

FOOD EMPIRE HOLDINGS LIMITED
(Co Registration No: 200001282G)
Second Quarter and First Half Financial Statement and Dividend Announcement for the Period ended 30 June 2015
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		
	2Q 15	2Q 14	Increase/ (Decrease)	1H 15	1H 14	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	56,471	59,271	(4.7)	107,897	119,359	(9.6)
Changes in inventories of finished goods	(455)	3,082	} 5.0	(267)	8,306	} (0.3)
Raw materials and consumables used	(32,091)	(34,089)				
Staff costs	(8,708)	(9,599)	(9.3)	(16,806)	(19,890)	(15.5)
Depreciation of property, plant and equipment	(1,042)	(1,135)	(8.2)	(2,109)	(2,177)	(3.1)
Depreciation of investment properties	(19)	(11)	72.7	(27)	(22)	22.7
Foreign exchange gain/(loss)	3,803	569	568.4	(4,188)	(6,173)	(32.2)
Other operating expenses	(10,843)	(15,629)	(30.6)	(22,200)	(30,736)	(27.8)
Finance costs	(212)	(178)	19.1	(400)	(290)	37.9
Other income	44	15	193.3	1,325	155	754.8
Share of profit of associates	488	461	5.9	643	365	76.2
Profit/(loss) before taxation (Note 1)	7,436	2,757	169.7	3,196	(538)	NM
Taxation (Note 2)	(429)	(203)	111.3	(619)	(10)	6,090.0
Profit/(loss) for the period	7,007	2,554	174.4	2,577	(548)	NM
Profit/(loss) attributable to:						
Equity shareholders of the Company	7,119	2,659	167.7	2,767	(339)	NM
Non-controlling interest	(112)	(105)	6.7	(190)	(209)	(9.1)
	7,007	2,554	174.4	2,577	(548)	NM

Notes:

1. Included in profit/(loss) before taxation are as follows:

	Group			Group		
	2Q 15	2Q 14	Increase/ (Decrease)	1H 15	1H 14	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	49	33	48.5	64	60	6.7
Gain on disposal of assets held for sale	-	-	NM	998	-	NM
Write down of inventories	(337)	(52)	548.1	(406)	(84)	383.3
Allowance for doubtful receivables	(35)	(537)	(93.5)	(26)	(537)	(95.2)
Loss on disposal of investment property	-	(78)	NM	-	(78)	NM
Loss on disposal of an associate	(53)	-	NM	(53)	-	NM
Net fair value gain on derivatives	184	-	NM	184	-	NM



2. Included in the taxation is as follows:

	Group			Group		
	2Q 15 US\$'000	2Q 14 US\$'000	Increase/ (Decrease) %	1H 15 US\$'000	1H 14 US\$'000	Increase/ (Decrease) %
(Under)/over provision for prior year	(218)	-	NM	(345)	267	NM

NM denotes not meaningful.

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

	Group			Group		
	2Q 15 US\$'000	2Q 14 US\$'000	Increase/ (Decrease) %	1H 15 US\$'000	1H 14 US\$'000	Increase/ (Decrease) %
Profit/(loss) net of tax	7,007	2,554	174.4	2,577	(548)	NM
Other comprehensive income/(loss) :						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss)	253	1,456	(82.6)	1,160	(1,392)	NM
Share of other comprehensive income/(loss) of associates	227	416	(45.4)	3	(228)	NM
Reversal of asset revaluation reserve from disposal of assets held for sale	-	-	NM	(60)	-	NM
Other comprehensive income/(loss) for the period, net of tax	480	1,872	(74.4)	1,103	(1,620)	NM
Total comprehensive income/(loss) for the period	7,487	4,426	69.2	3,680	(2,168)	NM
Total comprehensive income/(loss) attributable to:						
Equity shareholders of the Company	7,599	4,531	67.7	3,870	(1,959)	NM
Non-controlling interest	(112)	(105)	6.7	(190)	(209)	(9.1)
	7,487	4,426	69.2	3,680	(2,168)	NM

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 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets				
Property, plant and equipment	67,920	66,599	59	82
Investment properties	16,191	15,705	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	10,687	10,726	-	-
Intangible assets	10,343	10,343	-	-
Deferred tax assets	1,929	3,069	-	-
	107,070	106,442	44,604	44,627
Current Assets				
Cash and cash equivalents	24,591	19,778	103	222
Trade receivables	36,952	40,405	18	3
Deferred expenses	331	210	-	-
Prepaid operating expenses and other debtors	3,438	4,303	16	31
Derivatives	184	-	-	-
Other receivables	2,726	2,951	14	67
Amounts due from subsidiaries (non-trade)	-	-	9,881	10,593
Amounts due from associates (non-trade)	1,060	-	-	-
Amounts due from related parties (trade)	1,249	2,098	-	-
Inventories	45,395	45,662	-	-
	115,926	115,407	10,032	10,916
Assets held for sale	-	543	-	-
	115,926	115,950	10,032	10,916
Current Liabilities				
Trade payables and accruals	(30,667)	(35,509)	(405)	(485)
Finance lease creditors	(9)	(19)	-	-
Interest-bearing loans and borrowings	(14,433)	(8,849)	-	-
Other payables	(4,821)	(4,425)	-	-
Amount due to subsidiaries (non-trade)	-	-	(134)	(147)
Amounts due to associates (non-trade)	-	(63)	-	-
Amounts due to associates (trade)	(378)	(340)	-	-
Provision for taxation	(725)	(570)	(26)	(29)
	(51,033)	(49,775)	(565)	(661)
Net Current Assets	64,893	66,175	9,467	10,255
Non-Current Liabilities				
Finance lease creditors	(23)	(27)	-	-
Interest-bearing loans and borrowings	(29,318)	(32,672)	-	-
Other payables	(6)	(6)	-	-
Deferred tax liabilities	(390)	(1,479)	-	-
	(29,737)	(34,184)	-	-
Net Assets	142,226	138,433	54,071	54,882
Equity				
Share capital	40,725	40,725	40,725	40,725
Treasury shares	(317)	(317)	(317)	(317)
Reserves	101,681	97,762	13,663	14,474
	142,089	138,170	54,071	54,882
Non-controlling interest	137	263	-	-
Total Equity	142,226	138,433	54,071	54,882

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 Jun 2015		As at 31 Dec 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(9)	-	(19)	-
Interest-bearing loans and borrowings	(7,105)	(7,328)	(5,571)	(3,278)
Total	(7,114)	(7,328)	(5,590)	(3,278)

Amount repayable after one year

	As at 30 Jun 2015		As at 31 Dec 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(23)	-	(27)	-
Interest-bearing loans and borrowings	(21,278)	(8,040)	(23,802)	(8,870)
Total	(21,301)	(8,040)	(23,829)	(8,870)

Details of any collateral

As at 31 December 2014 and 30 June 2015, the finance lease liabilities were secured by charge over the related lease vehicles held by subsidiaries of the Group.

As at 31 December 2014 and 30 June 2015, 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 2014 and 30 June 2015, the unsecured interest bearing loan and borrowing of subsidiaries were covered by corporate guarantees given by the Company.

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

	Group			
	2Q 15	2Q 14	1H 15	1H 14
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit/(loss) from operations before taxation	7,436	2,757	3,196	(538)
Adjustment for :				
Depreciation of property, plant and equipment	1,042	1,135	2,109	2,177
Depreciation of investment properties	19	11	27	22
Loss on disposal of property, plant and equipment	8	67	8	60
Loss on disposal of investment property	-	78	-	78
Gain on disposal of assets held for sale	-	-	(998)	-
Interest income	(49)	(33)	(64)	(60)
Interest expenses	212	178	400	290
Exchange realignment	(1,037)	1,457	2,676	624
Share of profit of associates	(488)	(461)	(643)	(365)
Allowance for doubtful receivables	35	537	26	537
Inventories written down	337	52	406	84
Value of employee services received for issue of share options	16	53	49	160
Provision for restructuring costs	-	-	-	600
Net fair value gain on derivatives	(184)	-	(184)	-
Loss on disposal of an associate	53	-	53	-
Operating profit before working capital changes	7,400	5,831	7,061	3,669
Decrease/(increase) in trade and other receivables	2,605	(1,604)	3,714	2,214
Decrease/(increase) in inventories	118	(3,134)	(139)	(8,390)
Increase/(decrease) in trade and other payables	7	(4,223)	(4,408)	(2,691)
Cash flows generated from/(used in) operations	10,130	(3,130)	6,228	(5,198)
Income taxes refund/(paid)	18	(203)	14	(467)
Net cash flows generated from/(used in) operating activities	10,148	(3,333)	6,242	(5,665)
Cash flows from investing activities				
Interest income received	49	33	64	60
Purchase of property, plant and equipment	(2,418)	(7,439)	(4,508)	(9,549)
Subsequent expenditure on investment property	(456)	(1,325)	(782)	(2,260)
Proceeds from disposal of property, plant and equipment	13	-	33	40
Proceeds from disposal of investment property	-	952	-	952
Proceeds from disposal of assets held for sale	-	-	1,481	-
Dividend income from an associate	-	-	-	50
Proceeds from disposal of an associate	900	-	900	-
Net cash flows used in investing activities	(1,912)	(7,779)	(2,812)	(10,707)
Cash flows from financing activities				
Interest expenses paid	(212)	(178)	(400)	(290)
Proceeds from issuance of shares	-	-	-	5
Dividends paid to shareholders of the Company	-	(2,388)	-	(2,388)
Capital injection from non-controlling interest of a subsidiary	64	-	64	90
Repayment of interest-bearing loans and borrowings	(5,623)	(276)	(10,203)	(549)
Proceeds from interest-bearing loans and borrowings	5,502	3,046	12,604	8,210
Repayment of obligation under financial leases	(9)	(6)	(13)	(11)
Proceeds from obligation under finance lease	-	15	-	15
Net cash flows (used in)/generated from financing activities	(278)	213	2,052	5,082
Net increase/(decrease) in cash and cash equivalents	7,958	(10,899)	5,482	(11,290)
Effect of exchange rate changes on cash and cash equivalents	277	(71)	(669)	(18)
Cash and cash equivalents at beginning of the period	16,356	27,326	19,778	27,664
Cash and cash equivalents at end of the period	24,591	16,356	24,591	16,356

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 – 2Q 15

	Attributable to equity shareholders of the Company								
	Share capital	Treasury shares	Foreign	Asset revaluation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
			currency translation reserve						
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance as at 1 April 15	40,725	(317)	(13,279)	-	1,841	105,504	134,474	185	134,659
Profit/(loss) for the period	-	-	-	-	-	7,119	7,119	(112)	7,007
<u>Other comprehensive income/(loss)</u>									
Foreign currency translation gain	-	-	253	-	-	-	253	-	253
Share of other comprehensive income of associates	-	-	227	-	-	-	227	-	227
Total comprehensive income/(loss) for the period	-	-	480	-	-	7,119	7,599	(112)	7,487
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	16	-	16	-	16
Total contributions by and distributions to owners	-	-	-	-	16	-	16	-	16
<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	-	-	-	-	-	-	-	64	64
Total transactions with owners in their capacity as owners	-	-	-	-	16	-	16	64	80
Balance as at 30 June 15	40,725	(317)	(12,799)	-	1,857	112,623	142,089	137	142,226

The Group – 2Q 14

	Attributable to equity shareholders of the Company								
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Asset revaluation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 April 14	40,724	(317)	(5,070)	60	1,698	122,479	159,574	270	159,844
Profit/(loss) for the period	-	-	-	-	-	2,659	2,659	(105)	2,554
<u>Other comprehensive income/(loss)</u>									
Foreign currency translation gain	-	-	1,456	-	-	-	1,456	-	1,456
Share of other comprehensive income of associates	-	-	416	-	-	-	416	-	416
Total comprehensive income/(loss) for the period	-	-	1,872	-	-	2,659	4,531	(105)	4,426
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	53	-	53	-	53
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(2,388)	(2,388)	-	(2,388)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	-	53	(2,388)	(2,335)	-	(2,335)
Balance as at 30 June 14	40,724	(317)	(3,198)	60	1,751	122,750	161,770	165	161,935

The Group – 1H 15

	Attributable to equity shareholders of the Company								
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Asset revaluation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 January 15	40,725	(317)	(13,962)	60	1,808	109,856	138,170	263	138,433
Profit/(loss) for the period	-	-	-	-	-	2,767	2,767	(190)	2,577
<u>Other comprehensive income/(loss)</u>									
Foreign currency translation gain	-	-	1,160	-	-	-	1,160	-	1,160
Share of other comprehensive income of associates	-	-	3	-	-	-	3	-	3
Reversal of asset revaluation reserve from disposal of assets held for sale	-	-	-	(60)	-	-	(60)	-	(60)
Total comprehensive income/(loss) for the period	-	-	1,163	(60)	-	2,767	3,870	(190)	3,680
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	49	-	49	-	49
Total contributions by and distributions to owners	-	-	-	-	49	-	49	-	49
<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	-	-	-	-	-	-	-	64	64
Total transactions with owners in their capacity as owners	-	-	-	-	49	-	49	64	113
Balance as at 30 June 15	40,725	(317)	(12,799)	-	1,857	112,623	142,089	137	142,226

The Group – 1H 14

	Attributable to equity shareholders of the Company								
	Share capital US\$'000	Treasury shares US\$'000	Foreign	Asset revaluation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non- controlling interest US\$'000	Total equity US\$'000
			currency translation reserve US\$'000						
Balance as at 1 January 14	40,719	(317)	(1,578)	60	1,591	125,477	165,952	284	166,236
Loss for the period	-	-	-	-	-	(339)	(339)	(209)	(548)
<u>Other comprehensive loss</u>									
Foreign currency translation loss	-	-	(1,392)	-	-	-	(1,392)	-	(1,392)
Share of other comprehensive loss of associates	-	-	(228)	-	-	-	(228)	-	(228)
Total comprehensive loss for the period	-	-	(1,620)	-	-	(339)	(1,959)	(209)	(2,168)
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	160	-	160	-	160
Issuance of new shares	5	-	-	-	-	-	5	-	5
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(2,388)	(2,388)	-	(2,388)
Total contributions by and distributions to owners	5	-	-	-	160	(2,388)	(2,223)	-	(2,223)
<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	-	-	-	-	-	-	-	90	90
Total transactions with owners in their capacity as owners	5	-	-	-	160	(2,388)	(2,223)	90	(2,133)
Balance as at 30 June 2014	40,724	(317)	(3,198)	60	1,751	122,750	161,770	165	161,935

The Company – 2Q

	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 April 15	40,725	(317)	3,268	1,841	8,698	54,215
Loss for the period	-	-	-	-	(380)	(380)
<u>Other comprehensive income/(loss)</u>						
Foreign currency translation gain	-	-	220	-	-	220
Total comprehensive income/(loss) for the period	-	-	220	-	(380)	(160)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	16	-	16
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	16	-	16
Balance as at 30 June 15	40,725	(317)	3,488	1,857	8,318	54,071
Balance as at 1 April 14	40,724	(317)	4,111	1,698	4,642	50,858
Profit for the period	-	-	-	-	253	253
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	52	-	-	52
Total comprehensive income for the period	-	-	52	-	253	305
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	53	-	53
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,388)	(2,388)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	53	(2,388)	(2,335)
Balance as at 30 June 14	40,724	(317)	4,163	1,751	2,507	48,828

The Company – 1H

	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 15	40,725	(317)	3,669	1,808	8,997	54,882
Loss for the period	-	-	-	-	(679)	(679)
<u>Other comprehensive loss</u>						
Foreign currency translation loss	-	-	(181)	-	-	(181)
Total comprehensive loss for the period	-	-	(181)	-	(679)	(860)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	49	-	49
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	49	-	49
Balance as at 30 June 15	40,725	(317)	3,488	1,857	8,318	54,071
Balance as at 1 January 14	40,719	(317)	4,093	1,591	5,021	51,107
Loss for the period	-	-	-	-	(126)	(126)
<u>Other comprehensive income/(loss)</u>						
Foreign currency translation gain	-	-	70	-	-	70
Total comprehensive income/(loss) for the period	-	-	70	-	(126)	(56)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	160	-	160
Issuance of new shares	5	-	-	-	-	5
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,388)	(2,388)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	5	-	-	160	(2,388)	(2,223)
Balance as at 30 June 14	40,724	(317)	4,163	1,751	2,507	48,828

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of movement in the number of issued ordinary shares (excluding treasury shares), treasury shares and share options are as follows: -

	<u>FY 2015</u>	<u>FY 2014</u>
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (excluding treasury shares)	533,741,999	533,721,999
Issued for cash under employee share option scheme		
- at the exercise price of S\$0.335 each	-	20,000
Ordinary shares held as treasury shares	(1,001,000)	(1,001,000)
Balance of issued ordinary shares as at 31 Mar and 30 Jun (excluding treasury shares)	<u>532,740,999</u>	<u>532,740,999</u>
<u>Share Option - exercise price of S\$0.229</u>		
Balance as at 1 Jan and 31 Mar	-	100,000
Options lapsed during the period	-	(100,000)
Balance as at 30 Jun	<u>-</u>	<u>-</u>
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan	2,840,000	3,110,000
Options exercised during the period	-	(20,000)
Balance as at 31 Mar and 30 Jun	<u>2,840,000</u>	<u>3,090,000</u>
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun	<u>3,630,000</u>	<u>3,880,000</u>
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun	<u>3,672,000</u>	<u>3,922,000</u>
<u>Share Option - exercise price of S\$0.669</u>		
Balance as at 1 Jan and 31 Mar and 30 Jun	<u>4,630,000</u>	<u>4,880,000</u>

Out of the 14,772,000 outstanding share options on 30 June 2015 (30 June 2014: 15,772,000), 13,383,000 (30 June 2014: 11,563,000) share options are exercisable.

Treasury Shares

As at 30 June 2015, the total number of treasury shares held was 1,001,000 (30 June 2014: 1,001,000).

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

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

	Group	
	<u>As at 30 Jun 2015</u>	<u>As at 31 Dec 2014</u>
Issued ordinary shares	532,740,999	532,740,999

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2014, except for the adoption of new/revised FRS which came into effect on 1 January 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

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	
	2Q 15	2Q 14	1H 15	1H 14
Profit/(loss) per share				
Based on existing issued share capital (USD cents)	1.34	0.50	0.52	(0.06)
On a fully diluted basis (USD cents)	1.34	0.50	0.52	(0.06)
	Group		Group	
	2Q 15	2Q 14	1H 15	1H 14
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	532,740,999	532,740,999	532,740,999	532,731,717
Weighted average number of shares for calculation of diluted EPS	532,740,999	534,605,453	532,740,999	532,731,717

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset value per ordinary share (USD cents)	26.67	25.94	10.15	10.30

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 first half ended 30 June 2015 ("1H2015") was US\$107.9 million, a year-on-year ("yoy") decline of 9.6% compared with the US\$119.4 million revenue recorded in 1H2014. The Group registered a net profit after tax of US\$2.6 million for 1H2015, compared with a net loss of US\$0.5 million in 1H2014. Excluding the impact of foreign exchange losses, net profit after tax for 1H2015 would have been US\$6.8 million.

On a quarterly basis, revenue for the second quarter ended 30 June 2015 ("2Q2015") decreased 4.7% to US\$56.5 million. Profit after tax for the quarter increased by 174.4% to US\$7.0 million.

Revenue by Markets (US\$'000)

	Group			Group		
	2Q 15 US\$'000	2Q 14 US\$'000	Increase/ (Decrease) %	1H 15 US\$'000	1H 14 US\$'000	Increase/ (Decrease) %
Russia	27,328	33,219	(17.7)	52,784	70,194	(24.8)
Ukraine	6,342	5,700	11.3	10,666	12,655	(15.7)
Kazakhstan and CIS Countries	7,863	11,471	(31.5)	15,848	21,436	(26.1)
Other Markets	14,938	8,881	68.2	28,599	15,074	89.7
Total	56,471	59,271	(4.7)	107,897	119,359	(9.6)

In 1H2015, sales to the Group's largest market, Russia, decreased by 24.8% to US\$52.8 million compared to US\$70.2 million due to weakening of the Russian Ruble against the US dollar.

In the Group's Ukraine market, sales declined by 15.7% from US\$12.7 million in 1H2014 to US\$10.7 million in 1H2015 due to weakening of the Ukrainian Hryvnia against the US dollar.

In local currency terms, both Russia and Ukraine recorded higher revenue due to higher selling prices.

In the Group's Kazakhstan market and CIS countries, sales decreased by 26.1% from US\$21.4 million in 1H2014 to US\$15.8 million in 1H2015 due to soft consumer sentiment and the weakening of local currencies.

Sales to the Group's Other Markets grew by 89.7% from US\$15.1 million in 1H2014 to US\$28.6 million in 1H2015, due to higher sales contribution from South East Asia and the non-dairy creamer plant and snack factory in Malaysia.

On a quarterly basis, the Group's revenue in 2Q2015 was US\$56.5 million, a decrease of 4.7% compared to 2Q2014. Sales to the Group's largest market, Russia, decreased 17.7% compared to the same quarter in 2014. Sales to the Group's Kazakhstan market and CIS countries decreased by 31.5% for the quarter; while sales for Other Markets increased by 68.2% for the quarter.

Profitability

For 1H2015, the Group recorded a net profit after tax of US\$2.6 million as compared to a net loss of US\$0.5 million in 1H2014. For 2Q2015, the Group's net profit after tax was US\$7.0 million compared with profit after tax of US\$2.6 million in 2Q2014.

For 1H2015, other operating expenses decreased by US\$8.5 million from US\$30.7 million in 1H2014 to US\$22.2 million. For 2Q2015, other operating expenses decreased by US\$4.8 million from US\$15.6 million in 2Q2014 to US\$10.8 million. The decrease was mainly attributed to lower expenses for promotion activities, freight and demurrage charges, manufacturing overheads and bad and doubtful debts provision, partially offset by higher stock obsolescence provision.

In 1H2015, the Ukrainian Hryvnia weakened from 15.8 Hryvnia per US dollar on 31 December 2014 to 21.0 Hryvnia per US dollar on 30 June 2015. Over the same period, the Russian Ruble remained relatively stable at 55.5 Ruble per US dollar on 30 June 2015, compared with 56.3 Ruble per US dollar on 31 December 2014. As the Group is economically exposed to both markets, it is negatively affected by the revaluation of its outstanding trade receivables denominated in currencies other than the US dollar.

Balance Sheet & Cashflow

The decrease in prepaid operating expense and other debtors from US\$4.3 million as at 31 December 2014 to US\$3.4 million as at 30 June 2015 was due to lower advances to suppliers, reclassification to fixed assets coupled with lower prepaid advertising & promotion expenses.

Trade payables and accruals decreased from US\$35.5 million as at 31 December 2014 to US\$30.7 million as at 30 June 2015 due to settlement of payables coupled with lower purchases.

Trade receivables decreased from US\$40.4 million as at 31 December 2014 to US\$37.0 million as at 30 June 2015 mainly due to translation loss of its outstanding trade receivables denominated in currencies other than the US dollar coupled with better collection.

Property, plant and equipment increased from US\$66.6 million as at 31 December 2014 to US\$67.9 million as at 30 June 2015 mainly attributable to the capitalisation of the building, plant and machineries of the Group's India upstream project.

The Group's borrowings were US\$43.8 million as at 30 June 2015, compared to US\$41.6 million as at 31 December 2014. This increase was largely attributed to additional loans taken up for the Group's upstream projects.

The Group's net operating cash flow position improved, with a net operating cash inflow of US\$6.2 million in 1H2015, compared to a net operating cash outflow of US\$5.7 million in 1H2014. The Group's cash and cash equivalents was US\$24.6 million as at 30 June 2015, compared to US\$19.8 million as at 31 December 2014.

The Group's net assets as at 30 June 2015 were US\$142.2 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 June 2015 was 26.67 US cents as compared to 25.94 US cents as at 31 December 2014.

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.

Following a brief spell of recovery in oil prices in 2Q2015, oil prices have slipped again due to oversupply worries and weak global economic outlook, which augurs unfavorably for the currencies of the Group's key markets. Moreover, the political conflict between Russia and Ukraine has not been resolved and continues to dampen growth prospects for the Group.

The Group has taken some measures to mitigate its currencies' impact by forward hedging of the Russian Ruble and through selective price increases of its products. Nonetheless, the continuing volatility will exert pressure on the Group's financial performance in the foreseeable future.

In response, the Group has remained vigilant to the challenges posed by the uncertain external environment, and may consider strategic options to streamline or rationalise its operations in some markets, if necessary.

Meanwhile, the Group's efforts to diversify its markets, in particular Asia, have shown encouraging progress and acts as a counterweight against the weak performance in its traditional markets.

The Group's non-dairy creamer plant, snack factory and the beverage manufacturing facility in Malaysia have all commenced commercial production. The Group intends to bring up the utilisation levels of the plants and intensify marketing efforts in FY2015 to achieve better operational and financial performance. The Group's other project, an instant coffee plant in India, is expected to commence commercial production by the third quarter of 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the current financial period.

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

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

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

We, Tan Wang Cheow and Sudeep Nair, being two Directors of Food Empire Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
12 August 2015