

**FOOD EMPIRE HOLDINGS LIMITED**  
*(Co Registration No: 200001282G)*
**Third Quarter Financial Statement and Dividend Announcement for the Period ended 30 September 2019**
**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 19	3Q 18	Increase/ (Decrease)	9M 19	9M 18	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	76,802	72,899	5.4	215,292	214,358	0.4
Cost of sales	(46,271)	(44,700)	3.5	(130,702)	(130,292)	0.3
Gross profit	30,531	28,199	8.3	84,590	84,066	0.6
Selling and marketing expenses	(12,359)	(11,968)	3.3	(32,053)	(36,300)	(11.7)
General and administrative expenses	(9,007)	(9,697)	(7.1)	(27,904)	(27,995)	(0.3)
Results from operating activities	9,165	6,534	40.3	24,633	19,771	24.6
Net other (expenses)/income (Note 1)	(545)	(757)	(28.0)	1,146	(1,110)	NM
Net finance costs (Note 2)	(242)	(271)	(10.7)	(801)	(537)	49.2
Share of profit of associates	352	31	1,035.5	351	273	28.6
<b>Profit before taxation (Note 3)</b>	<b>8,730</b>	<b>5,537</b>	<b>57.7</b>	<b>25,329</b>	<b>18,397</b>	<b>37.7</b>
Income tax expense (Note 4)	(952)	224	NM	(4,481)	(3,278)	36.7
<b>Profit for the period</b>	<b>7,778</b>	<b>5,761</b>	<b>35.0</b>	<b>20,848</b>	<b>15,119</b>	<b>37.9</b>
<b>Profit attributable to:</b>						
Equity shareholders of the Company	7,861	5,851	34.4	21,126	15,377	37.4
Non-controlling interest	(83)	(90)	(7.8)	(278)	(258)	7.8
	7,778	5,761	35.0	20,848	15,119	37.9

NM denotes not meaningful.

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

	3Q 19 US\$'000	3Q 18 US\$'000	Increase/ (Decrease) %	9M 19 US\$'000	9M 18 US\$'000	Increase/ (Decrease) %
<u>Other income</u>						
Gain on disposal of assets classified as held for sale	-	-	NM	-	408	NM
Gain on disposal of property, plant and equipment	24	-	NM	-	-	NM
Writeback of impairment of loan to an associate	-	22	NM	-	-	NM
Sales of scrapped items	50	59	(15.3)	144	197	(26.9)
Other income	338	324	4.3	1,148	1,242	(7.6)
Insurance claim	4	3	33.3	8	5	60.0
	<u>416</u>	<u>408</u>	<u>2.0</u>	<u>1,300</u>	<u>1,852</u>	<u>(29.8)</u>
<u>Other expenses</u>						
Foreign exchange loss	(961)	(1,153)	(16.7)	(125)	(2,709)	(95.4)
Impairment of loan to associates	-	-	NM	-	(159)	NM
Loss on disposal of property, plant and equipment	-	(12)	NM	(29)	(27)	7.4
Loss on disposal of an associate	-	-	NM	-	(67)	NM
	<u>(961)</u>	<u>(1,165)</u>	<u>(17.5)</u>	<u>(154)</u>	<u>(2,962)</u>	<u>(94.8)</u>
<b>Net other (expenses)/income</b>	<b><u>(545)</u></b>	<b><u>(757)</u></b>	<b><u>(28.0)</u></b>	<b><u>1,146</u></b>	<b><u>(1,110)</u></b>	<b><u>NM</u></b>

**2. Net finance costs comprises:**

	Group			Group		
	3Q 19 US\$'000	3Q 18 US\$'000	Increase/ (Decrease) %	9M 19 US\$'000	9M 18 US\$'000	Increase/ (Decrease) %
Interest income	27	62	(56.5)	116	436	(73.4)
Interest expenses on:						
- Bank loans	(210)	(328)	(36.0)	(739)	(960)	(23.0)
- Others	(59)	(5)	1,080.0	(178)	(13)	1,269.2
	<u>(269)</u>	<u>(333)</u>	<u>(19.2)</u>	<u>(917)</u>	<u>(973)</u>	<u>(5.8)</u>
<b>Net finance costs</b>	<b><u>(242)</u></b>	<b><u>(271)</u></b>	<b><u>(10.7)</u></b>	<b><u>(801)</u></b>	<b><u>(537)</u></b>	<b><u>49.2</u></b>

**3. Included in profit before taxation are as follows:**

	3Q 19 US\$'000	3Q 18 US\$'000	Increase/ (Decrease) %	9M 19 US\$'000	9M 18 US\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(1,479)	(1,442)	2.6	(4,411)	(4,212)	4.7
Depreciation of investment properties	(42)	(42)	-	(126)	(128)	(1.6)
Depreciation of right-of-use assets	(532)	-	NM	(1,555)	-	NM
Inventories written down	(428)	(89)	380.9	(512)	(279)	83.5
(Allowance)/write back for doubtful receivables	(106)	(7)	1,414.3	(128)	279	NM

4. Included in the taxation is as follows:

	Group			Group		
	3Q 19 US\$'000	3Q 18 US\$'000	Increase/ (Decrease) %	9M 19 US\$'000	9M 18 US\$'000	Increase/ (Decrease) %
Current income tax						
- Current income taxation	(1,123)	(925)	21.4	(4,376)	(3,390)	29.1
- Over provision for prior year	15	1,484	(99.0)	37	1,438	(97.4)
Deferred income tax	156	(335)	NM	(142)	(1,326)	(89.3)
	<b>(952)</b>	<b>224</b>	<b>NM</b>	<b>(4,481)</b>	<b>(3,278)</b>	<b>36.7</b>

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

	Group			Group		
	3Q 19 US\$'000	3Q 18 US\$'000	Increase/ (Decrease) %	9M 19 US\$'000	9M 18 US\$'000	Increase/ (Decrease) %
<b>Profit net of tax</b>	<b>7,778</b>	<b>5,761</b>	<b>35.0</b>	<b>20,848</b>	<b>15,119</b>	<b>37.9</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation (loss)/gain	(187)	(2,361)	(92.1)	3,333	(4,871)	NM
Share of other comprehensive income of associates	(284)	(400)	(29.0)	340	(1,075)	NM
Exchange differences realised on disposal of an associate	-	-	NM	-	8	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>(471)</b>	<b>(2,761)</b>	<b>(82.9)</b>	<b>3,673</b>	<b>(5,938)</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>7,307</b>	<b>3,000</b>	<b>143.6</b>	<b>24,521</b>	<b>9,181</b>	<b>167.1</b>
<b>Total comprehensive income attributable to:</b>						
Equity shareholders of the Company	7,384	3,090	139.0	24,798	9,439	162.7
Non-controlling interest	(77)	(90)	(14.4)	(277)	(258)	7.4
	<b>7,307</b>	<b>3,000</b>	<b>143.6</b>	<b>24,521</b>	<b>9,181</b>	<b>167.1</b>

**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 2019 US\$'000	31 Dec 2018 US\$'000	30 Sep 2019 US\$'000	31 Dec 2018 US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	97,832	68,932	-	-
Right-of-use assets	6,070	-	-	-
Investment properties	15,787	16,117	-	-
Investments in subsidiaries	-	-	44,635	44,635
Investments in associates	11,581	11,392	-	-
Intangible assets	10,343	10,343	-	-
Deferred tax assets	2,532	2,615	-	-
	<b>144,145</b>	<b>109,399</b>	<b>44,635</b>	<b>44,635</b>
<b>Current Assets</b>				
Cash and cash equivalents	44,592	42,218	384	18
Trade receivables	42,234	32,632	-	18
Deferred expenses	-	178	-	-
Prepaid operating expenses and deposits	6,882	6,844	13	7
Other receivables	3,510	2,403	33	-
Amounts due from subsidiaries (non-trade)	-	-	5,458	8,837
Amount due from an associate (non-trade)	97	77	-	-
Amount due from a related party (trade)	155	428	-	-
Inventories	51,659	50,537	-	-
	<b>149,129</b>	<b>135,317</b>	<b>5,888</b>	<b>8,880</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(32,045)	(29,731)	(580)	(121)
Lease liabilities	(1,274)	(61)	-	-
Interest-bearing loans and borrowings	(14,362)	(20,275)	-	-
Other payables	(6,389)	(2,579)	(53)	-
Amount due to a subsidiary (non-trade)	-	-	(20)	(20)
Amount due to related parties (non-trade)	(568)	(573)	-	-
Amount due to an associate (non-trade)	(220)	(186)	-	-
Amounts due to associates (trade)	(308)	(161)	-	-
Income tax payable	(835)	(432)	(1)	(7)
	<b>(56,001)</b>	<b>(53,998)</b>	<b>(654)</b>	<b>(148)</b>
<b>Net Current Assets</b>	<b>93,128</b>	<b>81,319</b>	<b>5,234</b>	<b>8,732</b>
<b>Non-Current Liabilities</b>				
Lease liabilities	(885)	(569)	-	-
Interest-bearing loans and borrowings	(36,537)	(13,230)	-	-
Deferred tax liabilities	(1,494)	(1,466)	-	-
	<b>(38,916)</b>	<b>(15,265)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>198,357</b>	<b>175,453</b>	<b>49,869</b>	<b>53,367</b>
<b>Equity</b>				
Share capital	41,756	41,202	41,756	41,202
Treasury shares	(390)	(317)	(390)	(317)
Reserves	158,047	135,389	8,503	12,482
	<b>199,413</b>	<b>176,274</b>	<b>49,869</b>	<b>53,367</b>
Non-controlling interest	(1,056)	(821)	-	-
<b>Total Equity</b>	<b>198,357</b>	<b>175,453</b>	<b>49,869</b>	<b>53,367</b>

**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 2019		As at 31 Dec 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(1,274)	-	(61)	-
Interest-bearing loans and borrowings	(4,432)	(9,930)	(9,991)	(10,284)
<b>Total</b>	<b>(5,706)</b>	<b>(9,930)</b>	<b>(10,052)</b>	<b>(10,284)</b>

**Amount repayable after one year**

	As at 30 Sep 2019		As at 31 Dec 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Lease liabilities	(885)	-	(569)	-
Interest-bearing loans and borrowings	(34,789)	(1,748)	(9,661)	(3,569)
<b>Total</b>	<b>(35,674)</b>	<b>(1,748)</b>	<b>(10,230)</b>	<b>(3,569)</b>

**Details of any collateral**

As at 31 December 2018, the lease liabilities relate to finance lease creditors for leasehold land and motor vehicles held by subsidiaries of the Group. As at 30 September 2019, the lease liabilities include these leasehold land and motor vehicles held by subsidiaries of the Group amounting to US\$0.6 million, with the change in classification arising from the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases.

As at 31 December 2018 and 30 September 2019, 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 2018 and 30 September 2019, the unsecured interest-bearing loans and borrowings 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 19	3Q 18	9M 19	9M 18
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit from operations before taxation	8,730	5,537	25,329	18,397
Adjustment for :				
Depreciation of property, plant and equipment	1,479	1,442	4,411	4,212
Depreciation of investment properties	42	42	126	128
Depreciation of right-of-use assets	532	-	1,555	-
Gain on disposal of assets classified as held for sale	-	-	-	(408)
(Gain)/loss on disposal of property, plant and equipment	(24)	12	29	27
Interest income	(27)	(62)	(116)	(436)
Interest expenses	269	333	917	973
Exchange realignment	408	451	(666)	1,543
Share of profit of associates	(352)	(31)	(351)	(273)
Allowance/(write back) for doubtful receivables	106	7	128	(279)
(Writeback)/impairment of loan to associates	-	(22)	-	159
Inventories written down	428	89	512	279
Loss on disposal of an associate	-	-	-	67
Value of employee services received for issue of share options	208	356	620	451
<b>Operating cash flows before changes in working capital</b>	<b>11,799</b>	<b>8,154</b>	<b>32,494</b>	<b>24,840</b>
<u>Changes in working capital:</u>				
Increase in trade and other receivables	(5,043)	(6,818)	(10,639)	(7,672)
Decrease/(increase) in inventories	2,941	(3,072)	547	(13,076)
Increase in trade and other payables	1,543	1,636	6,157	5,531
<b>Cash flows from operations</b>	<b>11,240</b>	<b>(100)</b>	<b>28,559</b>	<b>9,623</b>
Income taxes paid	(1,123)	(1,126)	(3,524)	(3,234)
<b>Net cash flows from/(used in) operating activities</b>	<b>10,117</b>	<b>(1,226)</b>	<b>25,035</b>	<b>6,389</b>
<b>Cash flows from investing activities</b>				
Interest income received	63	62	228	436
Purchase of property, plant and equipment	(3,898)	(3,021)	(35,422)	(7,086)
Proceeds from disposal of property, plant and equipment	65	96	82	190
Proceeds from disposal of assets classified as held for sale	-	-	-	1,052
Dividend income from an associate	501	-	501	-
<b>Net cash flows used in investing activities</b>	<b>(3,269)</b>	<b>(2,863)</b>	<b>(34,611)</b>	<b>(5,408)</b>
<b>Cash flows from financing activities</b>				
Interest expenses paid	(662)	(333)	(1,769)	(973)
Capital injection from non-controlling interest of a subsidiary	-	-	42	-
Dividends paid to equity shareholders of the Company	-	-	(2,638)	(2,396)
Repayment of interest-bearing loans and borrowings	(15,469)	(12,389)	(42,387)	(43,180)
Proceeds from interest-bearing loans and borrowings	16,219	12,607	59,847	40,650
Repayment of obligation under lease liabilities	(488)	(8)	(1,440)	(27)
Proceeds from obligation under lease liabilities	-	26	25	26
Proceeds from issuance of shares	384	20	432	72
Purchase of treasury shares	(73)	-	(73)	-
<b>Net cash flows (used in)/from financing activities</b>	<b>(89)</b>	<b>(77)</b>	<b>12,039</b>	<b>(5,828)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,759</b>	<b>(4,166)</b>	<b>2,463</b>	<b>(4,847)</b>
Effect of exchange rate changes on cash and cash equivalents	(633)	(594)	(89)	(963)
Cash and cash equivalents at beginning of the period	38,466	41,785	42,218	42,835
<b>Cash and cash equivalents at end of the period</b>	<b>44,592</b>	<b>37,025</b>	<b>44,592</b>	<b>37,025</b>

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 19**

	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 2019	41,265	(317)	(3,862)	3,110	151,314	191,510	(979)	190,531
<b>Profit/(loss) for the period</b>	-	-	-	-	<b>7,861</b>	<b>7,861</b>	<b>(83)</b>	<b>7,778</b>
<u>Other comprehensive income</u>								
Foreign currency translation (loss)/gain	-	-	(193)	-	-	(193)	6	(187)
Share of other comprehensive income of associates	-	-	(284)	-	-	(284)	-	(284)
<b>Total comprehensive income for the period</b>	-	-	<b>(477)</b>	-	<b>7,861</b>	<b>7,384</b>	<b>(77)</b>	<b>7,307</b>
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	208	-	208	-	208
Issuance of new shares	384	-	-	-	-	384	-	384
Purchase of treasury shares	-	(73)	-	-	-	(73)	-	(73)
Exercise of share options	107	-	-	(107)	-	-	-	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>491</b>	<b>(73)</b>	-	<b>101</b>	-	<b>519</b>	-	<b>519</b>
<b>Balance as at 30 September 2019</b>	<b>41,756</b>	<b>(390)</b>	<b>(4,339)</b>	<b>3,211</b>	<b>159,175</b>	<b>199,413</b>	<b>(1,056)</b>	<b>198,357</b>

**The Group – 3Q 18**

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 July 2018	41,160	(317)	(14,386)	2,206	143,330	171,993	(631)	171,362
<b>Profit/(loss) for the period</b>	-	-	-	-	5,851	5,851	(90)	5,761
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(2,361)	-	-	(2,361)	-	(2,361)
Share of other comprehensive income of associates	-	-	(400)	-	-	(400)	-	(400)
<b>Total comprehensive income for the period</b>	-	-	(2,761)	-	5,851	3,090	(90)	3,000
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	356	-	356	-	356
Issuance of new shares	20	-	-	-	-	20	-	20
Exercise of share options	7	-	-	(7)	-	-	-	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>349</b>	<b>-</b>	<b>376</b>	<b>-</b>	<b>376</b>
<b>Balance as at 30 September 2018</b>	<b>41,187</b>	<b>(317)</b>	<b>(17,147)</b>	<b>2,555</b>	<b>149,181</b>	<b>175,459</b>	<b>(721)</b>	<b>174,738</b>



**The Group – 9M 19**

	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 2019	41,202	(317)	(8,011)	2,713	140,687	176,274	(821)	175,453
<b>Profit/(loss) for the period</b>	-	-	-	-	21,126	21,126	(278)	20,848
<u>Other comprehensive income</u>								
Foreign currency translation gain	-	-	3,332	-	-	3,332	1	3,333
Share of other comprehensive income of associates	-	-	340	-	-	340	-	340
<b>Total comprehensive income for the period</b>	-	-	<b>3,672</b>	-	<b>21,126</b>	<b>24,798</b>	<b>(277)</b>	<b>24,521</b>
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	620	-	620	-	620
Issuance of new shares	432	-	-	-	-	432	-	432
Purchase of treasury shares	-	(73)	-	-	-	(73)	-	(73)
Exercise of share options	122	-	-	(122)	-	-	-	-
Dividend paid to equity shareholders of the Company	-	-	-	-	(2,638)	(2,638)	-	(2,638)
<b>Total contributions by and distributions to owners</b>	<b>554</b>	<b>(73)</b>	<b>-</b>	<b>498</b>	<b>(2,638)</b>	<b>(1,659)</b>	<b>-</b>	<b>(1,659)</b>
<u>Changes in ownership interests in subsidiaries</u>								
Capital injection from non-controlling interest of a subsidiary, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	42	42
<b>Total transactions with owners in their capacity as owners</b>	<b>554</b>	<b>(73)</b>	<b>-</b>	<b>498</b>	<b>(2,638)</b>	<b>(1,659)</b>	<b>42</b>	<b>(1,617)</b>
<b>Balance as at 30 September 2019</b>	<b>41,756</b>	<b>(390)</b>	<b>(4,339)</b>	<b>3,211</b>	<b>159,175</b>	<b>199,413</b>	<b>(1,056)</b>	<b>198,357</b>

**The Group – 9M 18**

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 January 2018	41,093	(317)	(11,209)	2,126	136,200	167,893	(463)	167,430
<b>Profit/(loss) for the period</b>	-	-	-	-	15,377	15,377	(258)	15,119
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(4,871)	-	-	(4,871)	-	(4,871)
Share of other comprehensive income of associates	-	-	(1,075)	-	-	(1,075)	-	(1,075)
Exchange differences realised on disposal of an associate	-	-	8	-	-	8	-	8
<b>Total comprehensive income for the period</b>	-	-	<b>(5,938)</b>	-	<b>15,377</b>	<b>9,439</b>	<b>(258)</b>	<b>9,181</b>
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	451	-	451	-	451
Issuance of new shares	72	-	-	-	-	72	-	72
Exercise of share options	22	-	-	(22)	-	-	-	-
Dividend paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)	-	(2,396)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>(2,396)</b>	<b>(1,873)</b>	<b>-</b>	<b>(1,873)</b>
<b>Balance as at 30 September 2018</b>	<b>41,187</b>	<b>(317)</b>	<b>(17,147)</b>	<b>2,555</b>	<b>149,181</b>	<b>175,459</b>	<b>(721)</b>	<b>174,738</b>

**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 2019	41,265	(317)	(196)	3,110	6,154	50,016
<b>Loss for the period</b>	-	-	-	-	(554)	(554)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(112)	-	-	(112)
<b>Total comprehensive income for the period</b>	-	-	(112)	-	(554)	(666)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	208	-	208
Issuance of new shares	384	-	-	-	-	384
Exercise of share options	107	-	-	(107)	-	-
Purchase of treasury shares	-	(73)	-	-	-	(73)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>491</b>	<b>(73)</b>	<b>-</b>	<b>101</b>	<b>-</b>	<b>519</b>
<b>Balance as at 30 September 2019</b>	<b>41,756</b>	<b>(390)</b>	<b>(308)</b>	<b>3,211</b>	<b>5,600</b>	<b>49,869</b>
Balance as at 1 July 2018	41,160	(317)	3,467	2,206	6,651	53,167
<b>Loss for the period</b>	-	-	-	-	(429)	(429)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(21)	-	-	(21)
<b>Total comprehensive income for the period</b>	-	-	(21)	-	(429)	(450)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	356	-	356
Issuance of new shares	20	-	-	-	-	20
Exercise of share options	7	-	-	(7)	-	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>349</b>	<b>-</b>	<b>376</b>
<b>Balance as at 30 September 2018</b>	<b>41,187</b>	<b>(317)</b>	<b>3,446</b>	<b>2,555</b>	<b>6,222</b>	<b>53,093</b>

**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 2019	41,202	(317)	(217)	2,713	9,986	53,367
<b>Loss for the period</b>	-	-	-	-	(1,748)	(1,748)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(91)	-	-	(91)
<b>Total comprehensive income for the period</b>	-	-	(91)	-	(1,748)	(1,839)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	620	-	620
Issuance of new shares	432	-	-	-	-	432
Exercise of share options	122	-	-	(122)	-	-
Purchase of treasury shares	-	(73)	-	-	-	(73)
Dividend paid to equity shareholders of the Company	-	-	-	-	(2,638)	(2,638)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>554</b>	<b>(73)</b>	<b>-</b>	<b>498</b>	<b>(2,638)</b>	<b>(1,659)</b>
<b>Balance as at 30 September 2019</b>	<b>41,756</b>	<b>(390)</b>	<b>(308)</b>	<b>3,211</b>	<b>5,600</b>	<b>49,869</b>
Balance as at 1 January 2018	41,093	(317)	3,634	2,126	9,672	56,208
<b>Loss for the period</b>	-	-	-	-	(1,054)	(1,054)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(188)	-	-	(188)
<b>Total comprehensive income for the period</b>	-	-	(188)	-	(1,054)	(1,242)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	451	-	451
Issuance of new shares	72	-	-	-	-	72
Exercise of share options	22	-	-	(22)	-	-
Dividend paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>(2,396)</b>	<b>(1,873)</b>
<b>Balance as at 30 September 2018</b>	<b>41,187</b>	<b>(317)</b>	<b>3,446</b>	<b>2,555</b>	<b>6,222</b>	<b>53,093</b>

**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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2019</u>	<u>FY 2018</u>
<b><u>Share Capital</u></b>		
Number of issued ordinary shares as at 1 Jan (including treasury shares)	535,162,999	534,809,999
Ordinary shares held as treasury shares	(1,201,000)	(1,001,000)
Issued for cash under employee share option scheme:		
- at the exercise price of S\$0.335 each	1,600,000	100,000
- at the exercise price of S\$0.315 each	20,000	44,000
- at the exercise price of S\$0.308 each	175,000	158,000
Balance of issued ordinary shares as at 30 Sep (excluding treasury shares)	<u>535,756,999</u>	<u>534,110,999</u>
<b><u>Share Option - exercise price of S\$0.335</u></b>		
Balance as at 1 Jan	2,510,000	2,610,000
Options exercised during the period	-	(100,000)
Balance as at 31 Mar	<u>2,510,000</u>	<u>2,510,000</u>
Options exercised during the period	(100,000)	-
Balance as at 30 Jun	<u>2,410,000</u>	<u>2,510,000</u>
Options exercised during the period	(1,500,000)	-
Balance as at 30 Sep	<u>910,000</u>	<u>2,510,000</u>
<b><u>Share Option - exercise price of S\$0.505</u></b>		
Balance as at 1 Jan and 31 Mar	3,080,000	3,080,000
Options lapsed during the period	(150,000)	-
Balance as at 30 Jun and 30 Sep	<u>2,930,000</u>	<u>3,080,000</u>
<b><u>Share Option - exercise price of S\$0.315</u></b>		
Balance as at 1 Jan	2,730,000	2,774,000
Options exercised during the period	(20,000)	-
Balance as at 31 Mar	<u>2,710,000</u>	<u>2,774,000</u>
Options exercised during the period	-	(44,000)
Balance as at 30 Jun and 30 Sep	<u>2,710,000</u>	<u>2,730,000</u>
<b><u>Share Option - exercise price of S\$0.669</u></b>		
Balance as at 1 Jan	3,980,000	4,280,000
Options lapsed during the period	-	(300,000)
Balance as at 31 Mar	<u>3,980,000</u>	<u>3,980,000</u>
Options lapsed during the period	(170,000)	-
Balance as at 30 Jun and 30 Sep	<u>3,810,000</u>	<u>3,980,000</u>

	FY 2019	FY 2018
<b><u>Share Option - exercise price of S\$0.308</u></b>		
Balance as at 1 Jan	4,671,000	4,880,000
Options exercised during the period	(85,000)	-
Balance as at 31 Mar	4,586,000	4,880,000
Options exercised during the period	-	(68,000)
Options lapsed during the period	(51,000)	-
Balance as at 30 Jun	4,535,000	4,812,000
Options exercised during the period	(90,000)	(90,000)
Balance as at 30 Sep	4,445,000	4,722,000
<b><u>Share Option - exercise price of S\$0.693</u></b>		
Balance as at 1 Jan, 31 Mar, 30 Jun and 30 Sep	550,000	650,000
<b><u>Share Option - exercise price of S\$0.679</u></b>		
Balance as at 1 Jan	4,750,000	-
Granted to eligible participants on 16 Mar 2018	-	4,750,000
Balance as at 31 Mar	4,750,000	4,750,000
Options lapsed during the period	(150,000)	-
Balance as at 30 June and 30 Sep	4,600,000	4,750,000
<b><u>Share Option - exercise price of S\$0.556</u></b>		
Balance as at 1 Jan	-	-
Granted to eligible participants on 15 Mar 2019	5,450,000	-
Balance as at 31 Mar, 30 Jun and 30 Sep	5,450,000	-

Out of the 25,405,000 outstanding share options on 30 September 2019 (30 September 2018: 22,422,000), 17,030,000 (30 September 2018: 15,776,000) share options are exercisable.

#### **Treasury Shares**

As at 30 September 2019, the total number of treasury shares held was 1,201,000 (30 September 2018: 1,001,000).

#### **1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares excluding treasury shares is as follows: -

	Group	
	As at 30 Sep 2019	As at 31 Dec 2018
Issued ordinary shares	535,756,999	534,161,999

#### **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.

#### **1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**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 2018, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current financial period, except for the adoption of SFRS(I) 16 Leases which came into effect on 1 January 2019.

**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 impact of adopting SFRS(I) 16 Leases resulted in the recognition of right-of-use assets of US\$7.3 million and non-current and current lease liabilities of US\$3.2 million as at 1 January 2019. The lease liabilities include finance lease creditors of US\$0.6 million as at 1 January 2019.

**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 19	3Q 18	9M 19	9M 18
<b>Profit per share</b>				
Based on existing issued share capital (US cents)	1.47	1.10	3.95	2.88
On a fully diluted basis (US cents)	1.46	1.08	3.93	2.85
<b>Weighted average number of shares table</b>				
Weighted average number of shares for calculation of basic EPS	534,436,564	534,106,108	534,178,026	533,980,537
Weighted average number of shares for calculation of diluted EPS	537,995,550	539,364,433	537,838,714	539,299,032

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2019</b>	<b>31 Dec 2018</b>	<b>30 Sep 2019</b>	<b>31 Dec 2018</b>
Net asset value per ordinary share (US cents)	37.22	33.00	9.31	9.99

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 2019 ("9M2019") was US\$215.3 million, a year-on-year ("yoy") increase of 0.4% compared with the US\$214.4 million revenue recorded in 9M2018. The Group's net profit after tax increased 37.9% to US\$20.8 million for 9M2019.

On a quarterly basis, revenue for the third quarter ended 30 September 2019 ("3Q2019") increased 5.4% from US\$72.9 million to US\$76.8 million. The Group's profit after tax for the quarter increased by 35.0% to US\$7.8 million.

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

	<b>Group</b>			<b>Group</b>		
	<b>3Q 19 US\$'000</b>	<b>3Q 18 US\$'000</b>	<b>Increase/ (Decrease) %</b>	<b>9M 19 US\$'000</b>	<b>9M 18 US\$'000</b>	<b>Increase/ (Decrease) %</b>
Russia	29,302	28,711	2.1	83,693	86,183	(2.9)
Ukraine	7,801	6,182	26.2	21,420	17,958	19.3
Kazakhstan and CIS markets	9,643	9,413	2.4	28,700	27,833	3.1
Indochina	15,608	13,056	19.5	42,328	39,543	7.0
Other Markets	14,448	15,537	(7.0)	39,151	42,841	(8.6)
<b>Total</b>	<b>76,802</b>	<b>72,899</b>	<b>5.4</b>	<b>215,292</b>	<b>214,358</b>	<b>0.4</b>

In 9M2019, sales in the Group's largest market, Russia, increased in local currency terms but translated USD sales decreased by 2.9% to US\$83.7 million as compared to US\$86.2 million in 9M2018 mainly due to depreciation of the Russian Ruble against the US dollar. The average exchange rate was 61.4 Ruble per US dollar in 9M2018 as compared to 65.0 Ruble per US dollar in 9M2019. In the Group's Ukraine market, sales increased by 19.3% from US\$18.0 million in 9M2018 to US\$21.4 million in 9M2019 due to higher sales volume and appreciation of the Hryvnia against the US dollar. The average exchange rate was 26.9 Hryvnia per US dollar in 9M2018 as compared to 26.2 Hryvnia per US dollar in 9M2019. In the Group's Kazakhstan and CIS markets, sales increased by 3.1% from US\$27.8 million in 9M2018 to US\$28.7 million in 9M2019. In the Group's Indochina market, sales increased by 7.0% from US\$39.5 million in 9M2018 to US\$42.3 million in 9M2019 due to higher sales volume. Sales in the Group's Other Markets decreased by 8.6% from US\$42.8 million in 9M2018 to US\$39.2 million in 9M2019 mainly due to rationalisation of underperforming businesses.



On a quarterly basis, the Group's revenue in 3Q2019 was US\$76.8 million, an increase of 5.4% compared to 3Q2018. Sales in the Group's Ukraine market increased by 26.2% from US\$6.2 million in 3Q2018 to US\$7.8 million in 3Q2019 due to higher sales volume and appreciation of the Ukraine Hryvnia against the US dollar. Sales in the Group's Indochina market increased by 19.5% mainly due to higher sales volume. Sales in the Group's Other Markets decreased by 7.0% from US\$15.5 million in 3Q2018 to US\$14.4 million in 3Q2019 mainly due to rationalisation of underperforming businesses.

### **Profitability**

For 9M2019, the Group's net profit after tax increased 37.9% to US\$20.8 million mainly due to rationalisation of underperforming businesses coupled with lower foreign exchange loss partly offset by higher manpower cost.

For 3Q2019, the Group's net profit after tax increased 35.0% to US\$7.8 million mainly due to higher sales and margins.

For 9M2019, selling and marketing expenses decreased by US\$4.2 million from US\$36.3 million in 9M2018 to US\$32.1 million. The decrease was mainly due to rationalisation of underperforming businesses. For 3Q2019, selling and marketing expenses increased by US\$0.4 million from US\$12.0 million in 3Q2018 to US\$12.4 million. The increase was mainly due to higher manpower costs.

For 9M2019, general and administrative expenses decreased by US\$0.1 million from US\$28.0 million in 9M2018 to US\$27.9 million. For 3Q2019, general and administrative expenses decreased by US\$0.7 million from US\$9.7 million in 3Q2018 to US\$9.0 million.

For 9M2019, the Ukrainian Hryvnia strengthened from 27.7 Hryvnia per US dollar on 31 December 2018 to 24.1 Hryvnia per US dollar on 30 September 2019. Over the same period, the Russian Ruble strengthened from 69.5 Ruble per US dollar on 31 December 2018 to 64.4 Ruble per US dollar on 30 September 2019. 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**

Property, plant and equipment increased US\$28.9 million to US\$97.8 million as at 30 September 2019 mainly due to the expansion of the Group's subsidiary, Indus Coffee Private Limited's ("Indus Coffee") manufacturing facility in India.

Interest-bearing loans and borrowings, both current and non-current, increased cumulatively from US\$33.5 million as at 31 December 2018 to US\$50.9 million as at 30 September 2019 due to draw-down of loan for Indus Coffee partly offset by repayment of existing loans.

Trade receivables increased US\$9.6 million to US\$42.2 million as at 30 September 2019 mainly due to higher receivables from the Group's Russia, Ukraine and Kazakhstan markets due to seasonal factors.

Other payables increased US\$3.8 million to US\$6.4 million as at 30 September 2019 mainly due to on-going capital expenditure at Indus Coffee.

Trade payables and accruals increased US\$2.3 million to US\$32.0 million as at 30 September 2019 mainly due to higher procurement and higher accruals for advertising and promotion expenses.

The Group's net operating cash inflow increased from US\$6.4 million in 9M2018 to US\$25.0 million in 9M2019 mainly due to better performance coupled with better working capital management. The Group's cash and cash equivalents was US\$44.6 million as at 30 September 2019, compared to US\$42.2 million as at 31 December 2018.

The Group's net assets as at 30 September 2019 were US\$198.4 million. The net asset value per ordinary share (excluding non-controlling interest) as at 30 September 2019 was 37.22 US cents as compared to 33.00 US cents as at 31 December 2018.

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

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The global economy is projected to grow at a slower pace for the remaining part of 2019 as a result of continuing trade tensions between the U.S. and China. In spite of this, the Group expects business to remain resilient and it will continue to focus its efforts to grow key markets, streamline business operations and consolidate its Group structure so as to create a stronger foundation for future development. The Group may face currency volatility in core markets such as Russia, Ukraine, Kazakhstan and CIS countries, which could impact the results of the Group.

The construction of the Group's second coffee plant in India is on track and trial production is expected to commence in early part of 2020. The Group will focus its efforts to ensure its timely commissioning.

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 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.

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 2019 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**

**Kevin Cho**  
**Company Secretary**  
**11 November 2019**