

Food Empire Holdings Limited and its Subsidiaries

Unaudited Condensed Interim Financial Statements

For the six months ended 30 June 2025

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

Interim consolidated income statement

		Group		
	Note	1H 25 US\$'000	1H 24 US\$'000	Increase/ (Decrease) %
Revenue	5	274,060	225,246	21.7
Cost of sales		(183,890)	(157,621)	16.7
Gross profit		90,170	67,625	33.3
Selling and marketing expenses		(23,317)	(17,378)	34.2
General and administrative expenses		(24,096)	(21,783)	10.6
Operating profit		42,757	28,464	50.2
Net other (expenses)/income ⁽¹⁾	7	(32,070)	538	NM
Net finance (costs)/income	8	(1,747)	464	NM
Share of profits/(losses) of associates and joint venture		764	(283)	NM
Profit before taxation⁽²⁾	9	9,704	29,183	(66.7)
Income tax expense	11	(10,798)	(5,964)	81.1
(Loss)/profit for the period⁽³⁾		(1,094)	23,219	NM
(Loss)/profit attributable to:				
Equity shareholders of the Company		(1,452)	23,648	NM
Non-controlling interest		358	(429)	NM
		(1,094)	23,219	NM

NM denotes not meaningful.

Notes

- (1) Includes a one-off, non-cash, fair value loss on redeemable exchangeable notes ("**REN**") of US\$32,592,000 due to fair value through profit or loss ("**FVTPL**") accounting treatment, resulting from a significant increase in Company share price above the Exchange Price of S\$1.09 to S\$1.84 ("**market closing price**") as at 30 June 2025. Following the entry into a Second Supplemental Agreement on 30 June 2025, the FVTPL accounting requirement will no longer be applicable after the date.

	Note	1H 25* US\$'000	1H 24 US\$'000	Increase/ (Decrease) %
Profit before taxation	2	42,296	29,183	44.9
Profit after taxation	3	31,498	23,219	35.7
EBITDA		52,215	36,444	43.3

* Excludes the one-off, non-cash, fair value loss on REN amounting to US\$32,592,000.

Interim consolidated statement of comprehensive income

	Group		
	1H 25	1H 24	Increase/ (Decrease)
	US\$'000	US\$'000	%
(Loss)/profit for the period	(1,094)	23,219	NM
<u>Other comprehensive income:</u>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain/(loss)	16,084	(1,205)	NM
Share of other comprehensive income of associates and joint venture	1,065	643	NM
Other comprehensive income for the period, net of tax	17,149	(562)	NM
Total comprehensive income for the period	16,055	22,657	(29.1)
Total comprehensive income attributable to:			
Equity shareholders of the Company	15,770	23,268	(32.2)
Non-controlling interest	285	(611)	NM
	16,055	22,657	(29.1)

Interim balance sheets

		Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	Note	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets					
Property, plant and equipment	15	121,547	118,694	-	-
Right-of-use assets		11,585	12,634	105	135
Investments in subsidiaries		-	-	44,485	44,485
Investments in associates		10,332	8,503	-	-
Other receivables		397	472	-	-
Intangible assets	14	11,014	10,185	-	-
Deferred tax assets		5,692	3,893	-	-
		160,567	154,381	44,590	44,620
Current Assets					
Inventories		121,102	110,804	-	-
Trade receivables		56,336	49,536	-	93
Prepaid operating expenses		16,135	7,767	53	27
Deposits		839	857	-	-
Other receivables		2,629	4,442	39	18
Amounts due from subsidiaries (non-trade)		-	-	8,897	8,666
Amounts due from associates (non-trade)		1,118	1,118	-	-
Amounts due from related parties (trade)		158	324	-	-
Cash and cash equivalents		135,322	130,852	1,151	24,840
		333,639	305,700	10,140	33,644
Current Liabilities					
Trade payables and accruals		(57,842)	(55,771)	(868)	(5,226)
Lease liabilities	17	(1,952)	(2,395)	(41)	(39)
Interest-bearing loans and borrowings	17	(34,883)	(27,865)	-	-
Other payables		(5,015)	(6,344)	-	-
Amounts due to subsidiaries (non-trade)		-	-	(22)	(20)
Amount due to a related party (non-trade)		(817)	(817)	-	-
Amount due to a minority shareholder (non-trade)		(137)	(168)	-	-
Amounts due to associates (trade)		(114)	(328)	-	-
Income tax payable		(7,725)	(5,655)	(107)	(112)
		(108,485)	(99,343)	(1,038)	(5,397)
Net Current Assets		225,154	206,357	9,102	28,247
Non-Current Liabilities					
Trade payables and accruals		(1,089)	(335)	-	-
Lease liabilities	17	(3,391)	(3,856)	(18)	(36)
Interest-bearing loans and borrowings	17	(20,065)	(11,567)	-	-
Redeemable exchangeable notes	18	(36,439)	(37,170)	-	-
Amount due to a minority shareholder (non-trade)		(3,960)	(3,960)	-	-
Deferred tax liabilities		(7,254)	(7,762)	-	-
		(72,198)	(64,650)	(18)	(36)
Net Assets		313,523	296,088	53,674	72,831
Equity					
Share capital	19	47,502	47,502	47,502	47,502
Treasury shares		(14,491)	(15,898)	(14,491)	(15,898)
Reserves		277,959	262,216	20,663	41,227
		310,970	293,820	53,674	72,831
Non-controlling interest		2,553	2,268	-	-
Total Equity		313,523	296,088	53,674	72,831

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

Interim statements of changes in equity

Group	Attributable to equity shareholders of the Company								
	Share capital	Treasury shares	Foreign	Share-based	Other reserve	Accumulated profits	Total	Non-controlling interest	Total equity
			currency	payment					
			translation reserve	reserve					
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance as at 1 January 2025	47,502	(15,898)	(39,925)	3,715	-	298,426	293,820	2,268	296,088
(Loss)/profit for the period	-	-	-	-	-	(1,452)	(1,452)	358	(1,094)
<u>Other comprehensive income</u>									
Foreign currency translation gain	-	-	16,157	-	-	-	16,157	(73)	16,084
Share of other comprehensive income of associates	-	-	1,065	-	-	-	1,065	-	1,065
Total comprehensive income for the period	-	-	17,222	-	-	(1,452)	15,770	285	16,055
<u>Contributions by and distributions to owners</u>									
Dividends paid to shareholders of the Company	-	-	-	-	-	(32,767)	(32,767)	-	(32,767)
Redeemable exchangeable notes ⁽¹⁾	-	-	-	-	33,323	-	33,323	-	33,323
Treasury shares reissued pursuant to share-based incentive plans	-	1,480	-	(954)	-	-	526	-	526
Expiry of share options	-	-	-	(20)	-	20	-	-	-
Purchase of treasury shares	-	(73)	-	-	-	-	(73)	-	(73)
Value of employee services received from the issuance of share options and share awards	-	-	-	371	-	-	371	-	371
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	1,407	-	(603)	33,323	(32,747)	1,380	-	1,380
Balance as at 30 June 2025	47,502	(14,491)	(22,703)	3,112	33,323	264,227	310,970	2,553	313,523

⁽¹⁾ Per Note 18, on 30 June 2025, the Company, Empire APAC and the investors entered into a Second Supplemental Agreement whereby the REN are deemed to meet the “fixed for fixed” accounting treatment under SFRS(I) 1-32. As a result, the REN are accounted for as a compound instrument and bifurcated into debt and equity components. The valuer determined the fair value of the debt component, amounting to US\$36,439,000, with the residual amount of US\$33,323,000 recognised as the equity component.

Interim statements of changes in equity (cont'd)

Group	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
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2024	47,502	(14,001)	(26,854)	3,939	285,056	295,642	(1,149)
Profit/(loss) for the period	-	-	-	-	23,648	23,648	(429)
<u>Other comprehensive income</u>							
Foreign currency translation loss	-	-	(1,023)	-	-	(1,023)	(182)
Share of other comprehensive income of associates and joint venture	-	-	643	-	-	643	-
Total comprehensive income for the period	-	-	(380)	-	23,648	23,268	(611)
<u>Contributions by and distributions to owners</u>							
Dividends paid to shareholders of the Company	-	-	-	-	(39,158)	(39,158)	-
Treasury shares reissued pursuant to share-based incentive plans	-	4,096	-	(1,106)	-	2,990	-
Purchase of treasury shares	-	(5,652)	-	-	-	(5,652)	-
Value of employee services received from the issuance of share options and share awards	-	-	-	579	-	579	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	(1,556)	-	(527)	(39,158)	(41,241)	-
<u>Others</u>							
Gain of control of a subsidiary without a change in ownership interest but a change in control	-	-	-	-	-	-	3,695
Total Others	-	-	-	-	-	-	3,695
Balance as at 30 June 2024	47,502	(15,557)	(27,234)	3,412	269,546	277,669	1,935

Interim statements of changes in equity (cont'd)

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 Equity US\$'000
Balance as at 1 January 2025		47,502	(15,898)	(33)	3,715	37,545	72,831
Profit for the period		-	-	-	-	11,215	11,215
<u>Other comprehensive income</u>							
Foreign currency translation gain		-	-	1,571	-	-	1,571
Total comprehensive income for the period		-	-	1,571	-	11,215	12,786
<u>Contributions by and distributions to owners</u>							
Dividends paid to shareholders of the Company		-	-	-	-	(32,767)	(32,767)
Treasury shares reissued pursuant to share-based incentive plans		-	1,480	-	(954)	-	526
Expiry of share options		-	-	-	(20)	20	-
Purchase of treasury shares		-	(73)	-	-	-	(73)
Value of employee services received from the issuance of share options and share awards		-	-	-	371	-	371
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		-	1,407	-	(603)	(32,747)	(31,943)
Balance as at 30 June 2025		47,502	(14,491)	1,538	3,112	16,013	53,674
Balance as at 1 January 2024		47,502	(14,001)	1,415	3,939	51,241	90,096
Loss for the period		-	-	-	-	(1,394)	(1,394)
<u>Other comprehensive income</u>							
Foreign currency translation loss		-	-	(1,215)	-	-	(1,215)
Total comprehensive income for the period		-	-	(1,215)	-	(1,394)	(2,609)
<u>Contributions by and distributions to owners</u>							
Dividends paid to shareholders of the Company		-	-	-	-	(39,158)	(39,158)
Treasury shares reissued pursuant to share-based incentive plans		-	4,096	-	(1,106)	-	2,990
Purchase of treasury shares		-	(5,652)	-	-	-	(5,652)
Value of employee services received from the issuance of share options and share awards		-	-	-	579	-	579
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		-	(1,556)	-	(527)	(39,158)	(41,241)
Balance as at 30 June 2024		47,502	(15,557)	200	3,412	10,689	46,246

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

Interim consolidated cash flow statement

	Group	
	1H 25	1H 24
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before taxation	9,704	29,183
Adjustment for :		
Depreciation of property, plant and equipment	4,813	4,286
Depreciation of right-of-use assets	1,391	1,223
Bargain purchase on gain of control of a subsidiary	(1,326)	-
Fair value loss on redeemable exchangeable notes ⁽¹⁾	32,592	-
Loss on disposal of property, plant and equipment	445	8
Interest income	(1,968)	(2,216)
Interest expenses	3,715	1,752
Exchange realignment	585	(727)
Share of (profits)/losses of associates and joint venture	(764)	283
Impairment loss on trade receivables	18	24
Impairment loss on other receivables	-	10
Inventories written-down	872	850
Value of employee services received from the issuance of share options and share awards	371	579
Operating cash flows before changes in working capital	50,448	35,255
<u>Changes in working capital:</u>		
Increase in trade and other receivables	(4,930)	(7,232)
Increase in inventories	(534)	(29,739)
(Decrease)/increase in trade and other payables	(3,216)	128
Cash flows from operations	41,768	(1,588)
Income taxes paid	(9,390)	(6,434)
Net cash flows from/(used in) operating activities	32,378	(8,022)
Cash flows from investing activities		
Interest received	2,035	2,860
Purchase of property, plant and equipment	(11,880)	(7,906)
Proceeds from disposal of property, plant and equipment	57	28
Net cash inflow on gain of control of a subsidiary	-	1,444
Net cash flows used in investing activities	(9,788)	(3,574)
Cash flows from financing activities		
Interest paid	(1,916)	(1,935)
Dividends paid to shareholders of the Company	(32,767)	(39,158)
Repayment of principal portion of interest-bearing loans and borrowings	(59,949)	(27,563)
Proceeds from interest-bearing loans and borrowings	75,486	29,595
Payment of principal portion of lease liabilities	(1,303)	(1,083)
Purchase of treasury shares	(73)	(5,652)
Proceed from reissuance of treasury shares pursuant to share-based incentive plans	526	2,990
Net cash flows used in financing activities	(19,996)	(42,806)
Net increase/(decrease) in cash and cash equivalents	2,594	(54,402)
Effect of exchange rate changes on cash and cash equivalents	1,876	(1,047)
Cash and cash equivalents at beginning of the period	130,852	131,286
Cash and cash equivalents at end of the period	135,322	75,837

⁽¹⁾ A one-off, non-cash, fair value loss on redeemable exchangeable notes ("REN") of US\$32,592,000 due to fair value through profit or loss ("FVTPL") accounting treatment, resulting from a significant increase in Company share price above the Exchange Price of S\$1.09 to S\$1.84 ("market closing price") as at 30 June 2025.

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 2025 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 2025 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 2024.

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 2024.

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 2025.

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 25	1H 24	1H 25	1H 24	1H 25	1H 24	1H 25	1H 24
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Russia	82,796	68,067	-	-	-	-	82,796	68,067
Southeast Asia	77,458	61,811	2	-	-	3	77,460	61,814
Ukraine, Kazakhstan and CIS	68,407	57,298	4	3	-	-	68,411	57,301
South Asia	36,951	29,556	-	-	32	-	36,983	29,556
Others	8,394	8,428	-	-	16	80	8,410	8,508
Total	274,006	225,160	6	3	48	83	274,060	225,246

Timing of transfer of goods or services

At a point in time	274,006	225,160	-	-	48	83
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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) Southeast Asia
- (iii) Ukraine, Kazakhstan and CIS
- (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		Southeast Asia		Ukraine, Kazakhstan and CIS		South Asia		Others		Total	
	1H 25	1H 24	1H 25	1H 24	1H 25	1H 24	1H 25	1H 24	1H 25	1H 24	1H 25	1H 24
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
Revenue												
Total segment sales	86,093	69,515	105,345	144,166	68,411	57,301	53,354	42,676	68,805	8,508	382,008	322,166
Inter-segment sales ^(a)	(3,297)	(1,448)	(27,885)	(82,352)	-	-	(16,371)	(13,120)	(60,395)	-	(107,948)	(96,920)
Segment sales to external customers	82,796	68,067	77,460	61,814	68,411	57,301	36,983	29,556	8,410	8,508	274,060	225,246
Results :												
Segment results	14,845	7,227	5,754	8,639	15,248	10,954	13,155	9,158	413	(1)	49,415	35,977
Interest income	751	891	432	452	501	602	204	196	80	75	1,968	2,216
Interest expenses	(133)	(415)	(2,380)	(202)	(256)	(83)	(941)	(1,051)	(5)	(1)	(3,715)	(1,752)
Share of profits/(losses) of associates and joint venture	339	266	-	-	-	(62)	425	(487)	-	-	764	(283)
Income tax expense	(3,382)	(871)	(1,779)	(1,969)	(2,177)	(959)	(3,280)	(2,100)	(180)	(65)	(10,798)	(5,964)
Non-controlling interest	-	1	-	-	(376)	409	-	-	18	19	(358)	429
Depreciation of property, plant and equipment	(572)	(471)	(1,620)	(1,442)	(427)	(252)	(2,174)	(2,107)	(20)	(14)	(4,813)	(4,286)
Depreciation of right-of-use assets	(851)	(730)	(226)	(221)	(226)	(182)	(76)	(73)	(12)	(17)	(1,391)	(1,223)
Bargain purchase on gain of control of a subsidiary	-	-	-	-	1,326	-	-	-	-	-	1,326	-
Fair value loss on redeemable exchangeable notes ^(b)	-	-	(32,592)	-	-	-	-	-	-	-	(32,592)	-
Other non-cash expenses ^(c)	(109)	(829)	(364)	(430)	(641)	(115)	(79)	(70)	(65)	(22)	(1,258)	(1,466)
Profit/(loss) attributable to equity shareholders of the Company	10,888	5,069	(32,775)	4,827	12,972	10,312	7,234	3,466	229	(26)	(1,452)	23,648
											30 Jun 2025	31 Dec 2024
											US\$'000	
Segment assets	84,257	60,576	232,795	246,229	67,756	55,250	86,509	95,211	22,889	2,815	494,206	460,081
Investment in associates	5,032	3,522	-	-	-	-	5,300	4,981	-	-	10,332	8,503
Additions to non-current assets	383	2,163	2,249	17,175	2,043	3,253	999	2,232	133	342	5,807	25,165
Segment liabilities	(20,267)	(13,923)	(101,486)	(102,679)	(19,462)	(8,507)	(29,946)	(36,295)	(9,522)	(2,589)	(180,683)	(163,993)

^(a) Inter-segment sales are eliminated on consolidation.

^(b) A one-off, non-cash, fair value loss on redeemable exchangeable notes ("REN") of US\$32,592,000 due to fair value through profit or loss ("FVTPL") accounting treatment, resulting from a significant increase in Company share price above the Exchange Price of S\$1.09 to S\$1.84 ("market closing price") as at 30 June 2025.

^(c) 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.

5.2 Segment information (cont'd)

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

	Group	
	1H 25	1H 24
	(US\$'000)	(US\$'000)
Beverages	209,063	169,492
Ingredients	53,316	41,470
Others	11,681	14,284
	<u>274,060</u>	<u>225,246</u>

6. Financial assets and financial liabilities

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation input used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs at different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The financial assets and liabilities of the Group are carried at amortised cost, except for the table below which shows an analysis of financial liabilities measured at fair value at the end of the reporting period:

		Fair value measurements using	
		Significant	
		observable inputs	Total
		(Level 2)	
		US\$'000	US\$'000
Group			
Liability measured at fair value:			
Redeemable exchangeable notes	30-Jun-25	-	-
Group			
Liability measured at fair value:			
Redeemable exchangeable notes	31-Dec-24	37,170	37,170

Determination of fair value

For previous financial year ended 31 December 2024, the redeemable exchangeable notes ("REN") are classified as a financial liability measured at fair value through profit and loss ("FVTPL") under SFRS(I) 9, the fair value is determined using Binomial Tree model.

On 30 June 2025, the Company, Empire APAC Pte Ltd, Merit Genesis Pte Ltd and Apex Genesis Pte Ltd entered into a Second Supplemental Agreement whereby the REN are deemed to meet the "fixed for fixed" accounting treatment under SFRS(I) 1-32. As a result, the REN are no longer required to be accounted under the FVTPL accounting treatment.

7. Net other (expenses)/income

	Group		Increase/ (Decrease)
	1H 25	1H 24	
	US\$'000	US\$'000	%
<u>Other income</u>			
Bargain purchase on gain of control of a subsidiary	1,326	-	NM
Foreign exchange gain	-	46	NM
Sales of scrapped items	182	197	(7.6)
Insurance claim	2	9	(77.8)
Other income	581	294	97.6
	<u>2,091</u>	<u>546</u>	<u>283.0</u>
<u>Other expenses</u>			
Foreign exchange loss	(1,124)	-	NM
Fair value loss on redeemable exchangeable notes ⁽¹⁾	(32,592)	-	NM
Loss on disposal of property, plant and equipment	(445)	(8)	5,462.5
	<u>(34,161)</u>	<u>(8)</u>	<u>426,912.5</u>
Net other (expenses)/income	<u>(32,070)</u>	<u>538</u>	<u>NM</u>

⁽¹⁾ A one-off, non-cash, fair value loss on redeemable exchangeable notes ("REN") of US\$32,592,000 due to fair value through profit or loss ("FVTPL") accounting treatment, resulting from a significant increase in Company share price above the Exchange Price of S\$1.09 to S\$1.84 ("market closing price") as at 30 June 2025. Following the entry into a Second Supplemental Agreement on 30 June 2025, the FVTPL accounting requirement will no longer be applicable after the date. Excluding this one-off, non-cash, fair value loss, the net other income is US\$522,000 for 1H2025 and US\$538,000 for 1H2024.

8. Net finance (costs)/income

	Group		Increase/ (Decrease)
	1H 25	1H 24	
	US\$'000	US\$'000	%
Interest income	1,968	2,216	(11.2)
Interest expenses on:			
- Bank loans	(1,507)	(1,268)	18.8
- Redeemable exchangeable notes	(1,845)	-	NM
- Others	(363)	(484)	(25.0)
	<u>(3,715)</u>	<u>(1,752)</u>	<u>112.0</u>
Net finance (costs)/income	<u>(1,747)</u>	<u>464</u>	<u>NM</u>

9. Profit before taxation

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

	Group		
	1H 25	1H 24	Increase/
	US\$'000	US\$'000	(Decrease)
			%
Depreciation of property, plant and equipment	(4,813)	(4,286)	12.3
Depreciation of right-of-use assets	(1,391)	(1,223)	13.7
Inventories written-down	(872)	(850)	2.6
Impairment loss on trade receivables	(18)	(24)	(25.0)
Impairment loss on other receivables	-	(10)	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:

	Group	
	1H 25	1H 24
	US\$'000	US\$'000
Group		
Triple Ace Ventures Limited and its subsidiaries ^(a)		
- Lease payments made to Triple Ace Venture Limited and its subsidiaries	1030	630
UDI Marketing Sdn Bhd ^(b)		
- Sale of goods	292	265
PT Indokemika Jayatama ^(b)		
- Sale of goods	594	500
Company		
Subsidiaries		
- Management fees received	449	465

(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:

	Group		
	1H 25	1H 24	Increase/
	US\$'000	US\$'000	(Decrease)
			%
Current income tax			
- Current income taxation	(12,672)	(7,631)	66.1
- Under provision for prior year	(52)	(131)	(60.3)
Deferred income tax	1,926	1,798	7.1
Income tax expense	(10,798)	(5,964)	81.1

12.(Loss)/earnings per share

	Group	
	1H 25	1H 24
(Loss)/earnings per share		
Basic (loss)/earnings per share (US cents) ⁽¹⁾	(0.27)	4.49
Diluted (loss)/earnings per share (US cents) ⁽¹⁾	(0.26)	4.44
Weighted average number of shares table		
Weighted average number of shares for calculation of basic EPS	528,222,125	526,574,799
Weighted average number of shares for calculation of diluted EPS	553,127,697	532,509,072

⁽¹⁾ Includes a one-off, non-cash, fair value loss on redeemable exchangeable notes ("**REN**") of US\$32,592,000 due to fair value through profit or loss ("**FVTPL**") accounting treatment, resulting from a significant increase in Company share price above the Exchange Price of S\$1.09 to S\$1.84 ("**market closing price**") as at 30 June 2025.

	Group	
	*Normalised	
	1H 25	1H 24
Earnings per share		
Basic earnings per share (US cents)	5.90	4.49
Diluted earnings per share (US cents)	5.63	4.44

*Excludes the one-off, non-cash, fair value loss on REN amounting to US\$32,592,000.

13.Net asset value

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
Net asset value per ordinary share (US cents)	58.87	55.84	10.16	13.84

14.Intangible assets

	Goodwill	Group Brand	Total
	US\$'000	US\$'000	US\$'000
Cost			
At 1 January 2024	7,489	8,361	15,850
Gain of control of a subsidiary	-	2,555	2,555
Exchange realignment	(1,288)	(405)	(1,693)
At 31 December 2024 and 1 Jan 2025	6,201	10,511	16,712
Gain of control of a subsidiary	-	(266)	(266)
Exchange realignment	1,039	56	1,095
At 30 June 2025	7,240	10,301	17,541
Accumulated impairment			
At 1 January 2024	805	6,245	7,050
Write-back of impairment loss	-	(523)	(523)
At 31 December 2024, 1 January 2025 and 30 June 2025	805	5,722	6,527
Net carrying amount			
At 30 June 2025	6,435	4,579	11,014
At 31 December 2024	5,396	4,789	10,185

There were no indicators of impairment as at 30 June 2025.

15. Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to US\$5,785,000 (30 June 2024: US\$8,305,000).

16. Investment in Subsidiaries

Gain of control of a subsidiary

On 16 May 2024, the Group's wholly owned subsidiary Future Enterprises Pte Ltd ("**FEPL**") amended the foundation agreement with Avira Holdings B.V. ("**Foundation Agreement**") pursuant to which FEPL has control over Tea House LLP ("**Tea House**"). Following the completion of the Foundation Agreement, Tea House became a subsidiary of FEPL. There was no change in the shareholding interest of FEPL in Tea House.

During the six months ended 30 June 2025, the Group completed the purchase price allocation ("**PPA**") exercise of Tea House and recognised a gain on bargain purchase of US\$2,924,000 out of which US\$1,598,000 is accounted for in FY2024 based on the provisional PPA, with an additional US\$1,326,000 recognised in 1H 2025 and is presented under 'Other income' line of the consolidated income statement. The 49.5% non-controlling interest's share of the gain on bargain purchase is presented under 'Non-controlling interest' line of the interim balance sheet and consolidated income statement.

The fair value of the identifiable assets and liabilities of Tea House as at the date of gain of control were:

	30-Jun-25 US\$'000
Assets	
Property, plant and equipment	5,780
Intangible assets	2,289
Inventories	6,655
Trade receivables	6,211
Cash and cash equivalents	1,444
Total assets	<u>22,379</u>
Liabilities	
Trade payables and accruals	(11,872)
Income tax payable	(13)
Deferred tax liabilities	(106)
Total liabilities	<u>(11,991)</u>
Total identifiable net assets at fair value	<u>10,388</u>
Proportion of the Group's ownership	50.5%
Group's share of net identifiable assets at fair value	5,246
Bargain purchase on gain of control of a subsidiary	(1,476)
Transfer from cost of investment in joint venture	<u>3,770</u>
<u>Net cash inflow on gain of control of a subsidiary</u>	
Cash consideration	-
Add: Cash and cash equivalents of a subsidiary acquired	1,444
Net cash inflow from gain of control of a subsidiary	<u>1,444</u>

17. Interest-bearing loans and borrowings and lease liabilities

Amount repayable in one year or less, or on demand

	As at 30 Jun 2025		As at 31 Dec 2024	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(1,952)	-	(2,395)	-
Interest-bearing loans and borrowings	(23,238)	(11,645)	(22,183)	(5,682)
Total	(25,190)	(11,645)	(24,578)	(5,682)

Amount repayable after one year

	As at 30 Jun 2025		As at 31 Dec 2024	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(3,391)	-	(3,856)	-
Interest-bearing loans and borrowings	(20,065)	-	(11,567)	-
Total	(23,456)	-	(15,423)	-

As at 31 December 2024 and 30 June 2025, the lease liabilities include the leasehold land, factory and office premises and motor vehicles held by the Company and the subsidiaries of the Group.

Details of any collateral

As at 31 December 2024 and 30 June 2025, 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 2024 and 30 June 2025, the unsecured interest-bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

18. Redeemable Exchangeable Notes

	Group		Company	
	30-Jun-25 US\$'000	31-Dec-24 US\$'000	30-Jun-25 US\$'000	31-Dec-24 US\$'000
Redeemable Exchangeable Notes	36,439	37,170	-	-

During the previous financial year ended 31 December 2024, the Group's wholly-owned subsidiary, Empire APAC Pte. Ltd. ("**Empire APAC**") issued redeemable exchangeable notes ("**REN**") to Merit Genesis Pte Ltd and Apex Genesis Pte Ltd (collectively the "**Investors**") at an aggregate value of US\$40,000,000 that are convertible into new ordinary shares in the capital of the Company. The REN bear interest at 5.5% per annum, payable on an annual basis. The REN are carried at fair value through profit and loss. As at 31 December 2024, the Group recognised a one-off, non-cash, fair value gain on REN of US\$2,830,000.

During the six months ended 30 June 2025, the Group engaged an independent valuer, RSM SG Corporate Advisory Pte Ltd ("**valuer**") to fair value the REN and recognised a one-off, non-cash, fair value loss of US\$32,592,000 on REN, resulting from the significant increase in Company Share Price above the Exchange Price of S\$1.09 to S\$1.84 ("**market closing price**") as at 30 June 2025. The fair value loss on REN is presented under "Other Expenses" line in the consolidated income statement.

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On 30 June 2025, the Company, Empire APAC and the investors entered into a Second Supplemental Agreement whereby the REN are deemed to meet the “fixed for fixed” accounting treatment under SFRS(I) 1-32. As a result, the REN are accounted for as a compound instrument and bifurcated into debt and equity components. The valuer determined the fair value of the debt component, amounting to US\$36,439,000, with the residual amount of US\$33,323,000 recognised as the equity component. The debt and equity components are recorded under “Redeemable exchangeable notes” line in the interim balance sheet (non-current liabilities) and “Reserves” line in the interim balance sheet (equity) respectively.

19. Share capital

	Group and Company			
	As at 30 Jun 2025		As at 31 Dec 2024	
Issued and fully paid:	Number of shares	US\$'000	Number of shares	US\$'000
At 1 January	550,142,999	47,502	550,142,999	47,502
Issued under employee share option	-	-	-	-
At 30 June / 31 December	550,142,999	47,502	550,142,999	47,502

As at 30 June 2025, the Company’s total issued shares is 528,222,125 ordinary shares (31 December 2024: 526,139,799) excluding 21,920,874 shares held as treasury shares (31 December 2024: 24,003,200).

(i) Share-based Incentive Plans

The Food Empire Holdings Limited Share Option Scheme (the “2022 Option Scheme”) and Performance Share Plan (the “2022 PSP Plan”) was approved and adopted as an Extraordinary General Meeting of the Company held on 22 April 2022.

Out of the 13,695,000 outstanding share options on 30 June 2025 (31 December 2024: 13,740,000), 10,395,000 (31 December 2024: 9,225,000) share options are exercisable.

The 2022 PSP Plan award fully paid ordinary shares of the Company, conditional on performance targets. As at 30 June 2025 2,268,767 (31 December 2024: 1,419,753) shares awards granted under 2022 PSP Plan are outstanding.

(ii) Treasury Shares

As at 30 June 2025, the total number of treasury shares held was 21,920,874 (31 December 2024: 24,003,200).

During the financial period ended 30 June 2025, the Company purchased 100,000 of treasury shares transacted on the Singapore Exchange Securities Trading Limited and transferred 2,182,326 of treasury shares pursuant to equity compensation plan.

(iii) Subsidiary holdings

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

20. Subsequent events

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

21. Use of proceeds

Reference to the Company's announcement on 13 August 2025 on the utilisation of proceeds in relation to the issuance of 5.5% redeemable exchangeable notes ("**REN**") in aggregate principal amount of US\$40,000,000 by its wholly owned subsidiary, Empire APAC Pte. Ltd.

The REN utilisation is as follows:

	Group US\$'000
Expenses incurred in relation to the Proposed REN Issuance	1,400
Capex Expenditure for Empire Manufacturing Kazakhstan LLP	5,000
Capex Expenditure for Indus Coffee (Vietnam) Co., Ltd	8,400
Total	14,800

The above utilisation of the proceeds is consistent with the intended use as disclosed in the previous announcements in relation to the Proposed REN Issuance.

Other information required by Listing Rule Appendix 7.2

1. Review

The interim balance sheet of the Group and the Company as at 30 June 2025, the interim statement of changes in equity of the Group and the Company, the interim consolidated income statement and statement of comprehensive income and the 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 2025 ("**1H2025**") rose 21.7% to US\$274.1 million from US\$225.2 million in 1H2024 mainly due to strong double-digit growth across its four core segments.

Revenue by Segments (US\$'000)

	1H 25 US\$'000	1H 24 US\$'000	Group Increase/ (Decrease) %
Russia	82,796	68,067	21.6
Southeast Asia	77,460	61,814	25.3
Ukraine, Kazakhstan and CIS	68,411	57,301	19.4
South Asia	36,983	29,556	25.1
Others	8,410	8,508	(1.2)
Total	274,060	225,246	21.7

Revenue from the Group's Russia segment rose 21.6% from US\$68.1 million in 1H2024 to US\$82.8 million in 1H2025 mainly due to price gains coupled with appreciation of Russian Ruble against the US dollar. The revenue recorded in local currency terms rose by 17.0%.

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Revenue from the Group's Southeast Asia segment increased by 25.3% to US\$77.5 million in 1H2025 mainly driven by its Vietnam market. The growth was attributable to higher sales volume and price gains.

The Group's Ukraine, Kazakhstan and CIS segment achieved revenue growth of 19.4% from US\$57.3 million in 1H2024 to US\$68.4 million in 1H2025. The improved performance was due to price gains and higher sales volumes from certain markets within this segment coupled with full six months contribution from Tea House LLP which became a subsidiary in May 2024.

The Group's South Asia segment achieved revenue growth of 25.1% from US\$29.6 million in 1H2024 to US\$37.0 million in 1H2025 due to strong demand for both freeze-dried and spray-dried soluble coffee with both facilities running at full capacity.

Profitability

For 1H2025, the Group recorded a normalised net profit after tax of US\$31.5 million as compared to US\$23.2 million, an increase of 35.7% mainly due to higher revenue and gross margins across most core segments.

On 1 November 2024, the Group entered into a US\$40 million redeemable exchangeable notes ("REN") agreement¹ with Merit Genesis Pte Ltd and Apex Genesis Pte Ltd with an Exchange price of S\$1.09. In accordance with SFRS(I) 9, the REN is classified as a financial liability measured at fair value through profit and loss ("FVTPL"). As a result, mark-to-market adjustments to the REN are required to be recognised in the Group's interim consolidated income statement, even though they are non-cash and do not reflect operating performance. Accordingly, the Group recorded a US\$32.6 million one-off, non-cash, fair value accounting loss on REN due to a significant increase in the Group's Share Price above the Exchange Price of S\$1.09 to S\$1.84 ("**market closing price**") as at 30 June 2025.

On 30 June 2025, the Company, Empire APAC Pte Ltd, Merit Genesis Pte Ltd and Apex Genesis Pte Ltd entered into a Second Supplemental Agreement². The purpose of the Second Supplemental Agreement is to ensure that the Group accounts for the REN under the "fixed-for-fixed" accounting classification, which provides a more accurate reflection of the underlying economic intent of the instrument and eliminates any unintended FVTPL accounting requirements which cause earnings volatility to the Group. This will better align the accounting treatment with the economic substance of the REN and will better represent the fundamental operational and financial performance of the Group.

The Management believes the underlying business performance provides a more meaningful representation of shareholder value creation and business fundamentals.

For 1H2025, selling and marketing expenses increased by 34.2% to US\$23.3 million from US\$17.4 million in 1H2024. The increase was mainly due to higher consumer engagement activities, particularly from the Group's Vietnam market.

Balance Sheet & Cashflow

Interest-bearing loans and borrowings increased from US\$39.4 million as at 31 December 2024 to US\$54.9 million as at 30 June 2025 mainly due to higher utilisation of the revolving credit coupled with higher loan drawdown for the Group's first coffee-mix manufacturing facility in Kazakhstan.

As at 30 June 2025, the Group's inventories increased by US\$10.3 million to US\$121.1 million. The increase was mainly due to the appreciation of the Russian Ruble against the US dollar and higher inventory level from the Group's Vietnam operation.

¹ Refer to [SGX announcement dated 1 November 2024](#).

² Refer to [SGX announcement dated 30 June 2025](#).

Prepaid operating expenses increased by US\$8.4 million to US\$16.1 million mainly due to advance capex payment for the Group's freeze-dried soluble coffee manufacturing facility in Binh Dinh Province and the first coffee-mix manufacturing facility in Kazakhstan.

The Group's trade receivables increased by US\$6.8 million to US\$56.3 million mainly due to higher sales.

The Group generated a cash inflow of US\$32.4 million from operating activities in 1H2025 bringing its cash and cash equivalents to US\$135.3 million as at 30 June 2025.

The Group's net assets as at 30 June 2025 amounted to US\$313.5 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 June 2025 was 58.87 US cents as compared to 55.84 US cents as at 31 December 2024.

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

Food Empire delivered four consecutive years of record revenue growth (FY2021-FY2024). The Group believes it can sustain this growth momentum as it continues to invest in brand-building, product development and marketing activities to capture higher market share.

To support its burgeoning branded consumer business, the Group has undertaken significant vertical integration projects to expand its manufacturing capacities. Many of these projects are in Asia, which it has identified as a key growth region. The Group's current project pipeline includes its first coffee-mix manufacturing facility in Kazakhstan in Central Asia, which is expected to be completed by the end of FY2025; in India, the expansion of its spray-dried soluble coffee manufacturing facility by FY2027 will increase the facility's capacity by 60.0%; and, had previously announced plans to set up a new freeze-dried soluble coffee manufacturing facility in Vietnam by FY2028.

The Group remains vigilant of geopolitical and economic headwinds that may impact its business. Although Food Empire's exposure to the US market is insignificant, the still-evolving tariff situation may lead to global market uncertainties that may affect consumer sentiment. However, the Group is confident that the strength of its brands and continuous investments will sustain the strong demand for its products.

6. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.0 Singapore cents per ordinary share
Tax Rate	Tax exempted (One-Tier)

(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

The interim dividend will be paid on 10 September 2025.

(d) Record date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 3 September 2025. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 2 September 2025 will be registered to determine shareholders' entitlement to the interim dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with shares at 5.00 p.m. on 2 September 2025 will be entitled to the interim dividend.

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

Not applicable.

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

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

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

The Company has procured the undertakings (in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST) from all its Directors and Executive Officers.

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

We, Tan Wang Cheow and Sudeep Nair, being two Directors of Food Empire Holdings Limited (the "**Company**"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

Singapore
13 August 2025