

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

Full year Financial Statement and Dividend Announcement for the Period ended 31 December 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		
	4Q 19	4Q 18	Increase/ (Decrease)	12M 19	12M 18	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	73,278	69,973	4.7	288,570	284,330	1.5
Cost of sales	(46,113)	(43,182)	6.8	(176,815)	(173,473)	1.9
Gross profit	27,165	26,791	1.4	111,755	110,857	0.8
Selling and marketing expenses	(9,447)	(11,547)	(18.2)	(41,500)	(47,847)	(13.3)
General and administrative expenses	(11,954)	(13,435)	(11.0)	(39,858)	(41,430)	(3.8)
Results from operating activities	5,764	1,809	218.6	30,397	21,580	40.9
Net other income/(expenses) (Note 1)	1,238	(284)	NM	2,384	(1,394)	NM
Net finance costs (Note 2)	(606)	(254)	138.6	(1,407)	(791)	77.9
Share of (loss)/profit of associates	(189)	232	NM	162	505	(67.9)
Profit before taxation (Note 3)	6,207	1,503	313.0	31,536	19,900	58.5
Income tax (expense)/credit (Note 4)	(1,359)	1,109	NM	(5,840)	(2,169)	169.2
Profit for the period	4,848	2,612	85.6	25,696	17,731	44.9
Profit attributable to:						
Equity shareholders of the Company	4,986	2,715	83.6	26,112	18,092	44.3
Non-controlling interest	(138)	(103)	34.0	(416)	(361)	15.2
	4,848	2,612	85.6	25,696	17,731	44.9

NM denotes not meaningful.

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

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Other income						
Gain on disposal of assets classified as held for sale	-	-	NM	-	408	NM
Foreign exchange gain	735	-	NM	610	-	NM
Sales of scrapped items	47	7	571.4	191	204	(6.4)
Other income	589	572	3.0	1,737	1,814	(4.2)
Insurance claim	8	1	700.0	16	6	166.7
	1,379	580	137.8	2,554	2,432	5.0
Other expenses						
Foreign exchange loss	-	(832)	NM	-	(3,541)	NM
Impairment of loan to associates	-	(13)	NM	-	(172)	NM
Loss on disposal of property, plant and equipment	(141)	(19)	642.1	(170)	(46)	269.6
Loss on disposal of an associate	-	-	NM	-	(67)	NM
	(141)	(864)	(83.7)	(170)	(3,826)	(95.6)
Net other income/(expenses)	1,238	(284)	NM	2,384	(1,394)	NM

2. Net finance costs comprises:

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Interest income	102	70	45.7	218	506	(56.9)
Interest expenses on:						
- Bank loans	(179)	(299)	(40.1)	(918)	(1,259)	(27.1)
- Others	(529)	(25)	2,016.0	(707)	(38)	1,760.5
	(708)	(324)	118.5	(1,625)	(1,297)	25.3
Net finance costs	(606)	(254)	138.6	(1,407)	(791)	77.9

3. Included in profit before taxation are as follows:

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(1,568)	(1,458)	7.5	(5,979)	(5,670)	5.4
Depreciation of investment properties	(41)	(41)	-	(167)	(169)	(1.2)
Depreciation of right-of-use assets	(543)	-	NM	(2,098)	-	NM
Inventories written down	(810)	(601)	34.8	(1,322)	(880)	50.2
Allowance for doubtful receivables	(235)	(3,235)	(92.7)	(363)	(2,956)	(87.7)
Bad debts written off	(97)	(14)	NM	(97)	(14)	NM

4. Included in the taxation is as follows:

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Current income tax						
- Current income taxation	(1,724)	(796)	116.6	(6,100)	(4,186)	45.7
- (Under)/over provision for prior year	(265)	100	NM	(228)	1,537	NM
Deferred income tax	630	1,805	(65.1)	488	480	1.7
Income tax (expense)/credit	(1,359)	1,109	NM	(5,840)	(2,169)	169.2

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

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Profit net of tax	4,848	2,612	85.6	25,696	17,731	44.9
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss)	1,970	(1,552)	NM	5,303	(6,423)	NM
Share of other comprehensive income of associates	257	(518)	NM	597	(1,593)	NM
Exchange differences realised on disposal of an associate	-	-	NM	-	8	NM
Exchange differences realised on liquidation of subsidiaries	(52)	-	NM	(52)	-	NM
Other comprehensive income for the period, net of tax	2,175	(2,070)	NM	5,848	(8,008)	NM
Total comprehensive income for the period	7,023	542	1,195.8	31,544	9,723	224.4
Total comprehensive income attributable to:						
Equity shareholders of the Company	7,159	642	1,015.1	31,957	10,081	217.0
Non-controlling interest	(136)	(100)	36.0	(413)	(358)	15.4
	7,023	542	1,195.8	31,544	9,723	224.4

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	
	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000
Non-Current Assets				
Property, plant and equipment	99,325	68,932	-	-
Right-of-use assets	10,434	-	-	-
Investment properties	16,159	16,117	-	-
Investments in subsidiaries	-	-	44,635	44,635
Investments in associates	11,619	11,392	-	-
Intangible assets	10,343	10,343	-	-
Deferred tax assets	3,208	2,615	-	-
	151,088	109,399	44,635	44,635
Current Assets				
Inventories	55,852	50,537	-	-
Trade receivables	33,475	32,632	-	18
Prepaid operating expenses and deposits	6,526	7,022	11	7
Other receivables	5,704	2,403	-	-
Amounts due from subsidiaries (non-trade)	-	-	21,901	8,837
Amount due from an associate (non-trade)	100	77	-	-
Amount due from a related party (trade)	113	428	-	-
Cash and cash equivalents	54,735	42,218	322	18
	156,505	135,317	22,234	8,880
Current Liabilities				
Trade payables and accruals	(32,470)	(29,731)	(2,192)	(121)
Lease liabilities	(2,005)	(61)	-	-
Interest-bearing loans and borrowings	(14,690)	(20,275)	-	-
Other payables	(8,568)	(2,579)	(8)	-
Amount due to a subsidiary (non-trade)	-	-	(20)	(20)
Amounts due to related parties (non-trade)	(568)	(573)	-	-
Amount due to an associate (non-trade)	(255)	(186)	-	-
Amounts due to associates (trade)	(108)	(161)	-	-
Income tax payable	(1,539)	(432)	(29)	(7)
	(60,203)	(53,998)	(2,249)	(148)
Net Current Assets	96,302	81,319	19,985	8,732
Non-Current Liabilities				
Lease liabilities	(4,837)	(569)	-	-
Interest-bearing loans and borrowings	(35,315)	(13,230)	-	-
Deferred tax liabilities	(1,535)	(1,466)	-	-
	(41,687)	(15,265)	-	-
Net Assets	205,703	175,453	64,620	53,367
Equity				
Share capital	42,020	41,202	42,020	41,202
Treasury shares	(477)	(317)	(477)	(317)
Reserves	165,352	135,389	23,077	12,482
	206,895	176,274	64,620	53,367
Non-controlling interest	(1,192)	(821)	-	-
Total Equity	205,703	175,453	64,620	53,367

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

	As at 31 Dec 2019		As at 31 Dec 2018	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance leases	-	-	(61)	-
Lease liabilities	(2,005)	-	-	-
Interest-bearing loans and borrowings	(5,190)	(9,500)	(9,991)	(10,284)
Total	(7,195)	(9,500)	(10,052)	(10,284)

Amount repayable after one year

	As at 31 Dec 2019		As at 31 Dec 2018	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance leases	-	-	(569)	-
Lease liabilities	(4,837)	-	-	-
Interest-bearing loans and borrowings	(34,358)	(957)	(9,661)	(3,569)
Total	(39,195)	(957)	(10,230)	(3,569)

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 31 December 2019, the lease liabilities include the leasehold land, factories, motor vehicles and office premises held by subsidiaries of the Group amounting to US\$6.8 million, upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases.

As at 31 December 2018 and 31 December 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 31 December 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	
	4Q 19	4Q 18	12M 19	12M 18
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit from operations before taxation	6,207	1,503	31,536	19,900
Adjustment for :				
Depreciation of property, plant and equipment	1,568	1,458	5,979	5,670
Depreciation of investment properties	41	41	167	169
Depreciation of right-of-use assets	543	-	2,098	-
Gain on disposal of assets classified as held for sale	-	-	-	(408)
Loss on disposal of property, plant and equipment	141	19	170	46
Interest income	(102)	(70)	(218)	(506)
Interest expenses	708	324	1,625	1,297
Exchange realignment	(607)	202	(1,273)	1,745
Share of loss/(profit) of associates	189	(232)	(162)	(505)
Allowance for doubtful receivables	235	3,235	363	2,956
Impairment of loan to associates	-	13	-	172
Inventories written down	810	601	1,322	880
Loss on disposal of an associate	-	-	-	67
Value of employee services received for issue of share options	203	162	823	613
Bad debts written off	97	14	97	14
Operating cash flows before changes in working capital	10,033	7,270	42,527	32,110
<u>Changes in working capital:</u>				
Decrease/(increase) in trade and other receivables	7,843	8,882	(2,796)	1,210
(Increase)/decrease in inventories	(4,056)	5,353	(3,509)	(7,723)
Increase/(decrease) in trade and other payables	2,391	(11,427)	8,548	(5,896)
Cash flows from operations	16,211	10,078	44,770	19,701
Income taxes paid	(1,964)	(1,351)	(5,488)	(4,585)
Net cash flows from operating activities	14,247	8,727	39,282	15,116
Cash flows from investing activities				
Interest income received	127	117	355	553
Purchase of property, plant and equipment	(2,678)	(3,136)	(38,100)	(10,222)
Proceeds from disposal of property, plant and equipment	124	27	206	217
Proceeds from disposal of assets classified as held for sale	-	-	-	1,052
Dividend income from associates	30	-	531	-
Net cash flows used in investing activities	(2,397)	(2,992)	(37,008)	(8,400)
Cash flows from financing activities				
Interest expenses paid	(1,077)	(428)	(2,846)	(1,401)
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	(11,829)	(14,800)	(54,216)	(57,980)
Proceeds from interest-bearing loans and borrowings	10,838	14,621	70,685	55,271
Repayment of obligation under lease liabilities	(239)	(13)	(1,654)	(40)
Proceeds from obligation under finance leases	-	40	-	66
Proceeds from issuance of shares	207	11	639	83
Purchase of treasury shares	(87)	-	(160)	-
Net cash flows (used in)/from financing activities	(2,187)	(569)	9,852	(6,397)
Net increase in cash and cash equivalents	9,663	5,166	12,126	319
Effect of exchange rate changes on cash and cash equivalents	480	27	391	(936)
Cash and cash equivalents at beginning of the period/year	44,592	37,025	42,218	42,835
Cash and cash equivalents at end of the period/year	54,735	42,218	54,735	42,218

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 – FY2019

	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
Profit/(loss) for the period	-	-	-	-	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
Total comprehensive income for the period	-	-	3,672	-	21,126	24,798	(277)	24,521
<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)
Total contributions by and distributions to owners	554	(73)	-	498	(2,638)	(1,659)	-	(1,659)
<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
Total transactions with owners in their capacity as owners	554	(73)	-	498	(2,638)	(1,659)	42	(1,617)
Balance as at 30 September 2019	41,756	(390)	(4,339)	3,211	159,175	199,413	(1,056)	198,357

	Attributable to equity shareholders of the Company							
	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 October 2019	41,756	(390)	(4,339)	3,211	159,175	199,413	(1,056)	198,357
Profit/(loss) for the period	-	-	-	-	4,986	4,986	(138)	4,848
<u>Other comprehensive income</u>								
Foreign currency translation gain	-	-	1,968	-	-	1,968	2	1,970
Share of other comprehensive income of associates	-	-	257	-	-	257	-	257
Exchange differences realised on liquidation of subsidiaries	-	-	(52)	-	-	(52)	-	(52)
Total comprehensive income for the period	-	-	2,173	-	4,986	7,159	(136)	7,023
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	203	-	203	-	203
Issuance of new shares	207	-	-	-	-	207	-	207
Purchase of treasury shares	-	(87)	-	-	-	(87)	-	(87)
Exercise of share options	57	-	-	(57)	-	-	-	-
Expiry of employee share options	-	-	-	(56)	56	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	264	(87)	-	90	56	323	-	323
Balance as at 31 December 2019	42,020	(477)	(2,166)	3,301	164,217	206,895	(1,192)	205,703

The Group – FY2018

	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 (FRS Framework)	41,093	(317)	(11,209)	2,126	136,200	167,893	(463)	167,430
Cumulative effects of adopting SFRS(I)	-	-	11,209	-	(11,209)	-	-	-
Balance as at 1 January 2018 (SFRS(I) Framework)	41,093	(317)	-	2,126	124,991	167,893	(463)	167,430
Profit/(loss) for the period	-	-	-	-	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
Total comprehensive income for the period	-	-	(5,938)	-	15,377	9,439	(258)	9,181
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	451	-	451	-	451
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)	-	(2,396)
Issuance of new shares	72	-	-	-	-	72	-	72
Exercise of share options	22	-	-	(22)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	94	-	-	429	(2,396)	(1,873)	-	(1,873)
Balance as at 30 September 2018	41,187	(317)	(5,938)	2,555	137,972	175,459	(721)	174,738

Attributable to equity shareholders of the Company								
	Share capital	Treasury shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 October 2018	41,187	(317)	(5,938)	2,555	137,972	175,459	(721)	174,738
Profit/(loss) for the period	-	-	-	-	2,715	2,715	(103)	2,612
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(1,555)	-	-	(1,555)	3	(1,552)
Share of other comprehensive income of associates	-	-	(518)	-	-	(518)	-	(518)
Total comprehensive income for the period	-	-	(2,073)	-	2,715	642	(100)	542
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	162	-	162	-	162
Issuance of new shares	11	-	-	-	-	11	-	11
Exercise of share options	4	-	-	(4)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	15	-	-	158	-	173	-	173
Balance as at 31 December 2018	41,202	(317)	(8,011)	2,713	140,687	176,274	(821)	175,453

The Company – FY2019

	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
Loss for the period	-	-	-	-	(1,748)	(1,748)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(91)	-	-	(91)
Total comprehensive income for the period	-	-	(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)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	554	(73)	-	498	(2,638)	(1,659)
Balance as at 30 September 2019	41,756	(390)	(308)	3,211	5,600	49,869
Balance as at 1 October 2019	41,756	(390)	(308)	3,211	5,600	49,869
Profit for the period	-	-	-	-	14,071	14,071
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	357	-	-	357
Total comprehensive income for the period	-	-	357	-	14,071	14,428
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	203	-	203
Issuance of new shares	207	-	-	-	-	207
Exercise of share options	57	-	-	(57)	-	-
Purchase of treasury shares	-	(87)	-	-	-	(87)
Expiry of employee share options	-	-	-	(56)	56	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	264	(87)	-	90	56	323
Balance as at 31 December 2019	42,020	(477)	49	3,301	19,727	64,620

The Company – FY2018

	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 2018 (FRS Framework)	41,093	(317)	3,634	2,126	9,672	56,208
Cumulative effects of adopting SFRS(I)	-	-	(3,634)	-	3,634	-
Balance as at 1 January 2018 (SFRS(I) Framework)	41,093	(317)	-	2,126	13,306	56,208
Loss for the period	-	-	-	-	(1,054)	(1,054)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(188)	-	-	(188)
Total comprehensive income for the period	-	-	(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
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)
Issuance of new shares	72	-	-	-	-	72
Exercise of share options	22	-	-	(22)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	94	-	-	429	(2,396)	(1,873)
Balance as at 30 September 2018	41,187	(317)	(188)	2,555	9,856	53,093
Balance as at 1 October 2018	41,187	(317)	(188)	2,555	9,856	53,093
Profit for the period	-	-	-	-	130	130
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(29)	-	-	(29)
Total comprehensive income for the period	-	-	(29)	-	130	101
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	162	-	162
Issuance of new shares	11	-	-	-	-	11
Exercise of share options	4	-	-	(4)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	15	-	-	158	-	173
Balance as at 31 December 2018	41,202	(317)	(217)	2,713	9,986	53,367

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: -

	FY 2019	FY 2018
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (including treasury shares)	535,162,999	534,809,999
Ordinary shares held as treasury shares	(1,425,500)	(1,001,000)
Issued for cash under employee share option scheme:		
- at the exercise price of S\$0.335 each	2,410,000	100,000
- at the exercise price of S\$0.315 each	20,000	44,000
- at the exercise price of S\$0.308 each	205,000	209,000
Balance of issued ordinary shares as at 31 Dec (excluding treasury shares)	<u>536,372,499</u>	<u>534,161,999</u>
<u>Share Option - exercise price of S\$0.335</u>		
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>
Options exercised during the period	(810,000)	-
Balance as at 31 Dec	<u>100,000</u>	<u>2,510,000</u>
<u>Share Option - exercise price of S\$0.505</u>		
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 and 31 Dec	<u>2,930,000</u>	<u>3,080,000</u>
<u>Share Option - exercise price of S\$0.315</u>		
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 and 31 Dec	<u>2,710,000</u>	<u>2,730,000</u>
<u>Share Option - exercise price of S\$0.669</u>		
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 and 31 Dec	<u>3,810,000</u>	<u>3,980,000</u>

	FY 2019	FY 2018
<u>Share Option - exercise price of S\$0.308</u>		
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
Options exercised during the period	(30,000)	(51,000)
Balance as at 31 Dec	4,415,000	4,671,000
<u>Share Option - exercise price of S\$0.693</u>		
Balance as at 1 Jan, 31 Mar, 30 Jun and 30 Sep	550,000	650,000
Options lapsed during the period	-	(100,000)
Balance as at 31 Dec	550,000	550,000
<u>Share Option - exercise price of S\$0.679</u>		
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 and 31 Dec	4,600,000	4,750,000
<u>Share Option - exercise price of S\$0.556</u>		
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 and 31 Dec	5,450,000	-

Out of the 24,565,000 outstanding share options on 31 December 2019 (31 December 2018: 22,271,000), 16,190,000 (31 December 2018: 15,685,000) share options are exercisable.

Treasury Shares

As at 31 December 2019, the total number of treasury shares held was 1,425,500 (31 December 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	
	<u>As at 31 Dec 2019</u>	<u>As at 31 Dec 2018</u>
Issued ordinary shares	536,372,499	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. The impact of adopting SFRS(I) 16 *Leases* resulted in the recognition of right-of-use assets of US\$11.2 million and non-current and current lease liabilities of US\$7.0 million as at 1 January 2019. The lease liabilities include finance lease creditors of US\$0.6 million as at 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.

During the year, the composition of the Group's operating segments have been updated following an internal assessment by management to identify and aggregate operating segments. The comparatives have been restated accordingly to reflect the change.

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	
	4Q 19	4Q 18	12M 19	12M 18
Profit per share				
Based on existing issued share capital (US cents)	0.93	0.51	4.89	3.39
On a fully diluted basis (US cents)	0.92	0.50	4.84	3.36
	Group		Group	
	4Q 19	4Q 18	12M 19	12M 18
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	535,919,020	534,134,282	534,448,939	534,019,288
Weighted average number of shares for calculation of diluted EPS	539,897,989	538,485,225	539,023,222	538,402,010

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	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net asset value per ordinary share (US cents)	38.57	33.00	12.05	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 financial year ended 31 December 2019 ("FY2019") was US\$288.6 million, a year-on-year ("yoy") increase of 1.5% compared with the US\$284.3 million revenue recorded in FY2018. The Group's net profit after tax increased 44.9% to US\$25.7 million for FY2019.

On a quarterly basis, revenue for the fourth quarter ended 31 December 2019 ("FY2019") increased 4.7% from US\$70.0 million to US\$73.3 million. The Group's profit after tax for the quarter increased by 85.6% to US\$4.8 million.

Revenue by Markets (US\$'000)

	Group			Group		
	4Q 19 US\$'000	4Q 18 US\$'000	Increase/ (Decrease) %	12M 19 US\$'000	12M 18 US\$'000	Increase/ (Decrease) %
Russia	28,878	27,122	6.5	112,570	113,305	(0.6)
Ukraine, Kazakhstan and CIS markets	19,254	16,998	13.3	69,374	62,788	10.5
South-East Asia	16,974	17,989	(5.6)	78,267	79,704	(1.8)
South Asia	2,186	2,567	(14.8)	8,664	8,117	6.7
Other Markets	5,986	5,297	13.0	19,695	20,416	(3.5)
Total	73,278	69,973	4.7	288,570	284,330	1.5

In FY2019, sales in the Group's largest market, Russia, increased in local currency terms but translated USD sales decreased by 0.6% to US\$112.6 million as compared to US\$113.3 million in FY2018 largely due to depreciation of the Russian Ruble against the US dollar. The average exchange rate was 62.6 Ruble per US dollar in FY2018 as compared to 64.7 Ruble per US dollar in FY2019. In the Group's Ukraine, Kazakhstan and CIS markets, sales increased by 10.5% from US\$62.8 million in FY2018 to US\$69.4 million in FY2019. Sales in the Group's Ukraine market increased mainly due to higher sales volume and appreciation of the Hryvnia against the US dollar. The average exchange rate was 27.3 Hryvnia per US dollar in FY2018 as compared to 25.7 Hryvnia per US dollar in FY2019. Sales in the Group's CIS markets increased mainly due to higher sales volume. In the Group's South-East Asia market, sales decreased by 1.8% from US\$79.7 million in FY2018 to US\$78.3 million in FY2019. This was largely due to the rationalisation of underperforming markets such as the Group's Myanmar market partly offset by the growth in the Group's Vietnam market.

On a quarterly basis, the Group's revenue in 4Q2019 was US\$73.3 million, an increase of 4.7% compared to 4Q2018. Sales in the Group's Russia market increased by 6.5% to US\$28.9 million in 4Q2019. Sales in the Group's Ukraine, Kazakhstan and CIS markets increased by 13.3% from US\$17.0 million in 4Q2018 to US\$19.3 million in 4Q2019. Sales in the Group's Ukraine market increased mainly due to higher sales volume and appreciation of the Hryvnia against the US dollar while sales in the Group's CIS markets increased mainly due to higher sales volume. Sales in the Group's South-East Asia market decreased by 5.6% to US\$17.0 million in 4Q2019 largely due to the rationalization of underperforming markets such as the Group's Myanmar market.

Profitability

For FY2019, the Group's net profit after tax increased 44.9% to US\$25.7 million mainly due to rationalisation of underperforming markets and the absence of foreign exchange loss in FY2019 as compared to FY2018.

For 4Q2019, the Group's net profit after tax increased 85.6% to US\$4.8 million mainly due to rationalization of underperforming markets, absence of foreign exchange loss in 4Q2019 as compared to 4Q2018 and lower advertising and promotion expenses.

For FY2019, selling and marketing expenses decreased by US\$6.3 million from US\$47.8 million in FY2018 to US\$41.5 million. The decrease was mainly due to rationalisation of underperforming markets partly offset by higher manpower cost. For 4Q2019, selling and marketing expenses decreased by US\$2.1 million from US\$11.5 million in 4Q2018 to US\$9.4 million. The decrease was mainly due to rationalisation of underperforming markets and lower advertising and promotion expenses.

For FY2019, general and administrative expenses decreased by US\$1.5 million from US\$41.4 million in FY2018 to US\$39.9 million. For 4Q2019, general and administrative expenses decreased by US\$1.4 million from US\$13.4 million in 4Q2018 to US\$12.0 million. The decrease was mainly attributable to lower provision for doubtful debts partly offset by higher manpower cost.

For FY2019, the Ukrainian Hryvnia strengthened from 27.7 Hryvnia per US dollar on 31 December 2018 to 23.7 Hryvnia per US dollar on 31 December 2019. Over the same period, the Russian Ruble strengthened from 69.5 Ruble per US dollar on 31 December 2018 to 61.9 Ruble per US dollar on 31 December 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\$30.4 million to US\$99.3 million as at 31 December 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\$50.0 million as at 31 December 2019 due to drawdown of loan for Indus Coffee partly offset by repayment of existing loans.

Lease liabilities, both current and non-current, increased cumulatively from US\$0.6 million as at 31 December 2018 to US\$6.8 million as at 31 December 2019 due to the impact of adopting SFRS(I) 16 Leases.

Other payables increased US\$6.0 million to US\$8.6 million as at 31 December 2019 mainly due to ongoing capital expenditure at Indus Coffee.

Inventories increased US\$5.3 million to US\$55.9 million as at 31 December 2019 largely due to stock-up of inventories in anticipation of higher sales.

The Group's net operating cash inflow increased from US\$15.1 million in FY2018 to US\$39.3 million in FY2019 mainly due to better performance and better working capital management. The Group's cash and cash equivalents was US\$54.7 million as at 31 December 2019, compared to US\$42.2 million as at 31 December 2018.

The Group's net assets as at 31 December 2019 were US\$205.7 million. The net asset value per ordinary share (excluding non-controlling interest) as at 31 December 2019 was 38.57 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 outbreak of the novel coronavirus (COVID-19) in China has since spread to a number of other countries. While efforts have been made to limit the advance of the disease, there is still substantial uncertainty over the duration and severity of COVID-19, which is expected to adversely affect global supply chains and threaten economic growth.

At this moment, the Group assessed that the health crisis is unlikely to have any direct or significant impact on its plans for the year. The Group expects business in its key consumer markets to remain resilient against the backdrop of a moderately acute and well-contained epidemic.

The Group will continue to invest in branding, product development and expanding distribution networks to capture greater consumer mindshare. It will also carry through corporate transformation initiatives to restructure business operations and streamline the organisation into a more cost efficient and sustainable global business.

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.

Following the success of its first Non-Dairy Creamer ("NDC") plant, which is currently fully utilized, the Group has unveiled plans to commence the construction of a second NDC project on its existing plot of land located in the Iskandar region of Malaysia. The project will leverage on existing infrastructures and resources and is expected to take place over the next 24 months. When completed it will increase the existing capacity and offer a wider range of NDC products.

The Group's Instant Freeze Dry Coffee plant in India is expected to be completed and will commence commercial production during the year.

The Group will take a cautious and targeted approach in evaluating M&A opportunities that are synergistic to the Group.

11. 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 Singapore cent per ordinary share	1 Singapore cent 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 23 April 2020.

(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	0.68 Singapore cents 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 23 April 2020, will be paid on 19 May 2020.

(d) Record date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 5 May 2020. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m. on 4 May 2020 will be registered to determine shareholders' entitlement to the proposed first and final dividend and special dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 4 May 2020 will be entitled to the proposed first and final dividend and special dividend.

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

Not applicable.

- 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Geographical Segment	Russia		Ukraine, Kazakhstan and CIS Markets		South-East Asia		South Asia		Others		Elimination		Per consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
Revenue														
Sales to external customers	112,570	113,305	69,374	62,788	78,267	79,704	8,664	8,117	19,695	20,416	-	-	288,570	284,330
Inter-segment sales	1,158	777	-	-	120,985	113,618	14,914	14,415	-	-	(137,057)	(128,810)	-	-
Total Revenue	113,728	114,082	69,374	62,788	199,252	193,322	23,578	22,532	19,695	20,416	(137,057)	(128,810)	288,570	284,330
Results :														
Segment results	16,657	17,502	13,222	9,460	35,787	22,304	3,765	3,574	(1,629)	(3,842)	(24,179)	(18,341)	43,623	30,657
Interest income													218	506
Interest expenses													(1,625)	(1,297)
Share of profit of associates													162	505
Income tax expenses													(5,840)	(2,169)
Non-controlling interest													416	361
Depreciation for property, plant and equipment													(5,979)	(5,670)
Depreciation for investment properties													(167)	(169)
Depreciation for right-of-use assets													(2,098)	-
Impairment of loan to associates													-	(172)
Other non-cash expenses													(2,598)	(4,460)
Profit attributable to equity shareholders of the Company													26,112	18,092
Assets and liabilities														
Segment assets	70,390	52,319	18,499	19,080	143,875	129,237	68,870	36,571	5,959	7,509	-	-	307,593	244,716
Investment in associates	8,812	8,735	-	-	-	-	-	-	2,807	2,657	-	-	11,619	11,392
Additions to non-current assets	1,135	1,735	204	251	1,353	2,967	38,019	5,831	41	50	-	-	40,752	10,834
Segment liabilities	(18,421)	(9,612)	(2,103)	(2,182)	(38,904)	(43,866)	(41,430)	(12,623)	(1,032)	(980)	-	-	(101,890)	(69,263)

Information by products

Segment revenue information from external customers based on the different product	Group	
	2019	2018
	(US\$'000)	(US\$'000)
Beverages	249,798	246,701
Ingredients	20,778	19,143
Others	17,994	18,486
	288,570	284,330

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.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

	Group		Increase/ (Decrease) %
	31-Dec-19 US\$'000	31-Dec-18 US\$'000	
Revenue reported for first half year	138,490	141,459	-2.1%
Operating profit after tax before deducting minority interests reported for first half financial year	13,070	9,358	39.7%
Revenue reported for second half year	150,080	142,871	5.0%
Operating profit after tax before deducting minority interests reported for second half financial year	12,626	8,373	50.8%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (US\$'000) FY2019*	Previous Full Year (US\$'000) FY2018
Ordinary	3,887	2,651
Special	3,887	-
Total:	7,774	2,651

*Amounts are translated into United States Dollars ("US\$") at the exchange rate of S\$1.38 to US\$1.00

19. **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

BY ORDER OF THE BOARD

Kevin Cho
Company Secretary
24 February 2020