

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

Food Empire Holdings Limited and its Subsidiaries

Unaudited Condensed Financial Statements

For the second half year and full year ended 31 December 2021

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

<b>Table of Contents</b>	<b>Page</b>
Consolidated income statement.....	1
Consolidated statement of comprehensive income .....	2
Balance sheet .....	3
Statements of changes in equity .....	4
Consolidated cash flow statement .....	10
Notes to the condensed consolidated financial statements.....	11
Other information required by Listing Rule Appendix 7.2 .....	21

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

**Consolidated income statement**

	Note	Group					
		2H 21	2H 20	Increase/ (Decrease)	12M 21	12M 20	Increase/ (Decrease)
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5	171,010	140,024	22.1	320,626	272,971	17.5
Cost of sales		(125,280)	(88,384)	41.7	(226,788)	(168,325)	34.7
Gross profit		45,730	51,640	(11.4)	93,838	104,646	(10.3)
Selling and marketing expenses		(16,017)	(16,534)	(3.1)	(34,797)	(35,996)	(3.3)
General and administrative expenses		(17,094)	(17,864)	(4.3)	(33,617)	(34,786)	(3.4)
Results from operating activities		12,619	17,242	(26.8)	25,424	33,864	(24.9)
Net other (expenses)/income	7	(72)	(764)	(90.6)	738	(586)	NM
Net finance costs	8	(726)	(230)	215.7	(1,186)	(593)	100.0
Share of profits/(losses) of associates		300	(47)	NM	1,338	(450)	NM
<b>Profit before taxation</b>	9	<b>12,121</b>	<b>16,201</b>	<b>(25.2)</b>	<b>26,314</b>	<b>32,235</b>	<b>(18.4)</b>
Income tax expense	11	(4,252)	(2,962)	43.6	(6,974)	(5,781)	20.6
<b>Profit for the period</b>		<b>7,869</b>	<b>13,239</b>	<b>(40.6)</b>	<b>19,340</b>	<b>26,454</b>	<b>(26.9)</b>
<b>Profit/(loss) attributable to:</b>							
Equity shareholders of the Company		7,954	13,378	(40.5)	19,501	26,785	(27.2)
Non-controlling interest		(85)	(139)	(38.8)	(161)	(331)	(51.4)
		7,869	13,239	(40.6)	19,340	26,454	(26.9)

NM denotes not meaningful.

## Consolidated statement of comprehensive income

	Group					
	2H 21 US\$'000	2H 20 US\$'000	Increase/ (Decrease) %	12M 21 US\$'000	12M 20 US\$'000	Increase/ (Decrease) %
Profit net of tax	7,869	13,239	(40.6)	19,340	26,454	(26.9)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation loss	(715)	(1,556)	(54.0)	(36)	(8,686)	(99.6)
Share of other comprehensive income of associates	(218)	34	NM	(384)	(141)	172.3
Exchange differences realised on liquidation of subsidiaries	-	49	NM	-	49	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>(933)</b>	<b>(1,473)</b>	<b>(36.7)</b>	<b>(420)</b>	<b>(8,778)</b>	<b>(95.2)</b>
<b>Total comprehensive income for the period</b>	<b>6,936</b>	<b>11,766</b>	<b>(41.1)</b>	<b>18,920</b>	<b>17,676</b>	<b>7.0</b>
<b>Total comprehensive income attributable to:</b>						
Equity shareholders of the Company	7,018	11,920	(41.1)	19,071	18,001	5.9
Non-controlling interest	(82)	(154)	(46.8)	(151)	(325)	(53.5)
	<b>6,936</b>	<b>11,766</b>	<b>(41.1)</b>	<b>18,920</b>	<b>17,676</b>	<b>7.0</b>

## Balance sheet

Note	Group		Company		
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	
	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Non-Current Assets</b>					
Property, plant and equipment	16	103,944	104,284	-	-
Right-of-use assets		9,514	10,487	357	-
Investment properties	17	14,026	14,529	-	-
Investments in subsidiaries		-	-	44,485	44,485
Investments in associates		9,046	10,799	-	-
Amount due from an associate (non-trade)		1,545	-	-	-
Intangible assets	15	10,343	10,343	-	-
Deferred tax assets		3,110	3,443	-	-
		<b>151,528</b>	<b>153,885</b>	<b>44,842</b>	<b>44,485</b>
<b>Current Assets</b>					
Inventories		73,521	50,129	-	-
Trade receivables		39,965	31,193	-	-
Prepaid operating expenses		8,074	4,751	16	15
Deposits		793	803	-	-
Other receivables		4,852	2,450	-	-
Amounts due from subsidiaries (non-trade)		-	-	15,213	19,517
Amount due from an associate (non-trade)		683	85	-	-
Amount due from a related party (trade)		69	311	-	-
Cash and cash equivalents		60,557	69,037	760	1,134
		<b>188,514</b>	<b>158,759</b>	<b>15,989</b>	<b>20,666</b>
<b>Current Liabilities</b>					
Trade payables and accruals		(48,078)	(28,766)	(1,917)	(2,449)
Lease liabilities	18	(1,989)	(1,786)	(37)	-
Interest-bearing loans and borrowings	18	(22,421)	(18,403)	-	-
Other payables		(4,886)	(3,294)	-	(146)
Amount due to a subsidiary (non-trade)		-	-	(20)	(21)
Amount due to a related party (non-trade)		(697)	(654)	-	-
Amount due to an associate (non-trade)		(297)	(295)	-	-
Amounts due to associates (trade)		(131)	(21)	-	-
Income tax payable		(1,502)	(1,778)	(13)	(42)
		<b>(80,001)</b>	<b>(54,997)</b>	<b>(1,987)</b>	<b>(2,658)</b>
<b>Net Current Assets</b>		<b>108,513</b>	<b>103,762</b>	<b>14,002</b>	<b>18,008</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	18	(1,525)	(2,616)	(150)	-
Interest-bearing loans and borrowings	18	(27,385)	(35,330)	-	-
Deferred tax liabilities		(4,572)	(2,733)	-	-
		<b>(33,482)</b>	<b>(40,679)</b>	<b>(150)</b>	<b>-</b>
<b>Net Assets</b>		<b>226,559</b>	<b>216,968</b>	<b>58,694</b>	<b>62,493</b>
<b>Equity</b>					
Share capital	19	45,420	43,267	45,420	43,267
Treasury shares		(4,242)	(1,742)	(4,242)	(1,742)
Reserves		186,538	176,499	17,516	20,968
		<b>227,716</b>	<b>218,024</b>	<b>58,694</b>	<b>62,493</b>
Non-controlling interest		(1,157)	(1,056)	-	-
<b>Total Equity</b>		<b>226,559</b>	<b>216,968</b>	<b>58,694</b>	<b>62,493</b>

**FOOD EMPIRE HOLDINGS LIMITED**  
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**Statements of changes in equity**

**The Group – 2H 21**

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	Total equity
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2021	44,929	(2,879)	(10,444)	3,729	186,185	221,520	(1,095)	220,425
<b>Profit/(loss) for the period</b>	-	-	-	-	<b>7,954</b>	<b>7,954</b>	<b>(85)</b>	<b>7,869</b>
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(718)	-	-	(718)	3	(715)
Share of other comprehensive income of associates	-	-	(218)	-	-	(218)	-	(218)
<b>Total comprehensive income for the period</b>	-	-	<b>(936)</b>	-	<b>7,954</b>	<b>7,018</b>	<b>(82)</b>	<b>6,936</b>
<u>Contributions by and distributions to owners</u>								
Value of employee services received from the issuance of share options	-	-	-	157	-	157	-	157
Issuance of new shares	384	-	-	-	-	384	-	384
Purchase of treasury shares	-	(1,363)	-	-	-	(1,363)	-	(1,363)
Exercise of share options	107	-	-	(107)	-	-	-	-
Expiry of share options	-	-	-	(10)	10	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>491</b>	<b>(1,363)</b>	-	<b>40</b>	<b>10</b>	<b>(822)</b>	-	<b>(822)</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	-	-	-	-	-	-	20	20
<b>Total transactions with owners in their capacity as owners</b>	<b>491</b>	<b>(1,363)</b>	-	<b>40</b>	<b>10</b>	<b>(822)</b>	<b>20</b>	<b>(802)</b>
<b>Balance as at 31 December 2021</b>	<b>45,420</b>	<b>(4,242)</b>	<b>(11,380)</b>	<b>3,769</b>	<b>194,149</b>	<b>227,716</b>	<b>(1,157)</b>	<b>226,559</b>

## Statements of changes in equity (cont'd)

### The Group – 2H 20

Group	Attributable to equity shareholders of the Company								
	Note	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2020		42,264	(692)	(9,492)	3,503	170,035	205,618	(1,363)	204,255
<b>Profit/(loss) for the period</b>		-	-	-	-	13,378	13,378	(139)	13,239
<u>Other comprehensive income</u>							-		-
Foreign currency translation loss		-	-	(1,541)	-	-	(1,541)	(15)	(1,556)
Share of other comprehensive income of associates		-	-	34	-	-	34	-	34
Exchange differences realised on liquidation of subsidiaries		-	-	49	-	-	49	-	49
<b>Total comprehensive income for the period</b>		-	-	(1,458)	-	13,378	11,920	(154)	11,766
<u>Contributions by and distributions to owners</u>									
Value of employee services received from the issuance of share options		-	-	-	638	-	638	-	638
Issuance of new shares		781	-	-	-	-	781	-	781
Purchase of treasury shares		-	(1,050)	-	-	-	(1,050)	-	(1,050)
Exercise of share options		222	-	-	(222)	-	-	-	-
Expiry of share options		-	-	-	(54)	54	-	-	-
<b>Total contributions by and distributions to owners</b>		<b>1,003</b>	<b>(1,050)</b>	<b>-</b>	<b>362</b>	<b>54</b>	<b>369</b>	<b>-</b>	<b>369</b>
<u>Changes in ownership interests in subsidiaries</u>									
Loss of control of a subsidiary		-	-	-	-	-	-	510	510
Dilution of interest in a subsidiary		-	-	-	-	117	117	(49)	68
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117</b>	<b>117</b>	<b>461</b>	<b>578</b>
<b>Total transactions with owners in their capacity as owners</b>		<b>1,003</b>	<b>(1,050)</b>	<b>-</b>	<b>362</b>	<b>171</b>	<b>486</b>	<b>461</b>	<b>947</b>
<b>Balance as at 31 December 2020</b>		<b>43,267</b>	<b>(1,742)</b>	<b>(10,950)</b>	<b>3,865</b>	<b>183,584</b>	<b>218,024</b>	<b>(1,056)</b>	<b>216,968</b>

## Statements of changes in equity (cont'd)

### The Group – 12M 21

Group	Attributable to equity shareholders of the Company								
	Note	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2021		43,267	(1,742)	(10,950)	3,865	183,584	218,024	(1,056)	216,968
<b>Profit/(loss) for the year</b>		-	-	-	-	19,501	19,501	(161)	19,340
<u>Other comprehensive income</u>									
Foreign currency translation loss		-	-	(46)	-	-	(46)	10	(36)
Share of other comprehensive income of associates		-	-	(384)	-	-	(384)	-	(384)
<b>Total comprehensive income for the year</b>		-	-	<b>(430)</b>	-	<b>19,501</b>	<b>19,071</b>	<b>(151)</b>	<b>18,920</b>
<u>Contributions by and distributions to owners</u>									
Value of employee services received from the issuance of share options		-	-	-	429	-	429	-	429
Issuance of new shares		1,638	-	-	-	-	1,638	-	1,638
Purchase of treasury shares		-	(2,500)	-	-	-	(2,500)	-	(2,500)
Exercise of share options		515	-	-	(515)	-	-	-	-
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,946)	(8,946)	-	(8,946)
Expiry of share options		-	-	-	(10)	10	-	-	-
<b>Total contributions by and distributions to owners</b>		<b>2,153</b>	<b>(2,500)</b>	-	<b>(96)</b>	<b>(8,936)</b>	<b>(9,379)</b>	-	<b>(9,379)</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		-	-	-	-	-	-	50	50
<b>Total transactions with owners in their capacity as owners</b>		<b>2,153</b>	<b>(2,500)</b>	-	<b>(96)</b>	<b>(8,936)</b>	<b>(9,379)</b>	<b>50</b>	<b>(9,329)</b>
<b>Balance as at 31 December 2021</b>		<b>45,420</b>	<b>(4,242)</b>	<b>(11,380)</b>	<b>3,769</b>	<b>194,149</b>	<b>227,716</b>	<b>(1,157)</b>	<b>226,559</b>



## Statements of changes in equity (cont'd)

### The Group – 12M 20

Group	Attributable to equity shareholders of the Company								
	Note	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2020		42,020	(477)	(2,166)	3,301	164,217	206,895	(1,192)	205,703
<b>Profit/(loss) for the year</b>		-	-	-	-	26,785	26,785	(331)	26,454
<u>Other comprehensive income</u>									
Foreign currency translation loss		-	-	(8,692)	-	-	(8,692)	6	(8,686)
Share of other comprehensive income of associates		-	-	(141)	-	-	(141)	-	(141)
Exchange differences realised on liquidation of subsidiaries		-	-	49	-	-	49	-	49
<b>Total comprehensive income for the year</b>		-	-	(8,784)	-	26,785	18,001	(325)	17,676
<u>Contributions by and distributions to owners</u>									
Value of employee services received from the issuance of share options		-	-	-	905	-	905	-	905
Issuance of new shares		966	-	-	-	-	966	-	966
Purchase of treasury shares		-	(1,265)	-	-	-	(1,265)	-	(1,265)
Exercise of share options		281	-	-	(281)	-	-	-	-
Dividend paid to shareholders of the Company	12	-	-	-	-	(7,595)	(7,595)	-	(7,595)
Expiry of share options		-	-	-	(60)	60	-	-	-
<b>Total contributions by and distributions to owners</b>		<b>1,247</b>	<b>(1,265)</b>	-	<b>564</b>	<b>(7,535)</b>	<b>(6,989)</b>	-	<b>(6,989)</b>
<u>Changes in ownership interests in subsidiaries</u>									
Loss of control of a subsidiary		-	-	-	-	-	-	510	510
Dilution of interest in a subsidiary		-	-	-	-	117	117	(49)	68
<b>Total changes in ownership interests in subsidiaries</b>		-	-	-	-	117	117	461	578
<b>Total transactions with owners in their capacity as owners</b>		<b>1,247</b>	<b>(1,265)</b>	-	<b>564</b>	<b>(7,418)</b>	<b>(6,872)</b>	<b>461</b>	<b>(6,411)</b>
<b>Balance as at 31 December 2020</b>		<b>43,267</b>	<b>(1,742)</b>	<b>(10,950)</b>	<b>3,865</b>	<b>183,584</b>	<b>218,024</b>	<b>(1,056)</b>	<b>216,968</b>

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

**Statements of changes in equity (cont'd)**

**The Company - 2H**

Company	Note	Share capital US\$'000	Treasury shares US\$'000	Foreign	Share-	Accumulated profits US\$'000	Total Equity US\$'000
				currency translation reserve US\$'000	based payment reserve US\$'000		
Balance as at 1 July 2021		44,929	(2,879)	(172)	3,729	7,424	53,031
<b>Profit for the period</b>		-	-	-	-	<b>6,464</b>	<b>6,464</b>
Other comprehensive income							
Foreign currency translation gain		-	-	21	-	-	21
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>6,464</b>	<b>6,485</b>
<u>Contributions by and distributions to owners</u>							
Value of employee services received from the issuance of share options		-	-	-	157	-	157
Issuance of new shares		384	-	-	-	-	384
Exercise of share options		107	-	-	(107)	-	-
Purchase of treasury shares		-	(1,363)	-	-	-	(1,363)
Expiry of employee share options		-	-	-	(10)	10	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>491</b>	<b>(1,363)</b>	<b>-</b>	<b>40</b>	<b>10</b>	<b>(822)</b>
<b>Balance as at 31 December 2021</b>		<b>45,420</b>	<b>(4,242)</b>	<b>(151)</b>	<b>3,769</b>	<b>13,898</b>	<b>58,694</b>
Balance as at 1 July 2020		42,264	(692)	(737)	3,503	11,251	55,589
<b>Profit for the period</b>		-	-	-	-	<b>5,834</b>	<b>5,834</b>
Other comprehensive income							
Foreign currency translation gain		-	-	701	-	-	701
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>701</b>	<b>-</b>	<b>5,834</b>	<b>6,535</b>
<u>Contributions by and distributions to owners</u>							
Value of employee services received from the issuance of share options		-	-	-	638	-	638
Issuance of new shares		781	-	-	-	-	781
Exercise of share options		222	-	-	(222)	-	-
Purchase of treasury shares		-	(1,050)	-	-	-	(1,050)
Expiry of share options		-	-	-	(54)	54	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>1,003</b>	<b>(1,050)</b>	<b>-</b>	<b>362</b>	<b>54</b>	<b>369</b>
<b>Balance as at 31 December 2020</b>		<b>43,267</b>	<b>(1,742)</b>	<b>(36)</b>	<b>3,865</b>	<b>17,139</b>	<b>62,493</b>

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

**Statements of changes in equity (cont'd)**

**The Company - 12M**

Company	Note	Share	Treasury	Foreign	Share-	Accumulated	Total
		capital	shares	currency	based		
		US\$'000	US\$'000	translation	payment	profits	Equity
		US\$'000	US\$'000	reserve	reserve	US\$'000	US\$'000
Balance as at 1 January 2021		43,267	(1,742)	(36)	3,865	17,139	62,493
<b>Profit for the year</b>		-	-	-	-	<b>5,695</b>	<b>5,695</b>
Other comprehensive income							
Foreign currency translation loss		-	-	(115)	-	-	(115)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(115)</b>	<b>-</b>	<b>5,695</b>	<b>5,580</b>
<u>Contributions by and distributions to owners</u>							
Value of employee services received from the issuance of share options		-	-	-	429	-	429
Issuance of new shares		1,638	-	-	-	-	1,638
Exercise of share options		515	-	-	(515)	-	-
Dividend paid to shareholders of the Company	12	-	-	-	-	(8,946)	(8,946)
Purchase of treasury shares		-	(2,500)	-	-	-	(2,500)
Expiry of employee share options		-	-	-	(10)	10	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>2,153</b>	<b>(2,500)</b>	<b>-</b>	<b>(96)</b>	<b>(8,936)</b>	<b>(9,379)</b>
<b>Balance as at 31 December 2021</b>		<b>45,420</b>	<b>(4,242)</b>	<b>(151)</b>	<b>3,769</b>	<b>13,898</b>	<b>58,694</b>
Balance as at 1 January 2020		42,020	(477)	49	3,301	19,727	64,620
<b>Profit for the year</b>		-	-	-	-	<b>4,947</b>	<b>4,947</b>
Other comprehensive income							
Foreign currency translation loss		-	-	(85)	-	-	(85)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(85)</b>	<b>-</b>	<b>4,947</b>	<b>4,862</b>
<u>Contributions by and distributions to owners</u>							
Value of employee services received from the issuance of share options		-	-	-	905	-	905
Issuance of new shares		966	-	-	-	-	966
Exercise of share options		281	-	-	(281)	-	-
Dividend paid to shareholders of the Company	12	-	-	-	-	(7,595)	(7,595)
Purchase of treasury shares		-	(1,265)	-	-	-	(1,265)
Expiry of share options		-	-	-	(60)	60	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>		<b>1,247</b>	<b>(1,265)</b>	<b>-</b>	<b>564</b>	<b>(7,535)</b>	<b>(6,989)</b>
<b>Balance as at 31 December 2020</b>		<b>43,267</b>	<b>(1,742)</b>	<b>(36)</b>	<b>3,865</b>	<b>17,139</b>	<b>62,493</b>

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

**Consolidated cash flow statement**

	Note	Group		Group	
		2H 21 US\$'000	2H 20 US\$'000	12M 21 US\$'000	12M 20 US\$'000
<b>Cash flows from operating activities</b>					
Profit from operations before taxation		12,121	16,201	26,314	32,235
Adjustment for :					
Depreciation of property, plant and equipment	9	4,524	3,135	8,427	6,086
Depreciation of investment properties	9	75	84	151	166
Depreciation of right-of-use assets	9	1,024	967	1,985	1,930
Gain on loss of control of a subsidiary	7	-	(1,728)	-	(1,728)
Impairment loss on loan to an associate	7	22	2,130	43	2,130
(Gain)/loss on disposal of property, plant and equipment	7	(26)	23	(8)	3
Interest income	8	(99)	(155)	(259)	(334)
Interest expenses	8	825	385	1,445	927
Exchange realignment		945	(342)	685	1,052
Share of (profits)/losses of associates		(300)	47	(1,338)	450
Impairment loss/(write back) on trade receivables	9	269	(92)	342	80
Impairment loss on other receivables	9	18	20	35	20
Inventories written down	9	322	890	587	972
Gain on partial disposal of an associate	7	-	-	-	(58)
Gain on dilution of investment in an associate	7	-	(178)	-	(178)
Value of employee services received from the issuance of share options		157	638	429	905
Net fair value (loss)/gain on derivatives		(9)	-	10	-
<b>Operating cash flows before changes in working capital</b>		<b>19,868</b>	<b>22,025</b>	<b>38,848</b>	<b>44,658</b>
<u>Changes in working capital:</u>					
(Increase)/decrease in trade and other receivables		(7,754)	1,474	(15,712)	2,411
(Increase)/decrease in inventories		(17,769)	1,281	(24,068)	(485)
Increase/(decrease) in trade and other payables		12,808	(2,615)	20,921	(8,837)
<b>Cash flows from operations</b>		<b>7,153</b>	<b>22,165</b>	<b>19,989</b>	<b>37,747</b>
Income taxes paid		(3,234)	(2,875)	(5,340)	(4,397)
<b>Net cash flows from operating activities</b>		<b>3,919</b>	<b>19,290</b>	<b>14,649</b>	<b>33,350</b>
<b>Cash flows from investing activities</b>					
Interest received		78	180	222	408
Purchase of property, plant and equipment		(2,703)	(3,608)	(6,552)	(9,144)
Proceeds from disposal of property, plant and equipment		34	30	71	75
Prepayment of right-of-use assets		(96)	(17)	(96)	(2,861)
Dividend received from associates		45	329	558	329
Proceeds from partial disposal of an associate		-	1	-	137
Net cash outflow on loss of control of a subsidiary		-	(24)	-	(24)
<b>Net cash flows used in investing activities</b>		<b>(2,642)</b>	<b>(3,109)</b>	<b>(5,797)</b>	<b>(11,080)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(825)	(862)	(1,674)	(2,032)
Capital injection from non-controlling interest of a subsidiary		20	-	20	-
Dividend paid to shareholders of the Company	12	-	-	(8,946)	(7,595)
Repayment of principal portion of interest-bearing loans and borrowings		(55,526)	(16,502)	(77,673)	(37,650)
Proceeds from interest-bearing loans and borrowings		54,746	23,817	73,889	41,215
Repayment of principal portion of lease liabilities		(881)	(787)	(1,760)	(1,630)
Proceeds from dilution of interest in a subsidiary		-	68	-	68
Proceeds from issuance of shares		384	781	1,638	966
Purchase of treasury shares		(1,363)	(1,050)	(2,500)	(1,265)
<b>Net cash flows (used in)/from financing activities</b>		<b>(3,445)</b>	<b>5,465</b>	<b>(17,006)</b>	<b>(7,923)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,168)</b>	<b>21,646</b>	<b>(8,154)</b>	<b>14,347</b>
Effect of exchange rate changes on cash and cash equivalents		(198)	803	(326)	(45)
Cash and cash equivalents at beginning of the period/year		62,923	46,588	69,037	54,735
<b>Cash and cash equivalents at end of the period/year</b>		<b>60,557</b>	<b>69,037</b>	<b>60,557</b>	<b>69,037</b>

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

**Notes to the condensed 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 consolidated financial statements as at and for the second half year and full year ended 31 December 2021 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 consolidated financial statements for the second half year and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 2020.

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 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 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 2020.

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 second half year and full year ended 31 December 2021.

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

**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	
	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Russia	60,421	51,235	-	-	13	13	60,434	51,248
Ukraine, Kazakhstan and CIS markets	36,489	34,067	3	2	-	-	36,492	34,069
South-East Asia	51,691	41,054	306	324	6	71	52,003	41,449
South Asia	11,519	4,145	-	-	9	9	11,528	4,154
Others	10,377	9,003	-	-	176	101	10,553	9,104
<b>Total</b>	<b>170,497</b>	<b>139,504</b>	<b>309</b>	<b>326</b>	<b>204</b>	<b>194</b>	<b>171,010</b>	<b>140,024</b>

**Timing of transfer of goods or services**

At a point in time	170,497	139,504	-	-	204	194
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	Sale of goods		Rental income		Other revenue		Total revenue	
	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Russia	114,889	99,530	-	-	26	25	114,915	99,555
Ukraine, Kazakhstan and CIS markets	71,708	67,829	5	4	-	-	71,713	67,833
South-East Asia	96,144	80,240	590	702	45	71	96,779	81,013
South Asia	17,375	7,205	-	-	18	19	17,393	7,224
Others	19,499	17,190	-	-	327	156	19,826	17,346
<b>Total</b>	<b>319,615</b>	<b>271,994</b>	<b>595</b>	<b>706</b>	<b>416</b>	<b>271</b>	<b>320,626</b>	<b>272,971</b>

**Timing of transfer of goods or services**

At a point in time	319,615	271,994	-	-	416	271
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Rental income from the Group's operating leases are accounted for on a straight-line basis over the lease term of the contract.

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

A breakdown of sales:

	<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Revenue reported for first half year	149,616	132,947	12.5%
Operating profit after tax before deducting non-controlling interests reported for first half financial year	11,471	13,215	-13.2%
Revenue reported for second half year	171,010	140,024	22.1%
Operating profit after tax before deducting non-controlling interests reported for second half financial year	7,869	13,239	-40.6%

## **5.2 Segment information**

For management purposes, the Group is organised into five reportable segments based on geographical locations. The five main segments are:

- (i) Russia
- (ii) Ukraine, Kazakhstan and CIS markets
- (iii) South-East Asia
- (iv) South Asia
- (v) Others

In presenting information on the basis of geographical segments, the segment revenue and results for sale of ingredients are based on the physical location of the factories.

For all other sales, the segment revenue and results are based on the geographical locations of the customers. This is consistent with the manner which the Group's chief operating decision makers review the segment results of the Group.

The Group regularly reviews each reportable segment results for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the condensed consolidated financial statements.

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

**5.2 Segment information (cont'd)**

Geographical Segment	Russia		Ukraine, Kazakhstan and CIS Markets		South-East Asia		South Asia		Others		Total	
	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20	2H 21	2H 20
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
<b>Revenue</b>												
Total segment sales	66,674	52,252	36,492	34,069	109,173	92,959	19,608	10,829	10,553	9,104	242,500	199,213
Inter-segment sales <sup>(a)</sup>	(6,240)	(1,004)	-	-	(57,170)	(51,510)	(8,080)	(6,675)	-	-	(71,490)	(59,189)
Sales to external customers	60,434	51,248	36,492	34,069	52,003	41,449	11,528	4,154	10,553	9,104	171,010	140,024
<b>Results :</b>												
Segment results	2,962	6,685	3,782	5,920	10,258	8,391	3,355	1,955	(1,400)	(429)	18,957	22,522
Interest income	43	64	17	11	11	72	27	5	1	3	99	155
Interest expenses	(133)	(169)	(56)	(17)	(75)	(122)	(555)	(49)	(6)	(28)	(825)	(385)
Share of profits/(losses) of associates	167	130	-	-	-	-	-	-	133	(177)	300	(47)
Income tax (expenses)/credit	(1,159)	339	230	(285)	(3,065)	(2,684)	(248)	(326)	(10)	(6)	(4,252)	(2,962)
Non-controlling interest	2	19	-	-	-	-	56	85	27	35	85	139
Depreciation for property, plant and equipment	(556)	(525)	(250)	(253)	(1,497)	(1,483)	(2,195)	(824)	(26)	(50)	(4,524)	(3,135)
Depreciation for investment properties	-	-	-	-	(75)	(84)	-	-	-	-	(75)	(84)
Depreciation for right-of-use assets	(707)	(742)	(62)	(78)	(136)	(80)	(71)	(38)	(48)	(29)	(1,024)	(967)
Gain on loss of control of a subsidiary	-	-	-	-	-	-	-	1,728	-	-	-	1,728
Impairment loss on loan to an associate	-	-	-	-	-	-	(22)	(2,130)	-	-	(22)	(2,130)
Other non-cash expenses <sup>(b)</sup>	(405)	(609)	(32)	(119)	(399)	(232)	(28)	(173)	99	(323)	(765)	(1,456)
Profit/(loss) attributable to equity shareholders of the Company	214	5,192	3,629	5,179	5,022	3,778	319	233	(1,230)	(1,004)	7,954	13,378



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

**5.2 Segment information (cont'd)**

Geographical Segment	Russia		Ukraine, Kazakhstan and CIS Markets		South-East Asia		South Asia		Others		Total	
	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20	12M 21	12M 20
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
<b>Revenue</b>												
Total segment sales	124,288	101,379	71,713	67,833	209,457	196,991	32,887	19,379	19,826	17,346	458,171	402,928
Inter-segment sales <sup>(a)</sup>	(9,373)	(1,824)	-	-	(112,678)	(115,978)	(15,494)	(12,155)	-	-	(137,545)	(129,957)
Sales to external customers	114,915	99,555	71,713	67,833	96,779	81,013	17,393	7,224	19,826	17,346	320,626	272,971
<b>Results :</b>												
Segment results	7,376	13,096	9,724	12,811	17,556	15,750	5,594	3,520	(2,087)	(1,335)	38,163	43,842
Interest income	107	105	27	66	66	118	56	27	3	18	259	334
Interest expenses	(290)	(393)	(75)	(50)	(185)	(287)	(879)	(101)	(16)	(96)	(1,445)	(927)
Share of profits/(losses) of associates	494	(200)	-	-	-	-	-	-	844	(250)	1,338	(450)
Income tax expenses	(807)	655	(381)	(933)	(5,417)	(4,758)	(347)	(726)	(22)	(19)	(6,974)	(5,781)
Non-controlling interest	1	31	-	-	-	-	96	231	64	69	161	331
Depreciation for property, plant and equipment	(994)	(952)	(497)	(468)	(3,012)	(2,946)	(3,853)	(1,632)	(71)	(88)	(8,427)	(6,086)
Depreciation for investment properties	-	-	-	-	(151)	(166)	-	-	-	-	(151)	(166)
Depreciation for right-of-use assets	(1,423)	(1,486)	(133)	(170)	(257)	(142)	(97)	(70)	(75)	(62)	(1,985)	(1,930)
Gain on loss of control of a subsidiary	-	-	-	-	-	-	-	1,728	-	-	-	1,728
Impairment loss on loan to an associate	-	-	-	-	-	-	(43)	(2,130)	-	-	(43)	(2,130)
Other non-cash expenses <sup>(b)</sup>	(673)	(888)	(75)	(203)	(639)	(310)	(50)	(202)	42	(377)	(1,395)	(1,980)
Profit/(loss) attributable to equity shareholders of the Company	3,791	9,968	8,590	11,053	7,961	7,259	477	645	(1,318)	(2,140)	19,501	26,785
											<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
											<b>US\$'000</b>	
<b>Assets and liabilities</b>												
Segment assets	64,471	68,457	26,012	16,622	163,346	147,938	76,878	71,863	9,335	7,764	340,042	312,644
Investment in associates	3,634	5,820	-	-	-	-	-	-	5,412	4,979	9,046	10,799
Additions to non-current assets	777	888	273	849	1,644	4,470	6,826	7,526	52	9	9,572	13,742
Segment liabilities	(8,793)	(12,246)	(4,189)	(1,501)	(54,106)	(39,710)	(45,313)	(41,205)	(1,082)	(1,014)	(113,483)	(95,676)

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

**5.2 Segment information (cont'd)**

- (a) Inter-segment revenues are eliminated on consolidation.  
(b) Other non-cash expenses consist of allowance for doubtful debt, bad debts written off, inventories written down and value of employee services received from the issuance of share options.

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

	Group			
	2H 21 (US\$'000)	2H 20 (US\$'000)	12M 21 (US\$'000)	12M 20 (US\$'000)
Beverages	136,269	117,344	260,413	231,509
Ingredients	20,542	11,809	33,581	21,368
Others	14,199	10,871	26,632	20,094
	<u>171,010</u>	<u>140,024</u>	<u>320,626</u>	<u>272,971</u>

**6. Financial assets and financial liabilities**

The financial assets and liabilities of the Group are carried at amortised cost. There are no financial assets or liabilities carried at fair value subsequent to initial recognition.

**7. Net other (expenses)/income**

	Group					
	2H 21 US\$'000	2H 20 US\$'000	Increase/ (Decrease) %	12M 21 US\$'000	12M 20 US\$'000	Increase/ (Decrease) %
<u>Other income</u>						
Gain on disposal of property, plant and equipment	26	-	NM	8	-	NM
Gain on partial disposal of an associate	-	-	NM	-	58	NM
Gain on dilution of investment in an associate	-	178	NM	-	178	NM
Sales of scrapped items	201	96	109.4	336	172	95.3
Insurance claim	5	27	(81.5)	32	79	(59.5)
Gain on loss of control of a subsidiary	-	1,728	NM	-	1,728	NM
Other income	564	551	2.4	696	1,625	(57.2)
	<u>796</u>	<u>2,580</u>	<u>(69.1)</u>	<u>1,072</u>	<u>3,840</u>	<u>(72.1)</u>
<u>Other expenses</u>						
Foreign exchange loss	(846)	(1,191)	(29.0)	(291)	(2,293)	(87.3)
Impairment loss on loan to an associate	(22)	(2,130)	(99.0)	(43)	(2,130)	(98.0)
Loss on disposal of property, plant and equipment	-	(23)	NM	-	(3)	NM
	<u>(868)</u>	<u>(3,344)</u>	<u>(74.0)</u>	<u>(334)</u>	<u>(4,426)</u>	<u>(92.5)</u>
<b>Net other (expenses)/income</b>	<b><u>(72)</u></b>	<b><u>(764)</u></b>	<b><u>(90.6)</u></b>	<b><u>738</u></b>	<b><u>(586)</u></b>	<b><u>NM</u></b>

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

**8. Net finance costs**

	Group					
	2H 21	2H 20	Increase/ (Decrease)	12M 21	12M 20	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	99	155	(36.1)	259	334	(22.5)
Interest expenses on:						
- Bank loans	(648)	(186)	248.4	(1,073)	(453)	136.9
- Others	(177)	(199)	(11.1)	(372)	(474)	(21.5)
<b>Net finance costs</b>	<b>(726)</b>	<b>(230)</b>	<b>215.7</b>	<b>(1,186)</b>	<b>(593)</b>	<b>100.0</b>

**9. Profit before taxation**

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

	Group					
	2H 21	2H 20	Increase/ (Decrease)	12M 21	12M 20	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Depreciation of property, plant and equipment	(4,524)	(3,135)	44.3	(8,427)	(6,086)	38.5
Depreciation of investment properties	(75)	(84)	(10.7)	(151)	(166)	(9.0)
Depreciation of right-of-use assets	(1,024)	(967)	5.9	(1,985)	(1,930)	2.8
Inventories written back/(written down)	(322)	(890)	(63.8)	(587)	(972)	(39.6)
Impairment loss/(write back) on trade receivables	(269)	92	NM	(342)	(80)	327.5
Impairment loss on other receivables	(18)	(20)	(10.0)	(35)	(20)	75.0

**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			
	2H 21	2H 20	12M 21	12M 20
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Triple Ace Ventures Limited and its subsidiaries</u> <sup>(a)</sup> <u>and Simonelo Limited and its subsidiaries</u> <sup>(a)</sup>				
- Lease payments made	873	869	1,778	1,780
<u>UDI Marketing Sdn Bhd</u> <sup>(b)</sup>				
- Sale of goods	313	703	685	1035

<sup>(a)</sup> Companies associated to one of the directors and substantial shareholder, Mr Sudeep Nair.

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

(b) Company associated to Universal Integrated Corporation Consumer Products Pte Ltd., one of the Group's substantial shareholder.

**11. Taxation**

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

	Group					
	2H 21 US\$'000	2H 20 US\$'000	Increase/ (Decrease) %	12M 21 US\$'000	12M 20 US\$'000	Increase/ (Decrease) %
Current income tax						
- Current income taxation	(3,378)	(2,416)	39.8	(5,229)	(4,880)	7.2
- (Under)/Over provision for prior year	3	(73)	NM	444	(65)	NM
Deferred income tax	(877)	(473)	85.4	(2,189)	(836)	161.8
Income tax expense	(4,252)	(2,962)	43.6	(6,974)	(5,781)	20.6

**12. Dividend**

	The Group and the Company	
	12M 21 US\$'000	12M 20 US\$'000
<b>Declared and paid during the financial year</b>		
<i>Dividends on ordinary shares:</i>		
Final exempt (one-tier) dividend for 2020: S\$0.022 (2019: S\$0.01) per share	8,946	3,797
Special exempt (one-tier) dividend for 2020: S\$Nil (2019: S\$0.01) per share	-	3,797
<b>Proposed but not recognised as a liability as at 31 December:</b>		
<i>Dividends on ordinary shares, subject to shareholder approval at the Annual General Meeting:</i>		
Final exempt (one-tier) dividend for 2021: S\$0.0162 (2020: S\$0.022) per share	6,495*	8,946
Special exempt (one-tier) dividend for 2021: S\$0.0058 (2020: S\$Nil) per share	2,325*	-

\*Amounts are translated into United States Dollars ("US\$") at the exchange rate of S\$1.34 to US\$1.00

**13. Earnings per share**

	Group			
	2H 21	2H 20	12M 21	12M 20
<b>Earnings per share</b>				
Basic earnings per share (US cents)	1.48	2.50	3.64	5.01
Diluted earnings per share (US cents)	1.47	2.48	3.60	4.98
<b>Weighted average number of shares table</b>				
Weighted average number of shares for calculation of basic EPS	535,790,611	535,846,764	535,094,408	534,826,420
Weighted average number of shares for calculation of diluted EPS	541,868,903	539,119,264	541,478,808	538,337,872

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

**14. Net asset value**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net asset value per ordinary share (US cents)	42.39	40.63	10.93	11.65

**15. Intangible assets**

As at 31 December 2021, the carrying amount of the intangible assets is US\$10,343,000 (31 December 2020: US\$10,343,000). There were no indicators of impairment as at 31 December 2021.

**16. Property, plant and equipment**

During the full year ended 31 December 2021, the Group acquired assets amounting to US\$8,285,000 (31 December 2020: US\$10,460,000).

**17. Investment Properties**

	Group	
	12M 21 US\$'000	12M 20 US\$'000
<b>Cost</b>		
At 1 January	15,557	17,106
Transfer to property, plant and equipment	-	(1,871)
Exchange realignment	(360)	322
At 31 December	<u>15,197</u>	<u>15,557</u>
<b>Accumulated impairment</b>		
At 1 January	1,028	947
Charge for the year	151	166
Transfer to property, plant and equipment	-	(109)
Exchange realignment	(8)	24
At 31 December	<u>1,171</u>	<u>1,028</u>
<b>Net carrying amount</b>		
At 31 December	<u>14,026</u>	<u>14,529</u>
<b>At Valuation</b>		
Freehold properties	<u>24,823</u>	<u>27,865</u>

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every year based on the property's highest and best use. The valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and knowledgeable willing seller on an arm's length transaction at the valuation date.

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

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

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

	As at 31 Dec 2021		As at 31 Dec 2020	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(1,989)	-	(1,786)	-
Interest-bearing loans and borrowings	(16,747)	(5,674)	(8,081)	(10,322)
Total	(18,736)	(5,674)	(9,867)	(10,322)

**Amount repayable after one year**

	As at 31 Dec 2021		As at 31 Dec 2020	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities	(1,525)	-	(2,616)	-
Interest-bearing loans and borrowings	(24,869)	(2,516)	(31,758)	(3,572)
Total	(26,394)	(2,516)	(34,374)	(3,572)

**Details of any collateral**

As at 31 December 2020 and 31 December 2021, the lease liabilities include the leasehold land, factory and office premises and motor vehicles held by subsidiaries of the Group.

As at 31 December 2020 and 31 December 2021, 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 2020 and 31 December 2021, the unsecured interest-bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

**19. Share capital**

	The Group and the Company			
	As at 31 Dec 2021		As at 31 Dec 2020	
	Number of shares	US\$'000	Number of shares	US\$'000
Issued and fully paid:				
At 1 January	540,917,999	43,267	537,797,999	42,020
Issued under employee share option	4,850,000	2,153	3,120,000	1,247
At 31 December	545,767,999	45,420	540,917,999	43,267

As at 31 December 2021, the Company's total issued shares is 537,198,599 ordinary shares (31 December 2020: 536,579,699) excluding 8,569,400 shares held as treasury shares (31 December 2020: 4,338,300).

**(i) Exercise of share options**

Out of the 20,745,000 outstanding share options on 31 December 2021 (31 December 2020: 26,095,000), 16,005,000 (31 December 2020: 16,280,000) share options are exercisable.

**(ii) Treasury Shares**

As at 31 December 2021, the total number of treasury shares held was 8,569,400 (31 December 2020: 4,338,300).

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

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

**(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 consolidated financial statements.

**Other information required by Listing Rule Appendix 7.2**

**1. Review**

The condensed consolidated statement of financial position of Food Empire Holdings Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half year and full year 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 financial year ended 31 December 2021 ("**FY2021**") was US\$320.6 million, a year-on-year ("**yo**y") increase of 17.5% compared with the US\$273.0 million revenue recorded in FY2020. The Group's net profit after tax was US\$19.3 million for FY2021 as compared to US\$26.5 million for FY2020.

On a half-yearly basis, revenue for the second half ended 31 December 2021 ("**2H2021**") increased 22.1% from US\$140.0 million to US\$171.0 million. The Group's net profit after tax for 2H2021 was US\$7.9 million as compared with US\$13.2 million for 2H2020.

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

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

	Group					
	2H 21 US\$'000	2H 20 US\$'000	Increase/ (Decrease) %	12M 21 US\$'000	12M 20 US\$'000	Increase/ (Decrease) %
Russia	60,434	51,248	17.9	114,915	99,555	15.4
Ukraine, Kazakhstan and CIS markets	36,492	34,069	7.1	71,713	67,833	5.7
South-East Asia	52,003	41,449	25.5	96,779	81,013	19.5
South Asia	11,528	4,154	177.5	17,393	7,224	140.8
Other Markets	10,553	9,104	15.9	19,826	17,346	14.3
Total	171,010	140,024	22.1	320,626	272,971	17.5

In FY2021, revenue in the Group's largest market, Russia, increased by 15.4% to US\$114.9 million from US\$99.6 million in FY2020 as the Group showed resilience and made efforts to grow its market share along with the easing of pandemic restrictions. The increase in revenue was largely due to higher sales volume with growth in market share to reach its highest level in Russia. The resilient performance in Russia was achieved in spite of challenging environment including the ongoing pandemic, geo-political tensions and currency devaluation. The average exchange rate was 73.6 Ruble per US dollar in FY2021 as compared to 72.0 Ruble per US dollar in FY2020.

In the Group's Ukraine, Kazakhstan and CIS markets, revenue increased by 5.7% from US\$67.8 million in FY2020 to US\$71.7 million in FY2021 due to the increased demand and higher sales in all of the markets.

In the Group's South-East Asia market, revenue increased by 19.5% from US\$81.0 million in FY2020 to US\$96.8 million in FY2021. This was largely due to an increase in demand and higher sales volume from the Group's Vietnam market as the Covid-19 situation stabilised towards the 4<sup>th</sup> quarter of 2021 and the government lifted most of the lockdown restrictions in October 2021. The higher revenue in South-East Asia market was also contributed by the Group's non-dairy creamer plant and snacks manufacturing facility in Malaysia.

In the Group's South Asia market, revenue increased by 140.8% from US\$7.2 million in FY2020 to US\$17.4 million in FY2021 mainly due to commencement of the Group's freeze dry coffee plant in India in the middle of FY2021. The Group's spray dry coffee plant achieved better capacity utilisation by focusing on more value added products mix.

Revenue in the Group's Other Markets increased by 14.3% from US\$17.3 million in FY2020 to US\$19.8 million in FY2021 mainly due to higher revenue contribution from the Group's Europe and Africa markets, but partially offset by the Group's Middle East market.

On a half-yearly basis, the Group's revenue for 2H2021 was US\$171.0 million, a yoy increase of 22.1% as compared with the US\$140.0 million revenue recorded in 2H2020. The growth in revenue was mainly contributed by the Group's South-East Asia, Russia and South Asia markets

**Profitability**

The Group achieved commendable growth in revenue contributed by all of its markets amid the ongoing pandemic and massive supply chain disruptions. The Group remained focused on maintaining and growing its market share in its key markets by optimising sales through branding, product development and expanding distribution networks, rationalising sales related expenses and took active measures to mitigate the effects of the rising costs. However, the Group's net profit after tax decreased from US\$26.5 million in FY2020 to US\$19.3 million in FY2021, mainly due to lower margin arising from higher commodity costs and record high ocean freight rates. The Group also recorded higher depreciation expenses arising from commencement of the Group's new freeze dry



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

coffee plant in India. For 2H2021, the Group's net profit after tax decreased from US\$13.2 million in 2H2020 to US\$7.9 million.

For FY2021, selling and marketing expenses decreased by 3.3% from US\$36.0 million in FY2020 to US\$34.8 million. For 2H2021, selling and marketing expenses decreased by 3.1% from US\$16.5 million in 2H2020 to US\$16.0 million. The decrease was mainly due to lower advertising and promotional expenses as a result of pandemic restrictions, but was partially offset by higher manpower cost.

For FY2021, general and administrative expenses decreased by 3.4% from US\$34.8 million in FY2020 to US\$33.6 million. For 2H2021, general and administrative expenses decreased by 4.3% from US\$17.9 million in 2H2020 to US\$17.1 million. The decrease was mainly attributed to lower staff cost.

**Balance Sheet & Cashflow**

As at 31 December 2021, inventories increased by US\$23.4 million to US\$73.5 million while trade payables and accruals increased by US\$19.3 million to US\$48.1 million due to higher stock holding and higher procurements in the Group's core markets to safeguard against disruptions in the global supply chain.

Trade receivables increased by US\$8.8 million to US\$40.0 million as at 31 December 2021 mainly due to higher sales in the Group's core markets.

The Group's cash and cash equivalents was US\$60.6 million as at 31 December 2021, compared to US\$69.0 million as at 31 December 2020.

The Group's net assets as at 31 December 2021 were US\$226.6 million. The net asset value per ordinary share (excluding non-controlling interests) as at 31 December 2021 was 42.39 US cents as compared to 40.63 US cents as at 31 December 2020.

**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**

The emergence of the Omnicron variant in 4Q2021 has disrupted economic recovery in the various markets that the Group operates in. However, most countries are looking to avoid reintroducing Covid-19 lockdown measures again as they remain steadfast in continuing with an endemic living approach and increasing vaccination rates to manage the Covid-19 situation. The industry is also experiencing inflationary trends due to record freight and high commodity cost coupled with supply chain disruption.

The increasing daily infection rates witnessed in the Group's main markets of Russia and Ukraine have threatened the recovery of their economies. In spite of the challenges, sales remain resilient and demand has improved. However, the performance is overshadowed by the on-going conflict between Russia and Ukraine.

Although the current raft of sanctions are unlikely to have a direct or immediate impact on business prospects in these markets, it has an adverse impact on the volatility of the exchange rates of the

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

Russian Ruble and Ukrainian Hryvnia and further exert inflationary pressure on commodities prices and energy costs. While details of prospective sanctions remain unclear, such new developments will compound the challenges faced by the Group and present a more difficult operating environment going forward. In spite of the difficulties brought by the current conflict, the Group remains confident on consumer demand for all of its markets including Russia and Ukraine having local manufacturing facilities to service changing demands and trends. The management is closely monitoring the fluid situation and will do its best to manage.

In Vietnam, the Authorities have also lifted many of its restrictions since October 2021, where they have allowed manufacturing facilities to resume full capacity production while also allowing schools to reopen in February 2022. The easing of restrictions has resulted in easing of pent-up demand by consumers that was built up during the restrictions.

In Malaysia, the situation is expected to improve as Authorities have restated their commitment to treating the virus as an endemic disease and refrain from reintroducing lockdown restrictions while continuing to increase vaccination rates. The Group has commenced construction activities to expand its non-dairy creamer factory.

In the Group's India market, operation has stabilised for both the Group factories in spite of Covid-19 waves. Demand for the Group's newly commissioned freeze dry coffee plant has demonstrated strong growth and is expected to reach optimal production capacity.

The Group has continued to demonstrate that it can successfully navigate the challenges arising from this ongoing pandemic and volatile market conditions by registering revenue growth across its various markets. Despite the uncertain geopolitical situation between Russia and Ukraine and volatile operating conditions, the Board is confident that the Group's businesses in different markets will remain resilient, backed by an experienced management team and a healthy balance sheet. We expect that the Group will be able to fulfill its near-term obligations, meet its debt covenants and service its debt obligations.

We will keep shareholders informed of any material developments as and when they unfold.

**6. Dividend**

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

Any dividend declared for the current financial period reported on?

Name of Dividend	First and Final	Special
Dividend Type	Cash	Cash
Dividend Rate	1.62 Singapore cents per ordinary share	0.58 Singapore cents per ordinary share
Tax Rate	Tax exempted (One-Tier)	Tax exempted (One-Tier)

The proposed first and final dividend and special dividend are subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 22 April 2022.

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	2.2 Singapore cent per ordinary share
Tax Rate	Tax exempted (One-Tier)

**(c) Date payable**

The proposed first and final dividend and special dividend, if approved by the shareholders at the forthcoming Annual General Meeting scheduled for 22 April 2022, will be paid on 20 May 2022.

**(d) Record date**

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 6 May 2022. 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 5 May 2022 will be registered to determine shareholders' entitlement to the proposed first and final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 5 May 2022 will be entitled to the proposed first and final 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.

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

**10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Tan Wang Cheow  
Director

Sudeep Nair  
Director

Singapore  
24 February 2022