

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

**Third Quarter Financial Statement and Dividend Announcement for The Period ended 30 September 2011**

**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 11	3Q 10	Increase/ (Decrease)	9M 11	9M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Revenue</b>	<b>55,418</b>	<b>40,059</b>	<b>38.3</b>	<b>162,488</b>	<b>121,922</b>	<b>33.3</b>
Changes in inventories of finished goods	2,991	3,478	} 42.5	3,304	1,278	} 38.3
Raw materials and consumables used	(31,829)	(23,722)		(94,754)	(67,421)	
Staff costs	(6,471)	(5,152)	25.6	(17,953)	(14,895)	20.5
Depreciation of property, plant and equipment	(254)	(471)	-46.1	(1,177)	(1,382)	-14.8
Depreciation of investment properties	(11)	(12)	-8.3	(31)	(31)	-
Foreign exchange (loss)/gain	(375)	271	N.M	(529)	64	N.M
Other operating expenses	(14,092)	(10,753)	31.1	(39,857)	(29,967)	33.0
Finance costs	(22)	(16)	37.5	(63)	(80)	-21.3
Other income (Note 1)	175	26	573.1	963	288	234.4
Share of (loss)/profit of associates	(963)	236	N.M	(374)	834	N.M
<b>Profit before taxation</b>	<b>4,567</b>	<b>3,944</b>	<b>15.8</b>	<b>12,017</b>	<b>10,610</b>	<b>13.3</b>
Taxation (Note 2)	(360)	(151)	138.4	(849)	82	N.M
<b>Profit for the period</b>	<b>4,207</b>	<b>3,793</b>	<b>10.9</b>	<b>11,168</b>	<b>10,692</b>	<b>4.5</b>
<b>Profit attributable to:</b>						
Shareholders of the Company	4,253	3,793	12.1	11,230	10,692	5.0
Non-controlling interest	(46)	-	N.M	(62)	-	N.M
	<b>4,207</b>	<b>3,793</b>	<b>10.9</b>	<b>11,168</b>	<b>10,692</b>	<b>4.5</b>

**Notes:**

1 Included in other income are as follows

	Group			Group		
	3Q 11	3Q 10	Increase/ (Decrease)	9M 11	9M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gain from disposal of assets classified as held for sale	-	-	N.M	357	-	N.M

2 Included in the taxation is as follows

	Group			Group		
	3Q 11	3Q 10	Increase/ (Decrease)	9M 11	9M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Under/(over) provision for the prior year	-	(4)	-100.0	-	(424)	-100.0

N.M denotes not meaningful.

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

	Group			Group		
	3Q 11	3Q 10	Increase/ (Decrease)	9M 11	9M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit for the period</b>	<b>4,207</b>	<b>3,793</b>	<b>10.9</b>	<b>11,168</b>	<b>10,692</b>	<b>4.5</b>
<b>Other comprehensive income :</b>						
Foreign currency translation	(1,311)	695	N.M	(803)	400	N.M
Share of other comprehensive income of associates	(99)	52	N.M	(102)	-	N.M
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,410)</b>	<b>747</b>	<b>N.M</b>	<b>(905)</b>	<b>400</b>	<b>N.M</b>
<b>Total comprehensive income for the period</b>	<b>2,797</b>	<b>4,540</b>	<b>-38.4</b>	<b>10,263</b>	<b>11,092</b>	<b>-7.5</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the Company	2,843	4,540	-37.4	10,325	11,092	-6.9
Non-controlling interest	(46)	-	N.M	(62)	-	N.M
	<b>2,797</b>	<b>4,540</b>	<b>-38.4</b>	<b>10,263</b>	<b>11,092</b>	<b>-7.5</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.**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-11</b>	<b>31-Dec-10</b>	<b>30-Sep-11</b>	<b>31-Dec-10</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	18,131	17,938	-	-
Investment properties	4,910	4,530	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	11,021	11,535	-	-
Intangible assets	13,343	13,343	-	-
Debentures	543	593	-	-
Amounts due from an associate (non-trade)	2,600	1,308	-	-
Deferred tax assets	164	95	-	-
	<b>50,712</b>	<b>49,342</b>	<b>44,545</b>	<b>44,545</b>
<b>Current Assets</b>				
Cash and cash equivalents	26,622	41,670	167	231
Trade receivables	62,536	49,661	-	-
Deferred expenses	355	328	-	-
Prepaid operating expenses and other debtors	2,118	2,352	36	4
Other receivables	1,480	548	-	-
Amounts due from subsidiaries (non-trade)	-	-	176	602
Amounts due from associates (non-trade)	498	390	-	-
Derivatives	684	684	-	-
Assets held for sale	-	312	-	-
Inventories	26,957	23,654	-	-
	<b>121,250</b>	<b>119,599</b>	<b>379</b>	<b>837</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(22,177)	(26,378)	(333)	(926)
Interest-bearing loans and borrowings	(734)	(627)	-	-
Other payables	(373)	(1,225)	-	-
Amount due to subsidiaries (non-trade)	-	-	(21)	(21)
Amounts due to associates (trade)	(25)	-	-	-
Provision for taxation	(1,091)	(548)	-	-
	<b>(24,400)</b>	<b>(28,778)</b>	<b>(354)</b>	<b>(947)</b>
<b>Net Current Assets / (Liabilities)</b>	<b>96,850</b>	<b>90,821</b>	<b>25</b>	<b>(110)</b>
<b>Non-Current Liabilities</b>				
Interest-bearing loans and borrowings	(5,874)	(5,485)	-	-
Deferred tax liabilities	(512)	(508)	-	-
	<b>(6,386)</b>	<b>(5,993)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>141,176</b>	<b>134,170</b>	<b>44,570</b>	<b>44,435</b>
<b>Equity</b>				
Share capital	39,751	39,666	39,751	39,666
Reserves	101,043	94,504	4,819	4,769
	<b>140,794</b>	<b>134,170</b>	<b>44,570</b>	<b>44,435</b>
Non-controlling interest	382	-	-	-
	<b>141,176</b>	<b>134,170</b>	<b>44,570</b>	<b>44,435</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 2011		As at 31 Dec 2010	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Interest-bearing loans and borrowings	734	-	627	-

**Amount repayable after one year**

	As at 30 Sep 2011		As at 31 Dec 2010	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Interest-bearing loans and borrowings	5,874	-	5,485	-

**Details of any collateral**

As at 31 December 2010 and 30 September 2011, the interest bearing loans and borrowings are secured by a charge over the related freehold properties owned by one of the subsidiaries.

**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**

	3Q 11 US\$'000	3Q 10 US\$'000	9M 11 US\$'000	9M 10 US\$'000
<b>Cash flows from operating activities:</b>				
Profit from operations before taxation	4,567	3,944	12,017	10,610
Adjustment for :				
Depreciation of property, plant and equipment	254	471	1,177	1,382
Depreciation of investment properties	11	12	31	31
Gain from disposal of assets classified as held for sale	-	-	(357)	-
(Gain) / Loss on disposal of property, plant and equipment	(12)	(5)	45	(15)
Loss on disposal of investment in an associate	-	49	-	49
Interest income	(80)	(39)	(210)	(123)
Interest expenses	22	16	63	80
Exchange realignment	(551)	273	(634)	(59)
Share of loss/(profit) of associates	963	(236)	374	(834)
Allowance for/ (write back of) doubtful receivables	27	-	284	(9)
Allowance for inventories	220	163	305	200
Value of employee services received for issue of share options	103	55	288	153
<b>Operating profit before working capital changes</b>	<b>5,524</b>	<b>4,703</b>	<b>13,383</b>	<b>11,465</b>
Increase in receivables	(2,938)	(887)	(13,708)	(8,596)
Increase in inventories	(3,211)	(3,641)	(3,608)	(1,478)
Increase/(Decrease) in payables	4,542	4,422	(5,053)	(612)
<b>Cash flows generated from/(used in) operations</b>	<b>3,917</b>	<b>4,597</b>	<b>(8,986)</b>	<b>779</b>
Income taxes paid	(177)	(224)	(369)	(206)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>3,740</b>	<b>4,373</b>	<b>(9,355)</b>	<b>573</b>
<b>Cash flow from investing activities:</b>				
Interest income received	-	39	210	123
Purchase of property, plant and equipment	(542)	(6,756)	(2,281)	(7,738)
Purchase of investment properties	-	(3,777)	(13)	(3,777)
Proceeds from disposal of property, plant and equipment	166	29	191	61
Proceeds from disposal of investment in associates	-	754	-	754
Proceeds from disposal of assets classified as held for sale	-	-	669	-
Investment in associates	-	(2,100)	-	(3,214)
Dividend income received from an associate	38	-	38	-
Subscription for debentures from an associate	-	-	8	-
Loans provided to associates	-	-	(1,300)	-
Repayment of loans due from associates	-	350	-	750
<b>Net cash flows used in investing activities</b>	<b>(338)</b>	<b>(11,461)</b>	<b>(2,478)</b>	<b>(13,041)</b>
<b>Cash flow from financing activities</b>				
Interest expenses paid	(346)	(16)	(63)	(80)
Proceeds from issuance of shares	44	-	76	-
Dividends paid to shareholders of the Company	-	-	(4,065)	(3,870)
Capital injection from non-controlling interest of a subsidiary	144	-	184	-
Repayment of interest-bearing loans and borrowings	(477)	-	(524)	-
Repayment of obligation under financial lease	-	(15)	-	(15)
Proceeds from interest-bearing loans and borrowings	-	1,130	1,103	294
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(635)</b>	<b>1,099</b>	<b>(3,289)</b>	<b>(3,671)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,767</b>	<b>(5,989)</b>	<b>(15,122)</b>	<b>(16,139)</b>
Effect of exchange rate changes on cash and cash equivalents	353	(283)	74	(213)
Cash and cash equivalents at beginning of the period	23,502	51,211	41,670	61,291
<b>Cash and cash equivalents at end of the period</b>	<b>26,622</b>	<b>44,939</b>	<b>26,622</b>	<b>44,939</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**

	Attributable to equity holders of the Company								
	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Asset Revaluation Reserve US\$'000	Share-based payment reserve US\$'000	Fair value adjustment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 Jul 11	39,707	1,806	60	711	(76)	95,596	137,804	428	138,232
Profit for the period	-	-	-	-	-	4,253	4,253	(46)	4,207
Other comprehensive income						-	-		-
Foreign currency translation	-	(1,311)	-	-	-	-	(1,311)	-	(1,311)
Share of other comprehensive income of associates	-	(99)	-	-	-	-	(99)	-	(99)
Total comprehensive income for the period	-	(1,410)	-	-	-	4,253	2,843	(46)	2,797
Value of employee services received for issue of share options	-	-	-	103	-	-	103	-	103
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-
Issurance of new shares	44	-	-	-	-	-	44	-	44
Dividends paid to shareholders of the company	-	-	-	-	-	-	-	-	-
Balance as at 30 Sep 11	39,751	396	60	814	(76)	99,849	140,794	382	141,176
Balance as at 1 Jul 10	39,666	409	60	422	-	85,924	126,481	-	126,481
Profit for the period	-	-	-	-	-	3,793	3,793	-	3,793
Other comprehensive income						-	-		-
Foreign currency translation	-	695	-	-	-	-	695	-	695
Share of other comprehensive income of associates	-	52	-	-	-	-	52	-	52
Total comprehensive income for the period	-	747	-	-	-	3,793	4,540	-	4,540
Value of employee services received for issue of share options	-	-	-	55	-	-	55	-	55
Dividends paid to shareholders of the company	-	-	-	-	-	-	-	-	-
Balance as at 30 Sep 10	39,666	1,156	60	477	-	89,717	131,076	-	131,076

**The Group – 9 months**

	Attributable to equity holders of the Company								
	Share Capital	Foreign Currency Translation	Asset Revaluation	Share-based	Fair value	Accumulated	Total	Non-controlling	Total equity
	US\$'000	Reserve US\$'000	Reserve US\$'000	payment reserve US\$'000	adjustment reserve US\$'000	profits US\$'000	US\$'000	interest US\$'000	US\$'000
Balance as at 1 Jan 11	39,666	1,301	60	535	(76)	92,684	134,170	-	134,170
Profit for the period	-	-	-	-	-	11,230	11,230	-	11,230
Other comprehensive income									-
Foreign currency translation	-	(803)	-	-	-	-	(803)	(62)	(865)
Share of other comprehensive income of associates	-	(102)	-	-	-	-	(102)	-	(102)
Total comprehensive income for the period	-	(905)	-	-	-	11,230	10,325	(62)	10,263
Value of employee services received for issue of share options	-	-	-	288	-	-	288	-	288
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	444	444
Issurance of new shares	76	-	-	-	-	-	76	-	76
Exercise of share option	9	-	-	(9)	-	-	-	-	-
Dividends paid to shareholders of the company	-	-	-	-	-	(4,065)	(4,065)	-	(4,065)
Balance as at 30 Sep 11	39,751	396	60	814	(76)	99,849	140,794	382	141,176
Balance as at 1 Jan 10	39,666	756	60	324	-	82,895	123,701	-	123,701
Profit for the period	-	-	-	-	-	10,692	10,692	-	10,692
Other comprehensive income									-
Foreign currency translation	-	400	-	-	-	-	400	-	400
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	400	-	-	-	10,692	11,092	-	11,092
Value of employee services received for issue of share options	-	-	-	153	-	-	153	-	153
Dividends paid to shareholders of the company	-	-	-	-	-	(3,870)	(3,870)	-	(3,870)
Balance as at 30 Sep 10	39,666	1,156	60	477	-	89,717	131,076	-	131,076

**The Company – 3Q**

	Attributable to equity holders of the Company				
	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
<b>Balance as at 1 Jul 11</b>	<b>39,707</b>	<b>3,579</b>	<b>711</b>	<b>743</b>	<b>44,740</b>
Profit/(loss) for the year	-	-	-	(300)	(300)
<u>Other comprehensive income</u>					
Foreign currency translation	-	(17)	-	-	(17)
Total comprehensive income for the period	-	(17)	-	(300)	(317)
Value of employee services received for issue of share options	-	-	103	-	103
Issurance of new shares	44	-	-	-	44
Dividends paid to shareholders of the Company	-	-	-	-	-
<b>Balance as at 30 Sep 11</b>	<b>39,751</b>	<b>3,562</b>	<b>814</b>	<b>443</b>	<b>44,570</b>
<b>Balance as at 1 Jul 10</b>	<b>39,666</b>	<b>4,087</b>	<b>422</b>	<b>150</b>	<b>44,325</b>
Profit/(loss) for the year	-	-	-	(197)	(197)
<u>Other comprehensive income</u>					
Foreign currency translation	-	(75)	-	-	(75)
Total comprehensive income for the period	-	(75)	-	(197)	(272)
Dividends paid to shareholders of the company	-	-	-	-	-
Value of employee services received for issue of share options	-	-	55	-	55
<b>Balance as at 30 Sep 10</b>	<b>39,666</b>	<b>4,012</b>	<b>477</b>	<b>(47)</b>	<b>44,108</b>



**The Company – 9 months**

	Attributable to equity holders of the Company				
	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
<b>Balance as at 1 Jan 11</b>	<b>39,666</b>	<b>3,963</b>	<b>535</b>	<b>271</b>	<b>44,435</b>
Profit for the year	-	-	-	4,237	4,237
<u>Other comprehensive income</u>					
Foreign currency translation	-	(401)	-	-	(401)
Total comprehensive income for the period	-	(401)	-	4,237	3,836
Value of employee services received for issue of share options	-	-	288	-	288
Issurance of new shares	76	-	-	-	76
Exercise of share options	9	-	(9)	-	-
Dividends paid to shareholders of the Company	-	-	-	(4,065)	(4,065)
<b>Balance as at 30 Sep 11</b>	<b>39,751</b>	<b>3,562</b>	<b>814</b>	<b>443</b>	<b>44,570</b>
<b>Balance as at 1 Jan 10</b>	<b>39,666</b>	<b>4,007</b>	<b>324</b>	<b>232</b>	<b>44,229</b>
Profit for the year	-	-	-	3,591	3,591
<u>Other comprehensive income</u>					
Foreign currency translation	-	5	-	-	5
Total comprehensive income for the period	-	5	-	3,591	3,596
Dividends paid to shareholders of the company	-	-	-	(3,870)	(3,870)
Value of employee services received for issue of share options	-	-	153	-	153
<b>Balance as at 30 Sep 10</b>	<b>39,666</b>	<b>4,012</b>	<b>477</b>	<b>(47)</b>	<b>44,108</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 and share options are as follows:

	<b>FY 2011</b>	<b>FY 2010</b>
<b><u>Share Capital</u></b>		
Number of ordinary shares as at 1 January	529,043,999	529,043,999
Issued for cash under employee share option scheme		
- at the exercise price of S\$0.335 each	120,000	-
- at the exercise price of S\$0.229 each	250,000	-
Balance of ordinary shares as at 30 Sep	529,413,999	529,043,999
<b><u>Share Option - exercise price of S\$0.142</u></b>		
Balance of unexercised share options as at 1 January and 30 Sep	240,000	240,000
<b><u>Share Option - exercise price of S\$0.229</u></b>		
Balance of unexercised share options as at 1 January and 30 Sep	3,650,000	3,650,000
Options exercised during the period	(250,000)	-
Balance as at 30 Sep	3,400,000	3,650,000
<b><u>Share Option - exercise price of S\$0.335</u></b>		
Balance as at 1 January	4,750,000	-
Granted to eligible employees on 4 Jan 2010	-	4,750,000
Options exercised during the period	(120,000)	-
Balance as at 30 Sep	4,630,000	4,750,000
<b><u>Share Option - exercise price of S\$0.505</u></b>		
Balance as at 1 January	-	-
Granted to eligible employees on 1 February 2011	4,750,000	-
Balance as at 30 Sep	4,750,000	-
Out of the 13,020,000 outstanding share options on 30 September 2011 (30 September 2010: 8,640,000), 8,270,000 (2010: 3,890,000) share options are exercisable.		

**Treasury Shares**

As at 30 September 2011 and 30 September 2010, there were no treasury shares held by the Company.

- 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.**

Please refer to 1d(ii).

- 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.**

Not applicable.

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

The figures were unaudited and were not 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 2010, except for the adoption of revised FRS which came into effect on 1 January 2011.

**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 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 11	3Q 10	9M 11	9M 10
<b>Earnings per share</b>				
Based on existing issued share capital (USD cents)	0.79	0.72	2.11	2.02
On a fully diluted basis (USD cents)	0.79	0.72	2.10	2.02

	3Q 11	3Q 10	9M 11	9M 10
<b>Weighted average number of shares table</b>				
Weighted average number of shares for calculation of basic EPS	529,422,151	529,043,999	529,224,182	529,043,999
Weighted average number of shares for calculation of diluted EPS	530,696,728	529,872,066	531,733,684	529,636,331

**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-11	31-Dec-10	30-Sep-11	31-Dec-10
Net asset value per ordinary share (USD cents)	26.59	25.36	8.42	8.40

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.

### Financial Review

The Group continued to aggressively market its products by investing in advertising, promotions and sponsorships. This commitment to brand building activities has resulted in increased revenue across all the Group's major markets.

Revenue in Q3 2011 was US\$55.4 million, an improvement of 38.3% compared to its Q3 2010 revenue of US\$40.1 million. The Group's profit after tax for the quarter was US\$4.2 million compared to US\$3.8 million recorded in the corresponding period of the previous year.

For the nine months ended 30 September 2011, the Group's revenue was up by 33.3% to US\$162.5 million, delivering a profit after tax of US\$11.2 million compared to US\$10.7 million recorded in the corresponding period of the previous year. Business conditions continued to improve compared to a year ago. However, the high cost of raw materials and currency volatility remained a challenge to the Group

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

	Group			Group		
	3Q 11	3Q 10	Increase/ (Decrease)	9M 11	9M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Russia	32,705	21,786	50.1	97,006	70,767	37.1
Eastern Europe and Central Asia	17,496	14,828	18.0	49,193	37,990	29.5
Other Markets	5,217	3,445	51.4	16,289	13,165	23.7
Total	55,418	40,059	38.3	162,488	121,922	33.3

In Q3 2011, sales to the Group's largest market, Russia, rose by 50.1% compared to Q3 2010. This was due to the Group's promotional activities as well as the increase in the geographical reach of the company's distribution network.

In Eastern European and Central Asian markets (comprising principally Ukraine and Kazakhstan) the Group's revenue rose by 18.0% to US\$17.5 million in Q3 2011.

The Group's other markets contributed US\$5.2 million, an increase of 51.4% compared to the same quarter in 2010. The Group's Middle East and Asia markets continued to enjoy steady growth.

### Profitability

For Q3 2011 the Group recorded a profit after tax of US\$4.2 million, compared to US\$3.8 million in Q3 2010. For the first nine months of 2011 the Group's profit after tax was US\$11.2 million compared to US\$10.7 million for the same period last year.

Owing to the increase in the volume of sales and commodity prices, the Group's raw material costs together with the changes in inventory of finished goods increased by 42.5% compared to Q3 2010.

Staff costs increased by 25.6% in Q3 2011 reflecting increased manufacturing activity in support of the higher sales volume compared to a year ago, as well as the appreciation of the local currencies in which the wages are paid.

Compared to Q3 2010, other operating expenses rose by 31.1%. The majority of this increase was due to the Group's brand building activities as well as activities in support of new product lines. Higher transport costs from the increase in volume shipped also contributed to the increase.

Losses from associates of US\$963,000 were recorded during the quarter due to a write down in the fair value of assets and an unrealised foreign exchange loss resulting from a non US Dollar denominated loan.

#### **Balance Sheet & Cashflow**

The Group's net assets as at 30 September 2011 were US\$141.2 million. The net asset value per ordinary share excluding minority interests as at 30 September 2011 was US 26.59 cents.

As at 30 September 2011, cash and cash equivalents were US\$26.6 million as more working capital was required to support the higher level of activity across all markets. Trade receivables were higher reflecting the higher business volume.

#### **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 Group has over many years been managing fluctuating raw material prices and will continue to adopt cautious measures to mitigate rising costs. These measures include improving efficiency; sourcing from multiple suppliers; using its purchasing power to negotiate the best available deals; and managing its procurement strategy to meet its immediate needs as well as its longer term requirements in order to get the best mix of contracts.

Owing to the various issues that have arisen in relation to the Group's investment in Vayhan Coffee Limited, and after seeking legal advice, the Group has decided to exit from this investment. Legal documentation is presently being processed.

The Group's performance may be affected by the following factors:

- currency volatility
- raw material prices
- funding cost;
- competitive market conditions; and
- the possibility of changes in regulatory policies in the Group's operating markets.

As we enter the European winter season, the Group expects seasonal demand that will see its key markets perform well for the rest of the year.

#### **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.**

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 did not obtain general mandate from shareholders for IPTs.

**14. Confirmation by the Board Pursuant to Rule 705(5)**

We, Tan Wang Cheow and Sudeep Nair, being 2 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 on 30 September 2011 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 November 2011**