

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

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY ON ANNUAL REPORT FY2011

The Board of Directors of Food Empire Holdings Limited ("the Company") and its subsidiaries (collectively, the "Group") wishes to provide the following information in response to the query from the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2012 in respect of the Corporate Governance Section of the Company's Annual Report FY2011: -

SGX-ST's Query:

For the purpose of complying with the Listing Rule 1207(10), please note that: -

- (a) The "absence of evidence to the contrary" disclaimer is not acceptable in the opinion;*
- (b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all 3 areas of risks (i.e. financial, operational and compliance risks). Please also remove the phrase "under the current business environment" from the opinion.*

In view of the above, please provide a clean opinion that is in compliance with Listing Rule 1207(10).

Company's response:

With reference to the last paragraph on page 41 of the Annual Report 2011 under the header of Internal Controls and Internal Audit, the Board of Directors wish to clarify the following:

The Board of Directors and the AC have reviewed the adequacy of the Group's internal controls, including financial, operational and compliance controls. Based on work done by the internal and external auditors and reviews performed by management throughout the financial year 2011, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls in place are adequate to address the financial, operational and compliance risks and also provide reasonable assurance of the effectiveness of the Group in safeguarding its assets and shareholders' value.

By Order Of The Board

Tan San-Ju
Company Secretary
23 April 2012