

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

Third Quarter Financial Statement and Dividend Announcement for the Period ended 30 September 2016
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		
	3Q 16	*Restated 3Q 15	Increase/ (Decrease) %	9M 16	*Restated 9M 15	Increase/ (Decrease) %
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	68,278	61,652	10.7	172,174	169,549	1.5
Cost of sales	(42,132)	(38,895)	8.3	(111,194)	(110,832)	0.3
Gross profit	26,146	22,757	14.9	60,980	58,717	3.9
Selling and distribution expenses	(10,492)	(9,769)	7.4	(29,222)	(26,534)	10.1
General and administrative expenses	(7,712)	(6,365)	21.2	(21,607)	(19,743)	9.4
Results from operating activities	7,942	6,623	19.9	10,151	12,440	(18.4)
Net other (expenses)/income (Note 1)	(23)	(6,279)	(99.6)	5,200	(9,266)	NM
Net finance costs (Note 2)	(248)	(159)	56.0	(698)	(495)	41.0
Share of (loss)/profit of associates	(694)	(142)	388.7	(666)	501	NM
Profit before taxation (Note 3)	6,977	43	16,125.6	13,987	3,180	339.8
Taxation (Note 4)	(1,238)	545	NM	(2,707)	(74)	3,558.1
Profit for the period	5,739	588	876.0	11,280	3,106	263.2
Profit attributable to:						
Equity shareholders of the Company	5,797	657	782.3	11,605	3,364	245.0
Non-controlling interest	(58)	(69)	(15.9)	(325)	(258)	26.0
	5,739	588	876.0	11,280	3,106	263.2

* Comparatives have been restated as highlighted under paragraph 5.

NM denotes not meaningful.

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

	Group			Group		
	3Q 16 US\$'000	*Restated 3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	*Restated 9M 15 US\$'000	Increase/ (Decrease) %
<u>Other income</u>						
Gain on disposal of assets held for sale	-	-	NM	-	938	NM
Gain on disposal of a subsidiary	130	-	NM	130	-	NM
Sales of scrapped items	16	17	(5.9)	59	41	43.9
Other income	53	74	(28.4)	277	374	(25.9)
Insurance claim	4	-	NM	17	-	NM
Foreign exchange gain	-	-	NM	4,729	-	NM
	203	91	123.1	5,212	1,353	285.2
<u>Other expenses</u>						
Foreign exchange loss	(207)	(6,367)	(96.7)	-	(10,555)	NM
Loss on disposal of property, plant and equipment	(19)	(3)	533.3	(12)	(11)	9.1
Loss on disposal of an associate	-	-	NM	-	(53)	NM
	(226)	(6,370)	(96.5)	(12)	(10,619)	(99.9)
Net other (expenses)/income	(23)	(6,279)	(99.6)	5,200	(9,266)	NM

2. Net finance costs comprises:

	Group			Group		
	3Q 16 US\$'000	*Restated 3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	*Restated 9M 15 US\$'000	Increase/ (Decrease) %
<u>Finance income</u>						
Interest income	62	40	55.0	189	104	81.7
<u>Finance costs</u>						
Interest expenses on:						
- Bank loans	(307)	(196)	56.6	(878)	(589)	49.1
- Others	(3)	(3)	0.0	(9)	(10)	(10.0)
	(310)	(199)	55.8	(887)	(599)	48.1
Net finance costs	(248)	(159)	56.0	(698)	(495)	41.0

3. Included in profit before taxation are as follows:

	Group			Group		
	3Q 16 US\$'000	*Restated 3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	*Restated 9M 15 US\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(1,304)	(1,004)	29.9	(3,811)	(3,113)	22.4
Depreciation of investment properties	(40)	(39)	2.6	(118)	(66)	78.8
Inventories written down	(95)	(110)	(13.6)	(103)	(516)	(80.0)
Write back/(allowance) for doubtful receivables	9	(16)	NM	(525)	(42)	1,150.0
Net fair value loss on derivatives	(18)	(184)	(90.2)	(93)	-	NM

4. Included in the taxation is as follows:

	3Q 16 US\$'000	Group *Restated 3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	Group *Restated 9M 15 US\$'000	Increase/ (Decrease) %
Current income tax						
- Current income tax	(55)	(112)	-51%	(1,431)	(324)	342%
- (Under)/over provision for prior year	(71)	(8)	788%	80	(353)	NM
Deferred income tax	(1,112)	665	NM	(1,356)	603	NM
	(1,238)	545	NM	(2,707)	(74)	3558%

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

	3Q 16 US\$'000	Group *Restated 3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	Group *Restated 9M 15 US\$'000	Increase/ (Decrease) %
Profit net of tax	5,739	588	876.0	11,280	3,106	263.2
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain	(68)	(1,826)	(96.3)	975	(666)	NM
Share of other comprehensive gain/(loss) of associates	58	(859)	NM	457	(856)	NM
Other comprehensive (loss)/income for the period, net of tax	(10)	(2,685)	(99.6)	1,432	(1,522)	NM
Total comprehensive income/(loss) for the period	5,729	(2,097)	NM	12,712	1,584	702.5
Total comprehensive income/(loss) attributable to:						
Equity shareholders of the Company	5,787	(2,028)	NM	13,037	1,842	607.8
Non-controlling interest	(58)	(69)	(15.9)	(325)	(258)	26.0
	5,729	(2,097)	NM	12,712	1,584	702.5

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	
	30 Sep 2016 US\$'000	31 Dec 2015 US\$'000	30 Sep 2016 US\$'000	31 Dec 2015 US\$'000
Non-Current Assets				
Property, plant and equipment	66,007	66,519	4	35
Investment properties	15,733	15,275	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	15,233	7,647	-	-
Intangible assets	10,343	10,343	-	-
Amount due from an associate	220	-	-	-
Deferred tax assets	3,299	3,614	-	-
	110,835	103,398	44,549	44,580
Current Assets				
Cash and cash equivalents	23,829	27,524	57	92
Trade receivables	41,206	38,576	5	-
Deferred expenses	85	152	-	-
Prepaid operating expenses and other debtors	3,316	2,833	12	57
Other receivables	1,783	1,433	-	-
Amounts due from subsidiaries (non-trade)	-	-	9,534	9,839
Amounts due from associates (non-trade)	173	841	-	-
Amounts due from related parties (trade)	555	364	-	-
Inventories	46,729	40,100	-	-
	117,676	111,823	9,608	9,988
Current Liabilities				
Derivatives	(93)	-	-	-
Trade payables and accruals	(31,479)	(32,412)	(375)	(459)
Finance lease creditors	(16)	(15)	-	-
Interest-bearing loans and borrowings	(20,359)	(13,303)	-	-
Other payables	(3,082)	(3,754)	-	-
Amount due to subsidiaries (non-trade)	-	-	(20)	(19)
Amount due to related parties (trade)	-	(154)	-	-
Amount due to related parties (non-trade)	(267)	-	-	-
Amounts due to associates (non-trade)	(47)	(165)	-	-
Amounts due to associates (trade)	(360)	(395)	-	-
Provision for taxation	(1,139)	(960)	(1)	(14)
	(56,842)	(51,158)	(396)	(492)
Net Current Assets	60,834	60,665	9,212	9,496
Non-Current Liabilities				
Finance lease creditors	(17)	(27)	-	-
Interest-bearing loans and borrowings	(19,447)	(26,119)	-	-
Other payables	(5)	(6)	-	-
Deferred tax liabilities	(1,224)	(457)	-	-
	(20,693)	(26,609)	-	-
Net Assets	150,976	137,454	53,761	54,076
Equity				
Share capital	40,725	40,725	40,725	40,725
Treasury shares	(317)	(317)	(317)	(317)
Reserves	110,069	96,957	13,353	13,668
	150,477	137,365	53,761	54,076
Non-controlling interest	499	89	-	-
Total Equity	150,976	137,454	53,761	54,076

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

	As at 30 Sep 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance lease creditors	(16)	-	(15)	-
Interest-bearing loans and borrowings	(9,618)	(10,741)	(8,455)	(4,848)
Total	<u>(9,634)</u>	<u>(10,741)</u>	<u>(8,470)</u>	<u>(4,848)</u>

Amount repayable after one year

	As at 30 Sep 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance lease creditors	(17)	-	(27)	-
Interest-bearing loans and borrowings	(14,307)	(5,140)	(19,239)	(6,880)
Total	<u>(14,324)</u>	<u>(5,140)</u>	<u>(19,266)</u>	<u>(6,880)</u>

Details of any collateral

As at 31 December 2015 and 30 September 2016, the finance lease liabilities were secured by charge over the related lease vehicles held by subsidiaries of the Group.

As at 31 December 2015 and 30 September 2016, 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 2015 and 30 September 2016, the unsecured interest bearing loan and borrowing of subsidiaries were covered by corporate guarantees given by the Company.

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

	Group		Group	
	3Q 16	3Q 15	9M 16	9M 15
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit from operations before taxation	6,977	43	13,987	3,180
Adjustment for :				
Depreciation of property, plant and equipment	1,304	1,004	3,811	3,113
Depreciation of investment properties	40	39	118	66
Gain on disposal of assets held for sale	-	-	-	(938)
Gain on disposal of a subsidiary	130	-	130	-
Loss on disposal of property, plant and equipment	19	3	12	11
Interest income	(62)	(40)	(189)	(104)
Interest expenses	310	199	887	599
Exchange realignment	146	581	(624)	3,257
Share of loss/(profit) of associates	694	142	666	(501)
(Write back)/allowance for doubtful receivables	(9)	16	525	42
Inventories written down	95	110	103	516
Value of employee services received for issue of share options	63	15	74	64
Net fair value loss on derivatives	18	184	93	-
Loss on disposal of an associate	-	-	-	53
Operating profit before working capital changes	9,725	2,296	19,593	9,358
Increase in trade and other receivables	(5,679)	(7,360)	(3,654)	(3,645)
Decrease/(increase) in inventories	836	(1,235)	(6,732)	(1,374)
Increase/(decrease) in trade and other payables	2,200	5,460	(1,770)	1,053
Cash flows generated from/(used in) operations	7,082	(839)	7,437	5,392
Income taxes paid	(518)	(208)	(1,137)	(194)
Net cash flows generated from/(used in) operating activities	6,564	(1,047)	6,300	5,198
Cash flows from investing activities				
Interest income received	62	40	189	104
Purchase of property, plant and equipment	(868)	(383)	(2,903)	(4,770)
Subsequent expenditure on investment property	-	(18)	(33)	(784)
Proceeds from disposal of property, plant and equipment	20	7	32	40
Proceeds from disposal of assets held for sale	-	-	-	1,481
Capital injection in an associate	-	-	(7,831)	-
Proceeds from disposal of an associate	-	-	-	900
Dividend income from an associate	35	-	35	-
Net cash flows used in investing activities	(751)	(354)	(10,511)	(3,029)
Cash flows from financing activities				
Interest expenses paid	(310)	(258)	(887)	(795)
Capital injection from non-controlling interest of subsidiaries	171	80	726	143
Dividends refunded from shareholders of the Company	-	-	1	-
Repayment of interest-bearing loans and borrowings	(13,739)	(9,081)	(34,857)	(19,284)
Proceeds from interest-bearing loans and borrowings	12,015	9,804	34,946	22,407
Repayment of obligation under finance leases	(5)	(2)	(11)	(16)
Net cash flows (used in)/generated from financing activities	(1,868)	543	(82)	2,455
Net increase/(decrease) in cash and cash equivalents	3,945	(858)	(4,293)	4,624
Effect of exchange rate changes on cash and cash equivalents	11	(571)	598	(1,240)
Cash and cash equivalents at beginning of the period	19,873	24,591	27,524	19,778
Cash and cash equivalents at end of the period	23,829	23,162	23,829	23,162

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 – 3Q 16

	Attributable to equity shareholders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	
Balance as at 1 July 2016	40,725	(317)	(13,615)	1,899	115,935	144,627	386	145,013
Profit/(loss) for the period	-	-	-	-	5,797	5,797	(58)	5,739
<u>Other comprehensive (loss)/income</u>								
Foreign currency translation loss	-	-	(68)	-	-	(68)	-	(68)
Share of other comprehensive gain of associates	-	-	58	-	-	58	-	58
Total comprehensive (loss)/income for the period	-	-	(10)	-	5,797	5,787	(58)	5,729
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	63	-	63	-	63
Total contributions by and distributions to owners	-	-	-	63	-	63	-	63
<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	-	-	-	-	-	-	171	171
Total transactions with owners in their capacity as owners	-	-	-	63	-	63	171	234
Balance as at 30 September 2016	40,725	(317)	(13,625)	1,962	121,732	150,477	499	150,976

The Group – 3Q 15

	Attributable to equity shareholders of the Company							
	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 July 2015	40,725	(317)	(12,799)	1,857	112,623	142,089	137	142,226
Profit/(loss) for the period	-	-	-	-	657	657	(69)	588
<u>Other comprehensive (loss)/income</u>								
Foreign currency translation loss	-	-	(1,826)	-	-	(1,826)	-	(1,826)
Share of other comprehensive loss of associates	-	-	(859)	-	-	(859)	-	(859)
Total comprehensive (loss)/income for the period	-	-	(2,685)	-	657	(2,028)	(69)	(2,097)
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	15	-	15	-	15
Total contributions by and distributions to owners	-	-	-	15	-	15	-	15
<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	-	-	-	-	-	-	80	80
Total transactions with owners in their capacity as owners	-	-	-	15	-	15	80	95
Balance as at 30 September 2015	40,725	(317)	(15,484)	1,872	113,280	140,076	148	140,224

The Group – 9M 16

	Attributable to equity shareholders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	
Balance as at 1 January 2016	40,725	(317)	(15,057)	1,888	110,126	137,365	89	137,454
Profit/(loss) for the period	-	-	-	-	11,605	11,605	(325)	11,280
<u>Other comprehensive income/(loss)</u>								
Foreign currency translation gain	-	-	975	-	-	975	-	975
Share of other comprehensive gain of associates	-	-	457	-	-	457	-	457
Total comprehensive income/(loss) for the period	-	-	1,432	-	11,605	13,037	(325)	12,712
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	74	-	74	-	74
Dividends refunded from equity shareholders of the Company	-	-	-	-	1	1	-	1
Total contributions by and distributions to owners	-	-	-	74	1	75	-	75
<u>Changes in ownership interests in subsidiaries</u>								
Capital injection from non-controlling interest of subsidiaries	-	-	-	-	-	-	726	726
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	9	9
Total changes in ownership interest in subsidiaries	-	-	-	-	-	-	735	735
Total transactions with owners in their capacity as owners	-	-	-	74	1	75	735	810
Balance as at 30 September 2016	40,725	(317)	(13,625)	1,962	121,732	150,477	499	150,976

The Group – 9M 15

	Attributable to equity shareholders 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 2015	40,725	(317)	(13,962)	60	1,808	109,856	138,170	263	138,433
Profit/(loss) for the period	-	-	-	-	-	3,364	3,364	(258)	3,106
<u>Other comprehensive (loss)/income</u>									
Foreign currency translation loss	-	-	(666)	-	-	-	(666)	-	(666)
Share of other comprehensive loss of associates	-	-	(856)	-	-	-	(856)	-	(856)
Reversal of asset revaluation reserve from disposal of assets held for sale	-	-	-	(60)	-	60	-	-	-
Total comprehensive (loss)/income for the period	-	-	(1,522)	(60)	-	3,424	1,842	(258)	1,584
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	64	-	64	-	64
Total contributions by and distributions to owners	-	-	-	-	64	-	64	-	64
<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	-	-	-	-	-	-	-	143	143
Total transactions with owners in their capacity as owners	-	-	-	-	64	-	64	143	207
Balance as at 30 September 2015	40,725	(317)	(15,484)	-	1,872	113,280	140,076	148	140,224

The Company – 3Q

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total Equity US\$'000
Balance as at 1 July 2016	40,725	(317)	3,441	1,899	8,385	54,133
Loss for the period	-	-	-	-	(326)	(326)
<u>Other comprehensive loss</u>						
Foreign currency translation loss	-	-	(109)	-	-	(109)
Total comprehensive loss for the period	-	-	(109)	-	(326)	(435)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	63	-	63
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	63	-	63
Balance as at 30 September 2016	40,725	(317)	3,332	1,962	8,059	53,761
Balance as at 1 July 2015	40,725	(317)	3,488	1,857	8,318	54,071
Loss for the period	-	-	-	-	(296)	(296)
<u>Other comprehensive loss</u>						
Foreign currency translation loss	-	-	(525)	-	-	(525)
Total comprehensive loss for the period	-	-	(525)	-	(296)	(821)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	15	-	15
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	15	-	15
Balance as at 30 September 2015	40,725	(317)	2,963	1,872	8,022	53,265

The Company – 9M

	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 2016	40,725	(317)	2,999	1,888	8,781	54,076
Loss for the period	-	-	-	-	(723)	(723)
<u>Other comprehensive income/(loss)</u>						
Foreign currency translation gain	-	-	333	-	-	333
Total comprehensive income/(loss) for the period	-	-	333	-	(723)	(390)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	74	-	74
Dividends refunded from equity shareholders of the Company	-	-	-	-	1	1
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	74	1	75
Balance as at 30 September 2016	40,725	(317)	3,332	1,962	8,059	53,761
Balance as at 1 January 2015	40,725	(317)	3,669	1,808	8,997	54,882
Loss for the period	-	-	-	-	(975)	(975)
<u>Other comprehensive loss</u>						
Foreign currency translation loss	-	-	(706)	-	-	(706)
Total comprehensive loss for the period	-	-	(706)	-	(975)	(1,681)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	64	-	64
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	64	-	64
Balance as at 30 September 2015	40,725	(317)	2,963	1,872	8,022	53,265

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: -

	<u>FY 2016</u>	<u>FY2015</u>
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (excluding treasury shares)	533,741,999	533,741,999
Ordinary shares held as treasury shares	(1,001,000)	(1,001,000)
Balance of issued ordinary shares as at 31 Mar and 30 Jun and 30 Sep (excluding treasury shares)	<u>532,740,999</u>	<u>532,740,999</u>
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun and 30 Sep	<u>2,840,000</u>	<u>2,840,000</u>
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun and 30 Sep	<u>3,630,000</u>	<u>3,630,000</u>
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun and 30 Sep	<u>3,672,000</u>	<u>3,672,000</u>
<u>Share Option - exercise price of S\$0.669</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun and 30 Sep	<u>4,630,000</u>	<u>4,630,000</u>
<u>Share Option - exercise price of S\$0.308</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun	-	-
Granted to eligible participants on 4 July 2016	5,170,000	-
Balance as at 30 Sep	<u>5,170,000</u>	<u>-</u>

Out of the 19,942,000 outstanding share options on 30 September 2016 (30 September 2015: 14,772,000), 14,772,000 (30 September 2015: 13,383,000) share options are exercisable.

Treasury Shares

As at 30 September 2016, the total number of treasury shares held was 1,001,000 (30 September 2015: 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	
	<u>As at 30 Sep 2016</u>	<u>As at 31 Dec 2015</u>
Issued ordinary shares	532,740,999	532,740,999

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 2015, except for the adoption of new/revised FRS which came into effect on 1 January 2016.

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

As highlighted in FY2015 full year announcement, the Group has adopted the presentation of analysis of expenses recognised in the Consolidated Income Statement from the classification based on the nature of expenses to the classification based on function. The comparatives had been restated accordingly to follow the same classification.

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

	Group		Group	
	3Q 16	3Q 15	9M 16	9M 15
Profit per share				
Based on existing issued share capital (USD cents)	1.09	0.11	2.18	0.63
On a fully diluted basis (USD cents)	1.09	0.11	2.18	0.63
	Group		Group	
	3Q 16	3Q 15	9M 16	9M 15
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	532,740,999	532,740,999	532,740,999	532,740,999
Weighted average number of shares for calculation of diluted EPS	532,992,249	532,740,999	532,992,249	532,740,999

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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value per ordinary share (USD cents)	28.25	25.78	10.09	10.15

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 nine months ended 30 September 2016 ("9M2016") was US\$172.2 million, a year-on-year ("yoy") increase of 1.5% compared with the US\$169.5 million revenue recorded in 9M2015. The Group's net profit after tax increased from US\$3.1 million in 9M2015 to US\$11.3 million for 9M2016.

On a quarterly basis, revenue for the third quarter ended 30 September 2016 ("3Q2016") increased 10.7% to US\$68.3 million. Profit after tax for the quarter increased from US\$0.6 million in 3Q2015 to US\$5.7 million for 3Q2016.

Revenue by Markets (US\$'000)

	Group			Group		
	3Q 16 US\$'000	3Q 15 US\$'000	Increase/ (Decrease) %	9M 16 US\$'000	9M 15 US\$'000	Increase/ (Decrease) %
Russia	30,513	28,414	7.4	78,660	81,198	(3.1)
Ukraine	6,049	7,564	(20.0)	16,341	18,230	(10.4)
Kazakhstan and CIS Countries	9,487	9,472	0.2	20,202	25,320	(20.2)
Indochina	10,393	7,634	36.1	28,095	20,125	39.6
Other Markets	11,836	8,568	38.1	28,876	24,676	17.0
Total	68,278	61,652	10.7	172,174	169,549	1.5

In 9M2016, sales of the Group's largest market, Russia, decreased by 3.1% to US\$78.7 million compared to US\$81.2 million due to weakening of the Russian Ruble against the US dollar on a yoy basis. In local currency terms, Russia recorded higher revenue due to increase in selling price.

In the Group's Ukraine market, sales declined by 10.4% from US\$18.2 million in 9M2015 to US\$16.3 million in 9M2016 due to weakening of the Ukrainian Hryvnia against the US dollar on a yoy basis. In local currency terms, Ukraine recorded higher revenue due to increase in selling price.

In the Group's Kazakhstan market and CIS countries, sales decreased by 20.2% from US\$25.3 million in 9M2015 to US\$20.2 million in 9M2016 due to soft consumer sentiment and the weakening of local currencies.



In the Group's Indochina market, sales increased by 39.6% from US\$20.1 million in 9M2015 to US\$28.1 million in 9M2016 as a result of higher sales due to wider distribution channels, aggressive advertising and promotion activities.

Sales of the Group's Other Markets increased by 17.0% from US\$24.7 million in 9M2015 to US\$28.9 million in 9M2016 due to higher sales contribution from the Group's Middle East market, non-dairy creamer plant in Malaysia and instant coffee plant in India.

On a quarterly basis, the Group's revenue in 3Q2016 was US\$68.3 million, an increase of 10.7% compared to 3Q2015. Sales of the Group's Other Markets and Group's Indochina market increased respectively by 38.1% and 36.1% for the quarter; while sales of Group's Ukraine market decreased by 20.0% for the quarter.

Profitability

For 9M2016, the Group recorded higher net profit after tax of US\$11.3 million as compared to US\$3.1 million in 9M2015 mainly due to more favourable exchange rates coupled with higher selling prices. This is offset by share of losses from our associate company, Caffebene Co., Ltd, which was acquired in 1Q2016. For 3Q2016, the Group's net profit after tax was US\$5.7 million compared with profit after tax of US\$0.6 million in 3Q2015.

For 9M2016, selling and distribution expenses increased by US\$2.7 million from US\$26.5 million in 9M2015 to US\$29.2 million. For 3Q2016, selling and distribution expenses increased by US\$0.7 million from US\$9.8 million in 3Q2015 to US\$10.5 million. The increase was mainly attributed to higher expenses for advertising and promotion activities coupled with higher salary expenses in Group's Indochina market.

For 9M2016, general and administrative expenses increased by US\$1.9 million from US\$19.7 million in 9M2015 to US\$21.6 million. For 3Q2016, general and administrative expenses increased by US\$1.3 million from US\$6.4 million in 3Q2015 to US\$7.7 million. The increase was mainly attributed to higher salary expenses in view of higher profit sharing, higher headcount in the instant coffee plant in India coupled with higher transportation, legal and professional expenses.

In 9M2016, the Ukrainian Hryvnia weakened from 23.9 Hryvnia per US dollar on 31 December 2015 to 25.9 Hryvnia per US dollar on 30 September 2016. Over the same period, the Russian Ruble strengthened to 63.2 Ruble per US dollar on 30 September 2016, compared with 72.9 Ruble per US dollar on 31 December 2015. As the Group is economically exposed to both markets, it was affected by the revaluation of its outstanding trade receivables denominated in currencies other than the US dollar.

Balance Sheet & Cashflow

Inventories increased from US\$40.1 million as at 31 December 2015 to US\$46.7 million as at 30 September 2016 due to translation gain of inventories held in currencies other than the US dollar, stock-up of inventories and a change in business processes from distributor importer to direct import model for our operations in Kazakhstan.

Investments in associates increased from US\$7.6 million as at 31 December 2015 to US\$15.2 million as at 30 September 2016 due to the Group's investment in Caffebene Co., Ltd.

The Group's net operating cash flow position improved, with a net operating cash inflow of US\$6.3 million in 9M2016 compared to US\$5.2 million in 9M2015. The Group's cash and cash equivalents was US\$23.8 million as at 30 September 2016, compared to US\$27.5 million as at 31 December 2015.

The Group's net assets as at 30 September 2016 were US\$151.0 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 September 2016 was 28.25 US cents as compared to 25.78 US cents as at 31 December 2015.

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.

Currencies of the Group's key markets remain vulnerable to the volatility in global oil prices, which may affect the Group's financial performance. In addition, consumer spending in our markets continues to remain soft amid uncertainty in the global economy.

The Group remains focused to deliver sustainable growth through its geographical diversification and expansion of its product portfolio. The Group will continue to build on its momentum in Indochina and is concurrently on the lookout for growth opportunities in new markets.

The Group will continue to step up the production of its upstream projects, which include the non-dairy creamer plant and the instant coffee plant in India, as well as its beverage and snack manufacturing facility in Malaysia.

11. 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) Books closure date

Not applicable.

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

No dividend has been declared for the current financial period.

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

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

- 14. 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 financial period ended 30 September 2016 to be false or misleading in any material aspect.

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

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

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
11 November 2016