

**FOOD EMPIRE HOLDINGS LIMITED**  
*(Co Registration No: 200001282G)*
**Third Quarter Financial Statement and Dividend Announcement for the Period ended 30 September 2014**
**PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			Group		
	3Q 14	3Q 13	Increase/ (Decrease)	9M 14	9M 13	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Revenue</b>	<b>72,572</b>	<b>66,115</b>	<b>9.8</b>	<b>191,931</b>	<b>188,789</b>	<b>1.7</b>
Changes in inventories of finished goods	(1,121)	(1,638)	} 6.3	7,184	18,422	} 1.5
Raw materials and consumables used	(37,956)	(35,119)				
Staff costs	(10,187)	(8,971)	13.6	(30,077)	(24,847)	21.0
Depreciation of property, plant and equipment	(1,091)	(858)	27.2	(3,268)	(2,430)	34.5
Depreciation of investment properties	(9)	(10)	(10.0)	(31)	(31)	0.0
Foreign exchange (loss)/gain	(6,049)	100	NM	(12,222)	(1,288)	848.9
Other operating expenses	(17,013)	(16,513)	3.0	(47,747)	(49,191)	(2.9)
Finance costs	(177)	(81)	118.5	(468)	(196)	138.8
Other income	131	101	29.7	286	345	(17.1)
Share of (loss)/profit of associates	(112)	436	NM	252	445	(43.4)
<b>(Loss)/profit before taxation (Note 1)</b>	<b>(1,012)</b>	<b>3,562</b>	<b>NM</b>	<b>(1,550)</b>	<b>12,880</b>	<b>NM</b>
Taxation (Note 2)	170	(1,010)	NM	160	(1,204)	NM
<b>(Loss)/profit for the period</b>	<b>(842)</b>	<b>2,552</b>	<b>NM</b>	<b>(1,390)</b>	<b>11,676</b>	<b>NM</b>
<b>(Loss)/profit attributable to:</b>						
Equity shareholders of the Company	(765)	2,651	NM	(1,104)	11,922	NM
Non-controlling interest	(77)	(99)	(22.2)	(286)	(246)	16.3
	<b>(842)</b>	<b>2,552</b>	<b>NM</b>	<b>(1,390)</b>	<b>11,676</b>	<b>NM</b>

**Notes:**

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

	Group			Group		
	3Q 14	3Q 13	Increase/ (Decrease)	9M 14	9M 13	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	14	12	16.7	74	107	(30.8)
Write back/(impairment) for doubtful receivables	70	(58)	NM	(467)	(22)	2,022.7
Write down of inventories	(113)	(95)	18.9	(197)	(157)	25.5
Loss on disposal of a investment property	-	-	NM	(78)	-	NM
Loss on disposal of a subsidiary	(28)	-	NM	(28)	-	NM

2. Included in the taxation is as follows:

	Group			Group		
	3Q 14 US\$'000	3Q 13 US\$'000	Increase/ (Decrease) %	9M 14 US\$'000	9M 13 US\$'000	Increase/ (Decrease) %
Over/(under) provision for prior year	5	(68)	NM	272	312	(12.8)

NM denotes not meaningful.

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

	Group			Group		
	3Q 14 US\$'000	3Q 13 US\$'000	Increase/ (Decrease) %	9M 14 US\$'000	9M 13 US\$'000	Increase/ (Decrease) %
(Loss)/profit net of tax	(842)	2,552	NM	(1,390)	11,676	NM
<b>Other comprehensive (loss)/income :</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation (loss)/gain	(4,063)	278	NM	(5,455)	(1,185)	360.3
Share of other comprehensive loss of associates	(1,236)	(8)	15,350.0	(1,464)	(595)	146.1
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(5,299)</b>	<b>270</b>	<b>NM</b>	<b>(6,919)</b>	<b>(1,780)</b>	<b>288.7</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,141)</b>	<b>2,822</b>	<b>NM</b>	<b>(8,309)</b>	<b>9,896</b>	<b>NM</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity shareholders of the Company	(6,064)	2,921	NM	(8,023)	10,142	NM
Non-controlling interest	(77)	(99)	(22.2)	(286)	(246)	16.3
	<b>(6,141)</b>	<b>2,822</b>	<b>NM</b>	<b>(8,309)</b>	<b>9,896</b>	<b>NM</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30 Sep 2014 US\$'000	31 Dec 2013 US\$'000	30 Sep 2014 US\$'000	31 Dec 2013 US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	67,093	61,493	97	133
Investment properties	15,393	13,331	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	13,488	14,806	-	-
Intangible assets	13,343	13,343	-	-
Deferred tax assets	1,517	618	-	-
	<b>110,834</b>	<b>103,591</b>	<b>44,642</b>	<b>44,678</b>
<b>Current Assets</b>				
Cash and cash equivalents	19,086	27,664	233	37
Trade receivables	56,414	52,548	7	-
Deferred expenses	375	162	-	-
Prepaid operating expenses and other debtors	5,121	6,894	53	34
Other receivables	3,618	3,140	-	-
Amounts due from subsidiaries (non-trade)	-	-	5,098	7,542
Amounts due from associates (non-trade)	156	169	-	-
Inventories	50,173	42,988	-	-
	<b>134,943</b>	<b>133,565</b>	<b>5,391</b>	<b>7,613</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(40,256)	(31,263)	(481)	(1,135)
Bills payable to bank	(1,099)	-	-	-
Finance lease creditors	(21)	(19)	-	-
Interest-bearing loans and borrowings	(4,198)	(3,885)	-	-
Other payables	(5,593)	(5,873)	-	-
Amount due to subsidiaries (non-trade)	-	-	(130)	(22)
Amounts due to associates (non-trade)	(44)	-	-	-
Amounts due to associates (trade)	(257)	(47)	-	-
Provision for taxation	(807)	(797)	(27)	(27)
	<b>(52,275)</b>	<b>(41,884)</b>	<b>(638)</b>	<b>(1,184)</b>
<b>Net Current Assets</b>	<b>82,668</b>	<b>91,681</b>	<b>4,753</b>	<b>6,429</b>
<b>Non-Current Liabilities</b>				
Finance lease creditors	(29)	(33)	-	-
Interest-bearing loans and borrowings	(36,648)	(28,343)	-	-
Deferred tax liabilities	(935)	(660)	-	-
	<b>(37,612)</b>	<b>(29,036)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>155,890</b>	<b>166,236</b>	<b>49,395</b>	<b>51,107</b>
<b>Equity</b>				
Share capital	40,724	40,719	40,724	40,719
Treasury shares	(317)	(317)	(317)	(317)
Reserves	115,352	125,550	8,988	10,705
	<b>155,759</b>	<b>165,952</b>	<b>49,395</b>	<b>51,107</b>
Non-controlling interest	131	284	-	-
<b>Total Equity</b>	<b>155,890</b>	<b>166,236</b>	<b>49,395</b>	<b>51,107</b>

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

	As at 30 Sep 2014		As at 31 Dec 2013	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance lease creditors	(21)	-	(19)	-
Interest-bearing loans and borrowings	(3,647)	(551)	(3,666)	(219)
<b>Total</b>	<b>(3,668)</b>	<b>(551)</b>	<b>(3,685)</b>	<b>(219)</b>

**Amount repayable after one year**

	As at 30 Sep 2014		As at 31 Dec 2013	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Finance lease creditors	(29)	-	(33)	-
Interest-bearing loans and borrowings	(26,730)	(9,918)	(24,393)	(3,950)
<b>Total</b>	<b>(26,759)</b>	<b>(9,918)</b>	<b>(24,426)</b>	<b>(3,950)</b>

**Details of any collateral**

As at 31 December 2013 and 30 September 2014, the finance lease liabilities were secured by charges over the related lease vehicles held by subsidiaries of the Group.

As at 31 December 2013 and 30 September 2014, 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 2013 and 30 September 2014, the unsecured interest bearing loan and borrowing of a subsidiary was covered by corporate guarantee 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			
	3Q 14 US\$'000	3Q 13 US\$'000	9M 14 US\$'000	9M 13 US\$'000
<b>Cash flows from operating activities:</b>				
(Loss)/profit from operations before taxation	(1,012)	3,562	(1,550)	12,880
Adjustment for :				
Depreciation of property, plant and equipment	1,091	858	3,268	2,430
Depreciation of investment properties	9	10	31	31
Loss/(gain) on disposal of property, plant and equipment	9	7	69	(10)
Loss on disposal of investment property	-	-	78	-
Interest income	(14)	(12)	(74)	(107)
Interest expenses	177	81	468	196
Exchange realignment	(3,112)	204	(2,486)	(644)
Share of loss/(profit) of associates	112	(436)	(252)	(445)
(Write back)/impairment for doubtful receivables	(70)	58	467	22
Inventories written down	113	95	197	157
Value of employee services received for issue of share options	53	147	213	362
(Writeback)/provision for restructuring costs	(46)	-	554	-
Loss on disposal of a subsidiary	28	-	28	-
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,662)</b>	<b>4,574</b>	<b>1,011</b>	<b>14,872</b>
Increase in trade and other receivables	(5,434)	(1,933)	(3,265)	(5,163)
Decrease/(increase) in inventories	1,009	1,543	(7,382)	(18,579)
Increase/(decrease) in trade and other payables	11,075	(16,887)	8,429	(3,923)
<b>Cash flows generated from/(used in) operations</b>	<b>3,988</b>	<b>(12,703)</b>	<b>(1,207)</b>	<b>(12,793)</b>
Income taxes paid	(16)	(638)	(483)	(1,045)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>3,972</b>	<b>(13,341)</b>	<b>(1,690)</b>	<b>(13,838)</b>
<b>Cash flows from investing activities</b>				
Interest income received	14	12	74	107
Purchase of property, plant and equipment	(2,735)	(8,339)	(12,284)	(22,481)
Purchase of investment property	-	(384)	-	(914)
Subsequent expenditure on investment property	(974)	-	(3,234)	-
Proceeds from disposal of property, plant and equipment	-	-	40	61
Proceeds from disposal of investment property	-	-	952	-
Dividends income from an associate	56	325	106	325
Capital injection in an associate	-	-	-	(1)
Net cash outflow on disposal of a subsidiary	(38)	-	(38)	-
<b>Net cash flows used in investing activities</b>	<b>(3,677)</b>	<b>(8,386)</b>	<b>(14,384)</b>	<b>(22,903)</b>
<b>Cash flows from financing activities</b>				
Interest expenses paid	(177)	(81)	(468)	(196)
Proceeds from issuance of shares	-	-	5	201
Dividends paid to shareholders of the Company	-	-	(2,388)	(5,316)
Capital injection from non-controlling interest of a subsidiary	96	3	186	3
Increase in bills payable to bank	376	-	1,099	-
Repayment of interest-bearing loans and borrowings	(509)	(274)	(1,058)	(828)
Proceeds from interest-bearing loans and borrowings	2,260	7,786	9,746	12,258
Repayment of obligation under financial leases	(5)	-	(16)	(21)
Proceeds from obligation under financial lease	-	30	15	30
<b>Net cash flows generated from financing activities</b>	<b>2,041</b>	<b>7,464</b>	<b>7,121</b>	<b>6,131</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,336</b>	<b>(14,263)</b>	<b>(8,953)</b>	<b>(30,610)</b>
Effect of exchange rate changes on cash and cash equivalents	394	(1)	375	249
Cash and cash equivalents at beginning of the period	16,356	30,499	27,664	46,596
<b>Cash and cash equivalents at end of the period</b>	<b>19,086</b>	<b>16,235</b>	<b>19,086</b>	<b>16,235</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**The Group – 3Q 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 July 14	40,724	(317)	(3,198)	60	1,751	122,750	161,770	165	161,935
<b>Loss for the period</b>	-	-	-	-	-	(765)	(765)	(77)	(842)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(4,063)	-	-	-	(4,063)	-	(4,063)
Share of other comprehensive loss of associates	-	-	(1,236)	-	-	-	(1,236)	-	(1,236)
<b>Total comprehensive loss for the period</b>	-	-	<b>(5,299)</b>	-	-	<b>(765)</b>	<b>(6,064)</b>	<b>(77)</b>	<b>(6,141)</b>
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	53	-	53	-	53
<b>Total contributions by and distributions to owners</b>	-	-	-	-	<b>53</b>	-	<b>53</b>	-	<b>53</b>
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	96	96
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	(53)	(53)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	-	<b>43</b>	<b>43</b>
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	<b>53</b>	-	<b>53</b>	<b>43</b>	<b>96</b>
<b>Balance as at 30 September 14</b>	<b>40,724</b>	<b>(317)</b>	<b>(8,497)</b>	<b>60</b>	<b>1,804</b>	<b>121,985</b>	<b>155,759</b>	<b>131</b>	<b>155,890</b>

**The Group – 3Q 13**

	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 July 13	40,665	(317)	(1,076)	60	1,351	123,052	163,735	(141)	163,594
<b>Profit for the period</b>	-	-	-	-	-	2,651	2,651	(99)	2,552
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	278	-	-	-	278	-	278
Share of other comprehensive loss of associates	-	-	(8)	-	-	-	(8)	-	(8)
<b>Total comprehensive income/(loss) for the period</b>	-	-	270	-	-	2,651	2,921	(99)	2,822
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	147	-	147	-	147
<b>Total contributions by and distributions to owners</b>	-	-	-	-	147	-	147	-	147
<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	-	-	-	-	-	-	-	3	3
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	147	-	147	3	150
<b>Balance as at 30 September 13</b>	<b>40,665</b>	<b>(317)</b>	<b>(806)</b>	<b>60</b>	<b>1,498</b>	<b>125,703</b>	<b>166,803</b>	<b>(237)</b>	<b>166,566</b>

**The Group – 9M 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 January 14	40,719	(317)	(1,578)	60	1,591	125,477	165,952	284	166,236
<b>Loss for the period</b>	-	-	-	-	-	(1,104)	(1,104)	(286)	(1,390)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(5,455)	-	-	-	(5,455)	-	(5,455)
Share of other comprehensive loss of associates	-	-	(1,464)	-	-	-	(1,464)	-	(1,464)
<b>Total comprehensive loss for the period</b>	-	-	<b>(6,919)</b>	-	-	<b>(1,104)</b>	<b>(8,023)</b>	<b>(286)</b>	<b>(8,309)</b>
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	213	-	213	-	213
Issuance of new shares	5	-	-	-	-	-	5	-	5
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(2,388)	(2,388)	-	(2,388)
<b>Total contributions by and distributions to owners</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>(2,388)</b>	<b>(2,170)</b>	<b>-</b>	<b>(2,170)</b>
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	186	186
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	(53)	(53)
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133</b>	<b>133</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>(2,388)</b>	<b>(2,170)</b>	<b>133</b>	<b>(2,037)</b>
Balance as at 30 September 14	40,724	(317)	(8,497)	60	1,804	121,985	155,759	131	155,890



**The Group – 9M 13**

	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 13	40,464	(317)	974	60	1,136	119,097	161,414	6	161,420
<b>Profit for the period</b>	-	-	-	-	-	11,922	11,922	(246)	11,676
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(1,185)	-	-	-	(1,185)	-	(1,185)
Share of other comprehensive loss of associates	-	-	(595)	-	-	-	(595)	-	(595)
<b>Total comprehensive (loss)/income for the period</b>	-	-	<b>(1,780)</b>	-	-	<b>11,922</b>	<b>10,142</b>	<b>(246)</b>	<b>9,896</b>
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	362	-	362	-	362
Issuance of new shares	201	-	-	-	-	-	201	-	201
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(5,316)	(5,316)	-	(5,316)
<b>Total contributions by and distributions to owners</b>	<b>201</b>	-	-	-	<b>362</b>	<b>(5,316)</b>	<b>(4,753)</b>	-	<b>(4,753)</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	-	-	-	-	-	-	-	3	3
<b>Total transactions with owners in their capacity as owners</b>	<b>201</b>	-	-	-	<b>362</b>	<b>(5,316)</b>	<b>(4,753)</b>	<b>3</b>	<b>(4,750)</b>
<b>Balance as at 30 September 13</b>	<b>40,665</b>	<b>(317)</b>	<b>(806)</b>	<b>60</b>	<b>1,498</b>	<b>125,703</b>	<b>166,803</b>	<b>(237)</b>	<b>166,566</b>

**The Company – 3Q**

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total Equity US\$'000
Balance as at 1 July 14	40,724	(317)	4,163	1,751	2,507	48,828
<b>Profit for the period</b>	-	-	-	-	602	602
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(88)	-	-	(88)
<b>Total comprehensive (loss)/income for the period</b>	-	-	<b>(88)</b>	-	<b>602</b>	<b>514</b>
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	53	-	53
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	-	-	-	<b>53</b>	-	<b>53</b>
<b>Balance as at 30 September 14</b>	<b>40,724</b>	<b>(317)</b>	<b>4,075</b>	<b>1,804</b>	<b>3,109</b>	<b>49,395</b>
Balance as at 1 July 13	40,665	(317)	4,142	1,351	136	45,977
<b>Loss for the period</b>	-	-	-	-	(482)	(482)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	8	-	-	8
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>8</b>	-	<b>(482)</b>	<b>(474)</b>
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	147	-	147
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	-	-	-	<b>147</b>	-	<b>147</b>
<b>Balance as at 30 September 13</b>	<b>40,665</b>	<b>(317)</b>	<b>4,150</b>	<b>1,498</b>	<b>(346)</b>	<b>45,650</b>

**The Company – 9M**

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total Equity US\$'000
Balance as at 1 January 14	40,719	(317)	4,093	1,591	5,021	51,107
<b>Profit for the period</b>	-	-	-	-	476	476
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(18)	-	-	(18)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(18)	-	476	458
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	213	-	213
Issuance of new shares	5	-	-	-	-	5
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,388)	(2,388)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	5	-	-	213	(2,388)	(2,170)
<b>Balance as at 30 September 14</b>	<b>40,724</b>	<b>(317)</b>	<b>4,075</b>	<b>1,804</b>	<b>3,109</b>	<b>49,395</b>
Balance as at 1 January 13	40,464	(317)	4,234	1,136	5,682	51,199
<b>Loss for the period</b>	-	-	-	-	(712)	(712)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(84)	-	-	(84)
<b>Total comprehensive loss for the period</b>	-	-	(84)	-	(712)	(796)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	362	-	362
Issuance of new shares	201	-	-	-	-	201
Dividends paid to equity shareholders of the Company	-	-	-	-	(5,316)	(5,316)
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	201	-	-	362	(5,316)	(4,753)
<b>Balance as at 30 September 13</b>	<b>40,665</b>	<b>(317)</b>	<b>4,150</b>	<b>1,498</b>	<b>(346)</b>	<b>45,650</b>

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

	<b>FY 2014</b>	<b>FY 2013</b>
<b><u>Share Capital</u></b>		
Number of issued ordinary shares as at 1 Jan	533,721,999	532,993,999
Issued for cash under employee share option scheme		
- at the exercise price of S\$0.335 each	20,000	220,000
- at the exercise price of S\$0.505 each	-	70,000
- at the exercise price of S\$0.315 each	-	140,000
Ordinary shares held as treasury shares	<u>(1,001,000)</u>	<u>(1,001,000)</u>
Balance of issued ordinary shares as at 31 Mar (excluding treasury shares)	532,740,999	532,422,999
- at the exercise price of S\$0.335 each	-	230,000
- at the exercise price of S\$0.315 each	-	68,000
Balance of issued ordinary shares as at 30 Jun and 30 Sep (excluding treasury shares)	<u>532,740,999</u>	<u>532,720,999</u>
<b><u>Share Option - exercise price of S\$0.229</u></b>		
Balance as at 1 Jan and 31 Mar	100,000	100,000
Options lapsed during the period	<u>(100,000)</u>	-
Balance as at 30 Jun and 30 Sep	<u>-</u>	<u>100,000</u>
<b><u>Share Option - exercise price of S\$0.335</u></b>		
Balance as at 1 Jan	3,110,000	3,560,000
Options exercised during the period	<u>(20,000)</u>	<u>(220,000)</u>
Balance as at 31 Mar	3,090,000	3,340,000
Options exercised during the period	-	<u>(230,000)</u>
Balance as at 30 Jun and 30 Sep	<u>3,090,000</u>	<u>3,110,000</u>
<b><u>Share Option - exercise price of S\$0.505</u></b>		
Balance as at 1 Jan	3,880,000	3,950,000
Options exercised during the period	-	<u>(70,000)</u>
Balance as at 31 Mar and 30 Jun and 30 Sep	<u>3,880,000</u>	<u>3,880,000</u>
<b><u>Share Option - exercise price of S\$0.315</u></b>		
Balance as at 1 Jan	3,922,000	4,130,000
Options exercised during the period	-	<u>(140,000)</u>
Balance as at 31 Mar	3,922,000	3,990,000
Options exercised during the period	-	<u>(68,000)</u>
Balance as at 30 Jun and 30 Sep	<u>3,922,000</u>	<u>3,922,000</u>
<b><u>Share Option - exercise price of S\$0.669</u></b>		
Balance as at 1 Jan	4,880,000	-
Granted to eligible participants on 8 March 2013	-	<u>4,880,000</u>
Balance as at 31 Mar and 30 Jun and 30 Sep	<u>4,880,000</u>	<u>4,880,000</u>

Out of the 15,772,000 outstanding share options on 30 September 2014 (30 September 2013: 15,892,000), 11,563,000 (30 September 2013: 7,265,000) share options are exercisable.

**Treasury Shares**

As at 30 September 2014, the total number of treasury shares held was 1,001,000 (30 September 2013: 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: -

	<u>As at 30 Sep 2014</u>	<u>As at 31 Dec 2013</u>
Issued ordinary shares	532,740,999	532,720,999

**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 2013, except for the adoption of new/revised FRS which came into effect on 1 January 2014.

**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	
	3Q 14	3Q 13	9M 14	9M 13
<b>Earnings/(Loss) per share</b>				
Based on existing issued share capital (USD cents)	(0.14)	0.50	(0.21)	2.24
On a fully diluted basis (USD cents)	(0.14)	0.49	(0.21)	2.22

  

	Group		Group	
	3Q 14	3Q 13	9M 14	9M 13
<b>Weighted average number of shares table</b>				
Weighted average number of shares for calculation of basic EPS	532,740,999	532,720,999	532,734,845	532,551,343
Weighted average number of shares for calculation of diluted EPS	533,874,403	537,196,887	534,409,403	537,004,217

**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-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
Net asset value per ordinary share (USD cents)	29.24	31.15	9.27	9.59

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue for the nine months ended 30 September 2014 ("9M2014") was US\$191.9 million, a year-on-year ("yoy") increase of 1.7% over the US\$188.8 million revenue recorded in 9M2013. The Group registered a net loss of US\$1.4 million for 9M2014, compared with a profit after tax of US\$11.7 million in 9M2013. Excluding the impact of foreign exchange losses, net profit after tax for 9M2014 would have been US\$10.8 million. The performance was also impacted by cost increases relating to start-ups, developing new markets and one off corporate restructuring.

On a quarterly basis, revenue for the third quarter ended 30 September 2014 ("3Q2014") increased 9.8% to US\$72.6 million. Net loss for the quarter was US\$0.8 million compared with a profit after tax of US\$2.6 million recorded in 3Q2013. Excluding the impact of foreign exchange losses, net profit after tax for 3Q2014 would have been US\$5.2 million.

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

	Group			Group		
	3Q 14 US\$'000	3Q 13 US\$'000	Increase/ (Decrease) %	9M 14 US\$'000	9M 13 US\$'000	Increase/ (Decrease) %
Russia	40,508	38,245	5.9	110,703	112,201	(1.3)
Eastern Europe and Central Asia	22,597	21,452	5.3	56,702	58,808	(3.6)
Other Markets	9,467	6,418	47.5	24,526	17,780	37.9
<b>Total</b>	<b>72,572</b>	<b>66,115</b>	<b>9.8</b>	<b>191,931</b>	<b>188,789</b>	<b>1.7</b>

In 9M2014, sales to the Group's largest region, Russia, decreased by 1.3% to US\$110.7 million compared to US\$112.2 million in 9M2013 due to weakening of Russian Ruble against US dollar.

In the Group's Eastern Europe and Central Asia region (comprising Ukraine, Kazakhstan and the CIS Countries), sales declined by 3.6% from US\$58.8 million in 9M2013 to US\$56.7 million in 9M2014 due to weakening of Ukrainian Hryvnia and Kazakhstan Tenge against the US dollar.

Sales to the Group's Other Markets grew by 37.9% from US\$17.8 million in 9M2013 to US\$24.5 million in 9M2014, mainly due to higher sales in Indo China, Europe and Middle East.

On a quarterly basis, the Group's revenue in 3Q2014 was US\$72.6 million, an increase of 9.8% compared to 3Q2013. Of its 3 largest markets, Russia's revenue increased 5.9% compared to the same quarter in 2013. Sales to the Group's Eastern Europe and Central Asia region increased by 5.3% for the quarter; while sales for Other Markets grew by 47.5% for the quarter.

### **Profitability**

For 9M2014, the Group recorded a net loss of US\$1.4 million as compared to a profit after tax of US\$11.7 million in 9M2013 mainly due to the substantial depreciation of the currencies of its two largest markets, Russia and Ukraine against the US dollar which is the Group's reporting currency.

The ongoing political uncertainty in two of the Group's key markets, Russia and Ukraine continued to weigh negatively on the Russian Ruble and Ukrainian Hryvnia against the US dollar.

In 9M2014, the Russian Ruble weakened from 32.7 Ruble per US dollar on 31 December 2013 to 39.4 Ruble per US dollar on 30 September 2014. Over the same period, Ukrainian Hryvnia weakened from 8.24 Hryvnia to 12.95 Hryvnia per US dollar. 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.

Apart from foreign exchange losses, the net loss was also due to the following: -

- 1) Staff costs increased due to higher salaries and higher headcount arising from restructuring of our Russian operation and newly set up factories.
- 2) One-off provision for staff compensation due to corporate restructuring.
- 3) Costs associated with investments in new markets.
- 4) Start-up costs associated with the Group's upstream projects.

For 3Q2014, the Group's net loss was US\$0.8 million compared with profit after tax of US\$2.6 million in 3Q2013.

### **Balance Sheet & Cashflow**

Property, plant and equipment increased from US\$61.5 million as at 31 December 2013 to US\$67.1 million as at 30 September 2014 mainly attributable to the capitalisation of the building, plant and machineries of the Group's India upstream project.

Inventories increased from US\$43.0 million as at 31 December 2013 to US\$50.2 million as at 30 September 2014, because of the stock-up of inventories.

Trade payables and accruals increased from US\$31.3 million as at 31 December 2013 to US\$40.3 million as at 30 September 2014, in line with the increase in inventories.

The Group's borrowings were US\$40.9 million as at 30 September 2014, compared to US\$32.3 million as at 31 December 2013. This increase was largely attributed to additional loans taken up for the Group's upstream projects and its investment property at 81 Playfair Road.

The Group's net operating cash flow position improved, with a net operating cash outflow of US\$1.7 million in 9M2014, compared to a net operating cash outflow of US\$13.8 million in 9M2013. This was attributed to improved working capital management. The Group's cash and cash equivalents was US\$19.1 million as at 30 September 2014, compared to US\$27.7 million as at 31 December 2013.

The Group's net assets as at 30 September 2014 were US\$155.9 million. The net asset value per ordinary share (excluding non-controlling interests) as at 30 September 2014 was 29.24 US cents compared to 31.15 US cents as at 31 December 2013

**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.**

Russian Ruble continues to come under pressure due to capital flight arising from various economic sanctions imposed by the EU and US, and also the weakening oil prices. While the Group's strong position in the market means that it is well placed to weather the crisis, a sustained and significant devaluation of the Russian Ruble will weigh negatively on the Group's overall profitability.

The Group's non-dairy creamer plant, snack factory in Malaysia and the beverage manufacturing facility have commenced commercial production. The Group's other project, an instant coffee plant in India, is on track for completion by early 2015.

The Group continues to be on the lookout for M&A opportunities that are in line with its overall strategy for diversification and growth.

**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 of the Directors of Food Empire Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 September 2014 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**  
**13 November 2014**