

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

**Full Year Financial Statement And Dividend Announcement for The Year ended 31 December 2011**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) 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 11	4Q 10	Increase/ (Decrease)	12M 11	12M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Revenue</b>	<b>63,174</b>	<b>53,881</b>	<b>17.2</b>	<b>225,662</b>	<b>175,803</b>	<b>28.4</b>
Changes in inventories of finished goods	(4,700)	4,422	} 20.3	(1,396)	5,698	} 32.7
Raw materials and consumables used	(30,740)	(33,885)		(125,494)	(101,306)	
Staff costs	(6,481)	(5,582)	16.1	(24,435)	(20,477)	19.3
Depreciation of property, plant and equipment	(739)	(488)	51.4	(1,916)	(1,870)	2.5
Depreciation of investment properties	(10)	(14)	(28.6)	(41)	(45)	(8.9)
Foreign exchange (loss)/gain	(283)	(14)	1,921.4	(812)	50	NM
Other operating expenses (Note 1)	(16,839)	(16,199)	4.0	(56,695)	(46,165)	22.8
Finance costs	(23)	(17)	35.3	(86)	(97)	(11.3)
Other income (Note 2)	138	848	(83.7)	1,101	1,136	(3.1)
Share of profit of associates	651	40	1,527.5	277	874	(68.3)
<b>Profit before taxation</b>	<b>4,148</b>	<b>2,992</b>	<b>38.6</b>	<b>16,165</b>	<b>13,601</b>	<b>18.9</b>
Taxation (Note 3)	(503)	(25)	1,912.0	(1,352)	58	NM
<b>Profit after taxation</b>	<b>3,645</b>	<b>2,967</b>	<b>22.9</b>	<b>14,813</b>	<b>13,659</b>	<b>8.4</b>
<b>Profit attributable to:</b>						
Shareholders of the Company	3,732	2,967	25.8	14,962	13,659	9.5
Non-controlling interest	(87)	-	NM	(149)	-	NM
	<b>3,645</b>	<b>2,967</b>	<b>22.9</b>	<b>14,813</b>	<b>13,659</b>	<b>8.4</b>

**Notes:**

- 1 Included in other operating expenses are as follows:

	4Q 11	4Q 10	Increase/ (Decrease)	12M 11	12M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Loss on disposal of investment in associates	(342)	-	NM	(342)	(49)	598.0

2. Included in other income are as follows:

	Group			Group		
	4Q 11	4Q 10	Increase/ (Decrease)	12M 11	12M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gain on disposal of assets classified as held for sale	-	-	NM	357	-	NM
Gain on disposal of investment properties	-	557	(100.0)	-	557	(100.0)
	-	557	(100.0)	357	557	(35.9)

3. Included in the taxation is as follows:

	Group			Group		
	4Q 11	4Q 10	Increase/ (Decrease)	12M 11	12M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Over provision for the prior year	196	301	(34.9)	196	725	(73.0)

NM denotes not meaningful.

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

	Group			Group		
	4Q 11	4Q 10	Increase/ (Decrease)	12M 11	12M 10	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after taxation</b>	<b>3,645</b>	<b>2,967</b>	<b>22.9</b>	<b>14,813</b>	<b>13,659</b>	<b>8.4</b>
<b>Other comprehensive income :</b>						
Net loss on debentures	76	(76)	NM	76	(76)	NM
Foreign currency translation	23	138	(83.3)	(314)	538	NM
Share of other comprehensive (loss)/income of associates	(79)	7	NM	(181)	7	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>20</b>	<b>69</b>	<b>(71.0)</b>	<b>(419)</b>	<b>469</b>	<b>(189.3)</b>
<b>Total comprehensive income for the period/year</b>	<b>3,665</b>	<b>3,036</b>	<b>20.7</b>	<b>14,394</b>	<b>14,128</b>	<b>1.9</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the Company	3,796	3,036	25.0	14,587	14,128	3.2
Non-controlling interest	(131)	-	NM	(193)	-	NM
	<b>3,665</b>	<b>3,036</b>	<b>20.7</b>	<b>14,394</b>	<b>14,128</b>	<b>1.9</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	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	23,857	17,938	221	-
Investment properties	10,765	4,530	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	9,988	11,535	-	-
Intangible assets	13,343	13,343	-	-
Debentures	-	593	-	-
Amounts due from an associate (non-trade)	2,600	1,308	-	-
Deferred tax assets	142	95	-	-
	<b>60,695</b>	<b>49,342</b>	<b>44,766</b>	<b>44,545</b>
<b>Current Assets</b>				
Cash and cash equivalents	35,148	41,670	116	231
Trade receivables	63,050	49,661	-	-
Deferred expenses	400	1,098	-	-
Prepaid operating expenses and other debtors	2,173	1,582	29	4
Other receivables	2,435	548	-	-
Amounts due from subsidiaries (non-trade)	-	-	5,889	608
Amounts due from associates (non-trade)	514	390	-	-
Derivatives	-	684	-	-
Assets held for sale	-	312	-	-
Inventories	22,257	23,654	-	-
	<b>125,977</b>	<b>119,599</b>	<b>6,034</b>	<b>843</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(25,672)	(26,432)	(1,043)	(926)
Finance lease creditors	(17)	-	-	-
Interest-bearing loans and borrowing	(1,076)	(627)	-	-
Other payables	(719)	(1,171)	-	-
Amount due to subsidiaries (non-trade)	-	-	(21)	(27)
Provision for taxation	(1,662)	(548)	-	-
	<b>(29,146)</b>	<b>(28,778)</b>	<b>(1,064)</b>	<b>(953)</b>
<b>Net Current Assets / (Liabilities)</b>	<b>96,831</b>	<b>90,821</b>	<b>4,970</b>	<b>(110)</b>
<b>Non-Current Liabilities</b>				
Interest-bearing loans and borrowings	(12,310)	(5,485)	-	-
Deferred tax liabilities	(364)	(508)	-	-
	<b>(12,674)</b>	<b>(5,993)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>144,852</b>	<b>134,170</b>	<b>49,736</b>	<b>44,435</b>
<b>Equity</b>				
Share capital	39,751	39,666	39,751	39,666
Reserves	104,850	94,504	9,985	4,769
	<b>144,601</b>	<b>134,170</b>	<b>49,736</b>	<b>44,435</b>
Non-controlling interest	251	-	-	-
	<b>144,852</b>	<b>134,170</b>	<b>49,736</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 31 Dec 2011		As at 31 Dec 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	17	-	-	-
Interest-bearing loans and borrowings	1,076	-	627	-
Total	1,093	-	627	-

**Amount repayable after one year**

	As at 31 Dec 2011		As at 31 Dec 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Interest-bearing loans and borrowings	12,310	-	5,485	-

**Details of any collateral**

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

As at 31 December 2011, the finance lease liabilities are secured by a charge over the related lease vehicle held 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.**

	4Q 11 US\$'000	4Q 10 US\$'000	12M 11 US\$'000	12M 10 US\$'000
<b>Cash flows from operating activities:</b>				
Profit from operations before taxation	4,148	2,992	16,165	13,601
Adjustment for :				
Depreciation of property, plant and equipment	739	488	1,916	1,870
Depreciation of investment properties	10	14	41	45
Gain from disposal of investment properties	-	(557)	-	(557)
Gain from disposal of assets classified as held for sale	-	-	(357)	-
(Gain) / loss on disposal of property, plant and equipment	(31)	(5)	14	(20)
Loss on disposal of investment in associates	342	-	342	49
Interest income	(59)	(35)	(269)	(158)
Interest expenses	23	17	86	97
Exchange realignment	(38)	91	(208)	32
Share of profit of associates	(651)	(40)	(277)	(874)
Allowance for doubtful receivables	2	514	286	505
Fair value gain on derivatives	-	(50)	-	(50)
Write down of inventories	132	240	437	440
Value of employee services received for issue of share options	11	58	299	211
<b>Operating profit before working capital changes</b>	<b>4,628</b>	<b>3,727</b>	<b>18,475</b>	<b>15,191</b>
Decrease/(increase) in receivables	1,334	(5,742)	(12,373)	(14,338)
Decrease/(increase) in inventories	4,568	(4,661)	960	(6,138)
Increase/(decrease) in payables	3,840	6,885	(1,212)	5,191
<b>Cash flows generated from/(used in) operations</b>	<b>14,370</b>	<b>209</b>	<b>5,850</b>	<b>(94)</b>
Income taxes paid	(58)	(61)	(427)	(267)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>14,312</b>	<b>148</b>	<b>5,423</b>	<b>(361)</b>
<b>Cash flow from investing activities:</b>				
Interest income received	59	35	269	158
Purchase of property, plant and equipment	(6,363)	(270)	(8,644)	(6,927)
Purchase of investment properties	(6,405)	(57)	(6,418)	(3,834)
Proceeds from disposal of property, plant and equipment	128	12	319	73
Proceeds from disposal of investment in associates	-	-	-	754
Proceeds from disposal of investment properties	-	1,134	-	1,134
Proceeds from disposal of assets classified as held for sale	-	-	669	-
Investment in associates	-	(1,717)	-	(4,931)
Dividend income received from an associate	-	-	38	-
Subscription for debentures from an associate	-	(669)	8	(669)
Payment for derivatives	-	(635)	-	(635)
Loans provided to associates	-	(1,308)	(1,300)	(1,308)
Repayment of loans due from associates	-	159	-	909
<b>Net cash flows used in investing activities</b>	<b>(12,581)</b>	<b>(3,316)</b>	<b>(15,059)</b>	<b>(15,276)</b>
<b>Cash flow from financing activities</b>				
Interest expenses paid	(23)	(17)	(86)	(97)
Proceeds from issuance of shares	-	-	76	-
Dividends paid to shareholders of the Company	-	-	(4,531)	(3,870)
Capital injection from non-controlling interest of a subsidiary	-	-	184	-
Repayment of interest-bearing loans and borrowings	(183)	(157)	(707)	(5,987)
Repayment of obligation under financial lease	-	-	-	(15)
Proceeds from interest-bearing loans and borrowings	6,974	145	8,077	6,269
<b>Net cash flows generated from/(used in) financing activities</b>	<b>6,768</b>	<b>(29)</b>	<b>3,013</b>	<b>(3,700)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,499</b>	<b>(3,197)</b>	<b>(6,623)</b>	<b>(19,337)</b>
Effect of exchange rate changes on cash and cash equivalents	27	(71)	101	(284)
Cash and cash equivalents at beginning of the period/ year	26,622	44,938	41,670	61,291
<b>Cash and cash equivalents at end of the period/year</b>	<b>35,148</b>	<b>41,670</b>	<b>35,148</b>	<b>41,670</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 – 4Q**

	Attributable to equity holders of the Company							
	Share Capital	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Share-based payment reserve	Fair value adjustment reserve	Accumulated profits	Total	Non-controlling interest
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 Oct 11</b>	<b>39,751</b>	<b>396</b>	<b>60</b>	<b>814</b>	<b>(76)</b>	<b>99,849</b>	<b>140,794</b>	<b>382</b>
Profit for the period	-	-	-	-	-	3,732	3,732	(87)
<u>Other comprehensive income</u>								
Net loss of debentures	-	-	-	-	76	-	76	-
Foreign currency translation	-	533	-	-	-	-	533	(44)
Adjustment for translation difference pertaining to dividends paid out to shareholders in the prior period	-	-	-	-	-	(466)	(466)	-
Share of other comprehensive income of associates	-	(79)	-	-	-	-	(79)	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>3,266</b>	<b>3,796</b>	<b>(131)</b>
<b>Balance as at 31 Dec 11</b>	<b>39,751</b>	<b>850</b>	<b>60</b>	<b>825</b>	<b>-</b>	<b>103,115</b>	<b>144,601</b>	<b>251</b>
<b>Balance as at 1 Oct 10</b>	<b>39,666</b>	<b>1,156</b>	<b>60</b>	<b>477</b>	<b>-</b>	<b>89,717</b>	<b>131,076</b>	<b>-</b>
Profit for the period	-	-	-	-	-	2,967	2,967	-
<u>Other comprehensive income</u>								
Net loss on fair value change of debentures	-	-	-	-	(76)	-	(76)	-
Foreign currency translation	-	138	-	-	-	-	138	-
Share of other comprehensive income of associates	-	7	-	-	-	-	7	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>(76)</b>	<b>2,967</b>	<b>3,036</b>	<b>-</b>
<b>Balance as at 31 Dec 10</b>	<b>39,666</b>	<b>1,301</b>	<b>60</b>	<b>535</b>	<b>(76)</b>	<b>92,684</b>	<b>134,170</b>	<b>-</b>

# The Group – 12 months

	Attributable to equity holders of the Company							
	Share Capital	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Share-based payment reserve	Fair value adjustment reserve	Accumulated profits	Total	Non-controlling interest
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 Jan 11</b>	<b>39,666</b>	<b>1,301</b>	<b>60</b>	<b>535</b>	<b>(76)</b>	<b>92,684</b>	<b>134,170</b>	<b>-</b>
Profit for the year	-	-	-	-	-	14,962	14,962	(149)
<u>Other comprehensive income</u>								
Net loss of debentures	-	-	-	-	76	-	76	-
Foreign currency translation	-	(270)	-	-	-	-	(270)	(44)
Share of other comprehensive income of associates	-	(181)	-	-	-	-	(181)	-
Total comprehensive income for the year	-	(451)	-	-	76	14,962	14,587	(193)
Value of employee services received for issue of share options	-	-	-	299	-	-	299	-
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	444
Issuance of new shares	76	-	-	-	-	-	76	-
Exercise of share option	9	-	-	(9)	-	-	-	-
Dividends paid to shareholders of the company	-	-	-	-	-	(4,531)	(4,531)	-
<b>Balance as at 31 Dec 11</b>	<b>39,751</b>	<b>850</b>	<b>60</b>	<b>825</b>	<b>-</b>	<b>103,115</b>	<b>144,601</b>	<b>251</b>
<b>Balance as at 1 Jan 10</b>	<b>39,666</b>	<b>756</b>	<b>60</b>	<b>324</b>	<b>-</b>	<b>82,895</b>	<b>123,701</b>	<b>-</b>
Profit for the year	-	-	-	-	-	13,659	13,659	-
<u>Other comprehensive income</u>								
Net loss on fair value change of debentures	-	-	-	-	(76)	-	(76)	-
Foreign currency translation	-	538	-	-	-	-	538	-
Share of other comprehensive income of associates	-	7	-	-	-	-	7	-
Total comprehensive income for the year	-	545	-	-	(76)	13,659	14,128	-
Value of employee services received for issue of share options	-	-	-	211	-	-	211	-
Dividends paid to shareholders of the company	-	-	-	-	-	(3,870)	(3,870)	-
<b>Balance as at 31 Dec 10</b>	<b>39,666</b>	<b>1,301</b>	<b>60</b>	<b>535</b>	<b>(76)</b>	<b>92,684</b>	<b>134,170</b>	<b>-</b>



**The Company – 4Q**

	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 Oct 11</b>	<b>39,751</b>	<b>3,562</b>	<b>814</b>	<b>443</b>	<b>44,570</b>
Profit for the period	-	-	-	5,314	5,314
<u>Other comprehensive income</u>					
Foreign currency translation	-	307	-	-	307
Adjustment for translation difference pertaining to dividends paid out to shareholders in the prior period	-	-	-	(466)	(466)
Total comprehensive income for the period	-	307	-	4,848	5,155
Value of employee services received for issue of share options	-	-	11	-	11
<b>Balance as at 31 Dec 11</b>	<b>39,751</b>	<b>3,869</b>	<b>825</b>	<b>5,291</b>	<b>49,736</b>
<b>Balance as at 1 Oct 10</b>	<b>39,666</b>	<b>4,012</b>	<b>477</b>	<b>(47)</b>	<b>44,108</b>
Profit for the period	-	-	-	318	318
<u>Other comprehensive income</u>					
Foreign currency translation	-	(49)	-	-	(49)
Total comprehensive income for the period	-	(49)	-	318	269
Value of employee services received for issue of share options	-	-	58	-	58
<b>Balance as at 31 Dec 10</b>	<b>39,666</b>	<b>3,963</b>	<b>535</b>	<b>271</b>	<b>44,435</b>

**The Company – 12 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	-	-	-	9,551	9,551
<u>Other comprehensive income</u>					
Foreign currency translation	-	(94)	-	-	(94)
Total comprehensive income for the year	-	(94)	-	9,551	9,457
Value of employee services received for issue of share options	-	-	299	-	299
Issuance of new shares	76	-	-	-	76
Exercise of share options	9	-	(9)	-	-
Dividends paid to shareholders of the Company	-	-	-	(4,531)	(4,531)
<b>Balance as at 31 Dec 11</b>	<b>39,751</b>	<b>3,869</b>	<b>825</b>	<b>5,291</b>	<b>49,736</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	-	-	-	3,909	3,909
<u>Other comprehensive income</u>					
Foreign currency translation	-	(44)	-	-	(44)
Total comprehensive income for the year	-	(44)	-	3,909	3,865
Dividends paid to shareholders of the company	-	-	-	(3,870)	(3,870)
Value of employee services received for issue of share options	-	-	211	-	211
<b>Balance as at 31 Dec 10</b>	<b>39,666</b>	<b>3,963</b>	<b>535</b>	<b>271</b>	<b>44,435</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 31 December	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 31 December	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 31 December	3,650,000	3,650,000
Options exercised during the period	(250,000)	-
Balance as at 31 December	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 January 2010	-	4,750,000
Options exercised during the period	(120,000)	-
Options lapsed during the period	(900,000)	-
Balance as at 31 December	3,730,000	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	-
Options lapsed during the period	(700,000)	-
Balance as at 31 December	4,050,000	-
<b><u>Share Option - exercise price of S\$0.315</u></b>		
Balance as at 1 January	-	-
Granted to eligible employees on 19 December 2011	4,470,000	-
Balance as at 31 December	4,470,000	-
Out of the 15,890,000 outstanding share options on 31 December 2011 (31 December 2010: 8,640,000), 7,370,000 (2010: 3,890,000) share options are exercisable.		

**Treasury Shares**

As at 31 December 2011 and 31 December 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	
	4Q 11	4Q 10	12M 11	12M 10
<b>Earnings per share</b>				
Based on existing issued share capital (USD cents)	0.71	0.56	2.83	2.58
On a fully diluted basis (USD cents)	0.70	0.56	2.82	2.57
	4Q 11	4Q 10	12M 11	12M 10
<b>Weighted average number of shares table</b>				
Weighted average number of shares for calculation of basic EPS	529,413,999	529,043,999	529,272,026	529,043,999
Weighted average number of shares for calculation of diluted EPS	529,544,614	531,547,265	530,649,941	530,583,643

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-11	31-Dec-10	31-Dec-11	31-Dec-10
Net asset value per ordinary share (USD cents)	27.31	25.36	9.39	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 achieved record sales in FY 2011 due to better performance in all the Group's key markets throughout the year. The record revenue was achieved by strong marketing of the Group's brands through advertisements, promotions and sponsorships. The Group also succeeded to further extend its distribution network and geographical reach in each of its key markets.

Revenue in Q4 2011 was US\$63.2 million, an improvement of 17.2% compared to the US\$53.9 million recorded in Q4 2010. The Group's profit after tax for Q4 2011 was US\$3.6 million, a 22.9% increase compared to US\$3.0 million recorded in the corresponding period of the previous year.

For FY 2011, the Group's revenue was up by 28.4% to US\$225.7 million, surpassing the previous record high set prior to the global financial crisis in 2008.

In FY 2011, the Group delivered profit after tax of US\$14.8 million compared to US\$13.7 million recorded in FY2010. Business conditions continued to improve during FY 2011 compared to the previous year. However, high cost of raw materials and currency volatility remained a challenge to the Group.

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

	Group			Group		
	4Q 11 US\$'000	4Q 10 US\$'000	Increase/ (Decrease) %	12M 11 US\$'000	12M 10 US\$'000	Increase/ (Decrease) %
Russia	32,350	29,731	8.8	129,356	100,498	28.7
Eastern Europe and Central Asia	22,192	17,238	28.7	71,385	55,228	29.3
Other Markets	8,632	6,912	24.9	24,921	20,077	24.1
Total	63,174	53,881	17.2	225,662	175,803	28.4

For Q4 2011, sales to the Group's largest market, Russia, rose by 8.8% compared to the corresponding quarter of the previous year. Sales for FY 2011 rose by 28.7% to US\$129.4 million. The Group continued to deepen its market penetration in Russia through promotional activities and also increased 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 in Q4 2011 rose by 28.7% compared to the corresponding quarter of the previous year. FY 2011

revenue increased by 29.3% to US\$71.4 million. Compared to FY 2010, sales in Ukraine increased by 29.5% and in Kazakhstan by 39.8%.

In Q4 2011, sales to the Group's other markets increased by 24.9% compared to the corresponding quarter of the previous year. For FY 2011, the Group's other markets contributed US\$24.9 million, an increase of 24.1% compared to FY 2010. The Group's Middle East and Asia markets continued to enjoy steady growth throughout the year.

### **Profitability**

For Q4 2011 the Group recorded profit before tax of US\$4.1 million, compared to US\$3.0 million in Q4 2010, an increase of 38.6%.

For FY 2011 the Group's profit before tax was US\$16.2 million, an increase of 18.9% compared to FY 2010. Excluding contribution from associates and foreign exchange impact, profit before tax for FY 2011 rose by US\$4.0 million or 31.7% compared to FY2010.

Taxation increased by US\$1.4 million, due to the higher profits and lower write-back of overprovision for prior year.

Overall, profit after tax for FY 2011 increased 8.4% over FY 2010.

In FY 2011, the Group's cost of inventory used increased by 32.7% compared to FY 2010 mainly due to the increased sales as well as higher commodity prices.

Staff costs increased by 19.3% in FY 2011 as the Group's headcount rose to support the greater manufacturing output required by the increased sales. Staff costs were also affected by the appreciation of the local currencies in which the wages were paid.

Compared to FY 2010, other operating expenses rose by 22.8%. The majority of this increase was due to the Group's brand building activities as well as activities to support new product lines. More than 60% of the Group's other operating expenses were related to brand building activities. Higher transport costs from the increase in volume shipped also contributed to the increase.

### **Balance Sheet & Cashflow**

The Group ended the year with a strong balance sheet, with net assets of US\$144.9 million including US\$35.1 million in cash and cash equivalents as at 31 December 2011. The net asset value per ordinary share excluding minority interests as at 31 December 2011 was US 27.31 cents.

During the year, the Group acquired a new factory in Klang, Malaysia for US\$4.9 million. The Group had also invested US\$6.4 million to purchase a plot of land at 81 Playfair Road in Singapore.

Net cashflow of US\$5.4 million was generated from operating activities in FY 2011, compared to the US\$361,000 of net cash used in FY2010. 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, successfully managed fluctuating raw material prices and will continue to adopt appropriate 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.

In 2012, the Group will continue to pursue creative brand building activities and the expansion of its distribution network.

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

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

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	1.052
Tax Rate	1-tier tax exempted

The above proposed dividends would be subject to the approval of the Shareholders at the forthcoming Annual General Meeting scheduled for 27 April 2012.

**(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 Amount per Share (in Singapore cents)	1.052
Tax Rate	1-tier tax exempted

**(c) Date payable**

The dividend, if approved by the shareholders at the Annual General Meeting schedule for 27 April 2012, will be paid on 30 May 2012.

**(d) Books closure date**

Notice is hereby given that, subject to the shareholders' approval of the payment of the dividends at the Annual General Meeting scheduled for 27 April 2012, the Share Transfer Books and the Register of Members of the Company will be closed on 10 May 2012. Duly completed registrable transfers received by the Company's 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 9 May 2012 will be registered for the dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividends will be paid by the Company to CDP which will, in turn, distribute the dividends to holders of the securities accounts.

**12. If no dividend has 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 any 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.**

	Beverages		Other products		Total per consolidated financial statements	
	2011	2010	2011	2010	2011	2010
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
<b>Revenue</b>						
Segment revenue from external customers	212,365	164,886	13,297	10,917	225,662	175,803
<b>Other information</b>						
Interest income	265	147	4	11	269	158
Interest expenses	(80)	(90)	(6)	(7)	(86)	(97)
Dividend income	-	-	38	-	38	-
Depreciation of property, plant and equipment	(1,790)	(1,841)	(126)	(29)	(1,916)	(1,870)
Depreciation of investment properties	-	-	(41)	(45)	(41)	(45)
Share of profit of associates	126	180	151	694	277	874
Allowances for doubtful debts	(267)	(469)	(19)	(36)	(286)	(505)
Allowances for stocks obsolescence	(408)	(322)	(29)	(118)	(437)	(440)
Value of employees services received for issue of share options	(299)	(211)	-	-	(299)	(211)
Fair value gain on derivatives	-	50	-	-	-	50
<b>Results</b>						
Segment results before tax	14,973	11,980	1,192	1,621	16,165	13,601

### Geographical information

Segment revenue information based on the geographical locations of customers are as follows:

	Group	
	2011 (US\$'000)	2010 (US\$'000)
Russia	129,356	100,498
Eastern Europe and Central Asia	71,385	55,228
Other countries	24,921	20,077
	<u>225,662</u>	<u>175,803</u>

- 15. 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.

- 16. A breakdown of sales.**

	Group		Increase/ (Decrease) %
	31-Dec-11 US\$'000	31-Dec-10 US\$'000	
Revenue reported for first half year	107,070	81,863	30.8%
Operating profit after tax before deducting minority interests reported for first half financial year	6,961	6,899	0.9%
Revenue reported for second half year	118,592	93,940	26.2%
Operating profit after tax before deducting minority interests reported for second half financial year	7,852	6,760	16.2%

- 17. 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) FY2011*	Previous Full Year (US\$'000) FY2010
Ordinary	4,445	4,531
Special	-	-
Total:	<u>4,445</u>	<u>4,531</u>

\*Amounts are translated into United States Dollars ("US\$") at the exchange rate of S\$1.253 to US\$1.00

- 18. 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.

- 19. 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 our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial year ended on 31 December 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  
21 February 2012**