
- Bank loans	(1,304)	(693)	88.2
- Others	(444)	(139)	219.4
<b>Net finance income/(costs)</b>	<b>170</b>	<b>(710)</b>	<b>NM</b>

**9. Profit before taxation**

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

	<b>Group</b>		
	<b>1H 23</b>	<b>1H 22</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Depreciation of property, plant and equipment	(4,362)	(4,021)	8.5
Depreciation of investment properties	-	(74)	NM
Depreciation of right-of-use assets	(1,282)	(968)	32.4
Inventories (written-down)/written-back	(27)	141	NM
Write-back of impairment loss on trade receivables	98	28	250.0
(Impairment loss)/write-back of impairment loss on other receivables	(1)	43	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:

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	<b>Group</b>	
	<b>1H 23</b>	<b>1H 22</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>		
<b>Triple Ace Ventures Limited and its subsidiaries</b> <sup>(a)</sup>		
- Lease payments made to Triple Ace Venture Limited and its subsidiaries	800	929
<b>UDI Marketing Sdn Bhd</b> <sup>(b)</sup>		
- Sale of goods	310	569
<b>PT Indokemika Jayatama</b> <sup>(b)</sup>		
- Sale of goods	569	-
<b>Ever Resources International (Hong Kong) Limited</b> <sup>(b)</sup>		
- Purchase of goods	4,371	246
<b>Company</b>		
<u>Subsidiaries</u>		
- Management fees received	443	443

(a) Companies associated to one of the directors and substantial shareholders, Mr Sudeep Nair.  
(b) Company associated to Universal Integrated Corporation Consumer Products Pte Ltd., a substantial shareholder of the Group.

## 11. Taxation

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

	<b>Group</b>		
	<b>1H 23</b>	<b>1H 22</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Current income tax			
- Current income taxation	(6,566)	(3,177)	106.7
- (Under)/over provision for prior year	(34)	2	NM
Deferred income tax	(627)	(2,084)	(69.9)
Income tax expense	(7,227)	(5,259)	37.4

## 12. Dividend

	<b>Group and Company</b>	
	<b>1H 23</b>	<b>1H 22</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Ordinary dividends paid:</b>		
Final exempt (one-tier) dividend for 2022: S\$0.0440 (2021: S\$0.0162) per share	17,294	6,368
Special exempt (one-tier) dividend for 2022: S\$Nil (2021: S\$0.0058) per share	-	2,280

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**13. Earnings per share**

	Group	
	1H 23	1H 22
<b>Earnings per share</b>		
Basic earnings per share (US cents)	5.03	5.04
Diluted earnings per share (US cents)	4.96	5.03
<b>Weighted average number of shares table</b>		
Weighted average number of shares for calculation of basic EPS	530,010,671	537,191,334
Weighted average number of shares for calculation of diluted EPS	537,187,162	538,284,288

**14. Net asset value**

	Group		Company	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Net asset value per ordinary share (US cents)	51.19	51.84	9.52	13.33

**15. Intangible assets**

As at 30 June 2023, the carrying amount of the intangible assets is US\$8,302,000 (31 December 2022: US\$8,302,000). There were no indicators of impairment as at 30 June 2023.

**16. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to US\$5,966,000 (30 June 2022: US\$4,658,000).

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

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

	As at 30 Jun 2023		As at 31 Dec 2022	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(2,004)	-	(1,710)	-
Interest-bearing loans and borrowings	(13,190)	(2,976)	(12,249)	(1,229)
Total	(15,194)	(2,976)	(13,959)	(1,229)

**Amount repayable after one year**

	As at 30 Jun 2023		As at 31 Dec 2022	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(3,591)	-	(4,652)	-
Interest-bearing loans and borrowings	(23,207)	(538)	(23,615)	(1,161)
Total	(26,798)	(538)	(28,267)	(1,161)

**Details of any collateral**

As at 31 December 2022 and 30 June 2023, the lease liabilities include the leasehold land, factory and office premises and motor vehicles held by subsidiaries of the Group.



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As at 31 December 2022 and 30 June 2023, 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 2022 and 30 June 2023, the unsecured interest-bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

**18. Share capital**

	Group and Company			
	As at 30 Jun 2023		As at 31 Dec 2022	
Issued and fully paid:	Number of shares	US\$'000	Number of shares	US\$'000
At 1 January	548,072,999	46,168	545,767,999	45,420
Issued under employee share option	2,070,000	1,334	2,305,000	748
At 30 June / 31 December	550,142,999	47,502	548,072,999	46,168

As at 30 June 2023, the Company's total issued shares is 530,965,699 ordinary shares (31 December 2022: 533,775,699) excluding 19,177,300 shares held as treasury shares (31 December 2022: 14,297,300).

**(i) Exercise of share options**

Out of the 19,720,000 outstanding share options on 30 June 2023 (31 December 2022: 19,990,000), 14,350,000 (31 December 2022: 15,100,000) share options are exercisable.

**(ii) Treasury Shares**

As at 30 June 2023, the total number of treasury shares held was 19,177,300 (31 December 2022: 14,297,300).

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

**(iii) Subsidiary holdings**

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

**19. Subsequent events**

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

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**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 2023 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 2023 (“1H2023”) was US\$198.2 million, a year-on-year (“**yo**y”) increase of 11.8% compared with the US\$177.4 million revenue recorded in 1H2022. The Group’s net profit after tax was US\$26.6 million for 1H2023 as compared to US\$27.1 million for 1H2022.

**Revenue by Segments (US\$’000)**

	<b>Group</b>		<b>Increase/ (Decrease)</b>
	<b>1H 23</b>	<b>1H 22</b>	<b>%</b>
	<b>US\$’000</b>	<b>US\$’000</b>	
Russia	70,608	57,109	23.6
Ukraine, Kazakhstan and CIS	49,509	41,270	20.0
South-East Asia	45,857	45,394	1.0
South Asia	21,729	18,847	15.3
Others	10,543	14,735	(28.4)
<b>Total</b>	<b>198,246</b>	<b>177,355</b>	<b>11.8</b>

In the Group’s Russia segment, revenue increased by 23.6% from US\$57.1 million in 1H2022 to US\$70.6 million in 1H2023. The increase was due to a combination of higher volumes and higher pricing partially offset by the depreciation of the Russian Ruble against the US dollar. The average exchange rate was 76.7 Ruble per US dollar in 1H2023 as compared to 73.7 Ruble per US dollar in 1H2022.

In the Group’s Ukraine, Kazakhstan and CIS segments, revenue increased by 20.0% from US\$41.3 million in 1H2022 to US\$49.5 million in 1H2023. The increase was mainly due to a combination of higher volumes and higher pricing in Kazakhstan and CIS markets. In Ukraine market, revenue increase in local currency term was offset by the depreciation of Ukrainian Hryvnia. The average Ukrainian Hryvnia rate was 36.6 Hryvnia per US dollar in 1H2023 as compared to 29.0 Hryvnia per US dollar in 1H2022.

In the Group’s South-East Asia segment, revenue increased by 1.0% from US\$45.4 million in 1H2022 to US\$45.9 million in 1H2023. The increase was mainly due to higher contribution from the Group’s non-dairy creamer and snacks manufacturing facilities in Malaysia offset by marginally lower revenue from the Group’s Vietnam market.

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In the Group's South Asia segment, revenue increased by 15.3% from US\$18.8 million in 1H2022 to US\$21.7 million in 1H2023. This was driven by the increase in contribution from the Group's freeze dry coffee plant in India. Both the Group's freeze dry and spray dry coffee plants continue to operate at full production capacity.

Revenue in the Group's Other Markets decreased by 28.4% from US\$14.7 million in 1H2022 to US\$10.5 million in 1H2023 mainly due to the divestment of its Europe business in FY2022.

**Profitability**

Despite higher revenue and better operating profits, the Group's net profit after tax for 1H2023 decreased marginally to US\$26.6 million, a yoy decrease of 1.6% compared to US\$27.1 million in 1H2022 mainly due to unfavourable exchange rate movement coupled with negative contribution from associates (for 1H2023, share of associates' losses was US\$0.1 million compared to profit of US\$4.0 million in 1H2022).

For 1H2023, foreign exchange loss was US\$1.1 million as compared to a gain of US\$7.3 million for 1H2022. (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).

For 1H2023, selling and marketing expenses increased by 15.9% to US\$15.7 million from US\$13.6 million in 1H2022. This was mainly attributed to higher advertising and promotional expenses, particularly in the Group's Vietnam market.

For 1H2023, general and administrative expenses increased by 7.9% to US\$19.2 million from US\$17.8 million in 1H2022. The increase was mainly due to higher manpower cost.

**Balance Sheet & Cashflow**

As at 30 June 2023, inventories increased by US\$3.6 million to US\$77.6 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\$7.5 million to US\$40.8 million as at 30 June 2023 mainly due to payment of accruals.

The Group's generated net operating cash inflows of US\$10.9 million in 1H2023 as compared to US\$6.5 million in 1H2022 mainly attributed to better profitability. The Group's cash and cash equivalents was US\$106.6 million as at 30 June 2023, compared to US\$125.6 million as at 31 December 2022 mainly due to the dividend paid in 2Q2023.

The Group's net assets as at 30 June 2023 were US\$270.7 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 June 2023 was 51.19 US cents as compared to 51.84 US cents as at 31 December 2022.

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

Not applicable.

**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**

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The global economy continues to grapple with inflationary pressure on food and fuel prices, debt vulnerabilities and supply chain issues resulting from the geopolitical tensions in some of the Group's key markets. While inflation seems to have peaked, it remains higher than most central bank targets.

The Group remains cautious of the economic outlook for Russia and Ukraine due to volatile geopolitical situation and weakening Russian Ruble but expects consumer demand to remain steady. In Kazakhstan and CIS, the Group has experienced robust demand for its products and foresees growth momentum to continue.

In the Group's South-East Asia segment, we expect the Group's Vietnam market to achieve higher revenue along with higher commitment in advertising and promotions. The Group's potato chips and non-dairy creamer businesses in Malaysia continue to enjoy stable demand despite the prevailing stiff competition and inflationary pressures.

In the Group's South Asia segment, both the Group's spray dry and freeze dry coffee plants have been operating at maximum capacity. While profitability may be affected by higher raw material prices, the Group expects demand to be resilient for both these ingredients going forward.

**6. Dividend**

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

Any dividend declared for the current financial period reported on?

No.

**(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.

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**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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow  
Director

Sudeep Nair  
Director

Singapore  
10 August 2023