

FOOD EMPIRE HOLDINGS LIMITED
(Co Registration No: 200001282G)
Full Year Financial Statement and Dividend Announcement for the Year ended 31 December 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		
	4Q 14	4Q 13	Increase/ (Decrease)	12M 14	12M 13	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	57,583	74,097	(22.3)	249,514	262,886	(5.1)
Changes in inventories of finished goods	(4,510)	(2,606)	}	2,674	15,816	}
Raw materials and consumables used	(29,552)	(37,739)		(15.6)	(136,942)	
Staff costs	(7,092)	(9,757)	(27.3)	(37,171)	(34,604)	7.4
Depreciation of property, plant and equipment	(1,099)	(866)	26.9	(4,366)	(3,297)	32.4
Depreciation of investment properties	(8)	(17)	(52.9)	(39)	(48)	(18.8)
Foreign exchange (loss)/gain	(16,954)	(773)	2,093.3	(29,175)	(2,062)	1,314.9
Other operating expenses	(12,646)	(23,127)	(45.3)	(60,394)	(72,317)	(16.5)
Finance costs	(96)	(39)	146.2	(564)	(235)	140.0
Other income	152	555	(72.6)	438	900	(51.3)
Share of (loss)/profit of associates	(589)	84	NM	(337)	529	NM
(Loss)/profit before taxation (Note 1)	(14,811)	(188)	7,778.2	(16,362)	12,691	NM
Taxation (Note 2)	2,600	(147)	NM	2,761	(1,350)	NM
(Loss)/profit after taxation	(12,211)	(335)	3,545.1	(13,601)	11,341	NM
(Loss)/profit attributable to:						
Equity shareholders of the Company	(12,133)	(226)	5,268.6	(13,237)	11,696	NM
Non-controlling interest	(78)	(109)	(28.4)	(364)	(355)	2.5
	(12,211)	(335)	3,545.1	(13,601)	11,341	NM

Notes:

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

	Group			Group		
	4Q 14	4Q 13	Increase/ (Decrease)	12M 14	12M 13	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	-	15	NM	74	122	(39.3)
Writeback/(impairment) for doubtful receivables	54	(61)	NM	(413)	(83)	397.6
Write down of inventories	-	(158)	NM	(197)	(315)	(37.5)
Loss on disposal of a investment property	-	-	NM	(78)	-	NM
Loss on disposal of a subsidiary	-	-	NM	(28)	-	NM
Writedown of assets held for sale	(106)	-	NM	(106)	-	NM
Impairment for intangible assets	(3,000)	-	NM	(3,000)	-	NM
Write back of impairment loss on investment property	-	431	NM	-	431	NM



2. Included in the taxation is as follows:

	Group			Group		
	4Q 14 US\$'000	4Q 13 US\$'000	Increase/ (Decrease) %	12M 14 US\$'000	12M 13 US\$'000	Increase/ (Decrease) %
Over/(under) provision for prior year	430	12	3,483.3	702	324	116.7

NM denotes not meaningful.

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

	Group			Group		
	4Q 14 US\$'000	4Q 13 US\$'000	Increase/ (Decrease) %	12M 14 US\$'000	12M 13 US\$'000	Increase/ (Decrease) %
(Loss)/profit net of tax	(12,207)	(335)	3,543.9	(13,601)	11,341	NM
Other comprehensive (loss)/income :						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation loss	(3,292)	(478)	588.7	(8,746)	(1,663)	425.9
Share of other comprehensive loss of associates	(2,173)	(294)	639.1	(3,638)	(889)	309.2
Other comprehensive loss for the period/year, net of tax	(5,465)	(772)	607.9	(12,384)	(2,552)	385.3
Total comprehensive (loss)/income for the period/year	(17,672)	(1,107)	1,496.4	(25,985)	8,789	NM
Total comprehensive (loss)/income attributable to:						
Equity shareholders of the Company	(17,594)	(998)	1,662.9	(25,621)	9,144	NM
Non-controlling interest	(78)	(109)	(28.4)	(364)	(355)	2.5
	(17,672)	(1,107)	1,496.4	(25,985)	8,789	NM

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 2014 US\$'000	31 Dec 2013 US\$'000	31 Dec 2014 US\$'000	31 Dec 2013 US\$'000
Non-Current Assets				
Property, plant and equipment	65,928	61,493	82	133
Investment properties	15,705	13,331	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	10,726	14,806	-	-
Intangible assets	10,343	13,343	-	-
Deferred tax assets	3,069	618	-	-
	105,771	103,591	44,627	44,678
Current Assets				
Cash and cash equivalents	19,778	27,664	222	37
Trade receivables	42,503	52,548	3	-
Assets held for sale	1,214	-	-	-
Deferred expenses	210	162	-	-
Prepaid operating expenses and other debtors	4,303	6,894	31	34
Other receivables	2,951	3,140	67	-
Amounts due from subsidiaries (non-trade)	-	-	10,593	7,542
Amounts due from associates (non-trade)	-	169	-	-
Inventories	45,662	42,988	-	-
	116,621	133,565	10,916	7,613
Current Liabilities				
Trade payables and accruals	(35,509)	(31,263)	(485)	(1,135)
Finance lease creditors	(19)	(19)	-	-
Interest-bearing loans and borrowings	(8,849)	(3,885)	-	-
Other payables	(4,425)	(5,873)	-	-
Amount due to subsidiaries (non-trade)	-	-	(147)	(22)
Amounts due to associates (non-trade)	(63)	-	-	-
Amounts due to associates (trade)	(340)	(47)	-	-
Provision for taxation	(570)	(797)	(29)	(27)
	(49,775)	(41,884)	(661)	(1,184)
Net Current Assets	66,846	91,681	10,255	6,429
Non-Current Liabilities				
Finance lease creditors	(27)	(33)	-	-
Interest-bearing loans and borrowings	(32,672)	(28,343)	-	-
Other payables	(6)	-	-	-
Deferred tax liabilities	(1,479)	(660)	-	-
	(34,184)	(29,036)	-	-
Net Assets	138,433	166,236	54,882	51,107
Equity				
Share capital	40,725	40,719	40,725	40,719
Treasury shares	(317)	(317)	(317)	(317)
Reserves	97,762	125,550	14,474	10,705
	138,170	165,952	54,882	51,107
Non-controlling interest	263	284	-	-
Total Equity	138,433	166,236	54,882	51,107

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 2014		As at 31 Dec 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(19)	-	(19)	-
Interest-bearing loans and borrowings	(6,529)	(2,320)	(3,666)	(219)
Total	<u>(6,548)</u>	<u>(2,320)</u>	<u>(3,685)</u>	<u>(219)</u>

Amount repayable after one year

	As at 31 Dec 2014		As at 31 Dec 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(27)	-	(33)	-
Interest-bearing loans and borrowings	(23,802)	(8,870)	(24,393)	(3,950)
Total	<u>(23,829)</u>	<u>(8,870)</u>	<u>(24,426)</u>	<u>(3,950)</u>

Details of any collateral

As at 31 December 2013 and 31 December 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 31 December 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 31 December 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			
	4Q 14 US\$'000	4Q 13 US\$'000	12M 14 US\$'000	12M 13 US\$'000
Cash flows from operating activities:				
(Loss)/profit from operations before taxation	(14,811)	(188)	(16,362)	12,691
Adjustment for :				
Depreciation of property, plant and equipment	1,099	866	4,366	3,297
Depreciation of investment properties	8	17	39	48
Loss/(gain) on disposal of property, plant and equipment	2	-	71	(10)
Loss on disposal of investment property	-	-	78	-
Interest income	-	(15)	(74)	(122)
Interest expenses	96	39	564	235
Exchange realignment	(198)	(312)	(2,681)	(960)
Share of loss/(profit) of associates	589	(84)	337	(529)
(Write back)/impairment for doubtful receivables	(54)	61	413	83
Inventories written down	-	158	197	315
Write back of impairment loss on property, plant and equipment	-	(25)	-	(25)
Write back of impairment loss on investment property	-	(431)	-	(431)
Impairment for intangible assets	3,000	-	3,000	-
Writedown of assets held for sale	106	-	106	-
Value of employee services received for issue of share options	5	147	218	509
Provision for restructuring costs	-	-	554	-
Loss on disposal of a subsidiary	-	-	28	-
Operating (loss)/profit before working capital changes	(10,158)	233	(9,146)	15,101
Decrease/(increase) in trade and other receivables	15,606	4,297	12,340	(870)
Decrease/(increase) in inventories	4,511	2,448	(2,871)	(16,131)
Increase/(decrease) in trade and other payables	(5,600)	3,329	2,829	(593)
Cash flows generated from/(used in) operations	4,359	10,307	3,152	(2,493)
Income taxes refund/(paid)	86	(904)	(397)	(1,949)
Net cash flows generated from/(used in) operating activities	4,445	9,403	2,755	(4,442)
Cash flows from investing activities				
Interest income received	-	15	74	122
Purchase of property, plant and equipment	(3,449)	(6,139)	(15,733)	(28,619)
Purchase of investment property	-	(805)	-	(1,715)
Subsequent expenditure on investment property	(895)	-	(4,129)	-
Proceeds from disposal of property, plant and equipment	3	108	43	169
Proceeds from disposal of investment property	-	-	952	-
Dividends income from an associate	-	-	106	325
Capital injection in an associate	-	-	-	-
Net cash inflow on disposal of a subsidiary	36	-	(2)	-
Net cash flows used in investing activities	(4,305)	(6,821)	(18,689)	(29,718)
Cash flows from financing activities				
Interest expenses paid	(96)	(39)	(564)	(235)
Proceeds from issuance of shares	-	-	5	201
Dividends refunded/(paid) from/(to) shareholders of the Company	4	-	(2,384)	(5,316)
Capital injection from non-controlling interest of subsidiaries	210	630	396	633
Repayment of interest-bearing loans and borrowings	(3,026)	(276)	(4,084)	(1,103)
Proceeds from interest-bearing loans and borrowings	2,932	8,512	13,777	20,770
Repayment of obligation under financial leases	(5)	(4)	(21)	(25)
Proceeds from obligation under financial lease	-	-	15	30
Net cash flows generated from financing activities	19	8,823	7,140	14,955
Net increase/(decrease) in cash and cash equivalents	159	11,405	(8,794)	(19,205)
Effect of exchange rate changes on cash and cash equivalents	533	24	908	273
Cash and cash equivalents at beginning of the period/year	19,086	16,235	27,664	46,596
Cash and cash equivalents at end of the period/year	19,778	27,664	19,778	27,664

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 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 October 14	40,724	(317)	(8,497)	60	1,804	121,985	155,759	131	155,890
Loss for the period	-	-	-	-	-	(12,133)	(12,133)	(78)	(12,211)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(3,292)	-	-	-	(3,292)	-	(3,292)
Share of other comprehensive loss of associates	-	-	(2,173)	-	-	-	(2,173)	-	(2,173)
Total comprehensive loss for the period	-	-	(5,465)	-	-	(12,133)	(17,598)	(78)	(17,676)
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	5	-	5	-	5
Dividends refunded from equity shareholders of the Company	-	-	-	-	-	4	4	-	4
Exercise of share options	1	-	-	-	(1)	-	-	-	-
Total contributions by and distributions to owners	1	-	-	-	4	4	9	-	9
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	210	210
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	210	210
Total transactions with owners in their capacity as owners	1	-	-	-	4	4	9	210	219
Balance as at 31 December 14	40,725	(317)	(13,962)	60	1,808	109,856	138,170	263	138,433

The Group – 4Q 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 October 13	40,665	(317)	(806)	60	1,498	125,703	166,803	(237)	166,566
Loss for the period	-	-	-	-	-	(226)	(226)	(109)	(335)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(478)	-	-	-	(478)	-	(478)
Share of other comprehensive loss of associates	-	-	(294)	-	-	-	(294)	-	(294)
Total comprehensive loss for the period	-	-	(772)	-	-	(226)	(998)	(109)	(1,107)
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	147	-	147	-	147
Exercise of share options	54	-	-	-	(54)	-	-	-	-
Total contributions by and distributions to owners	54	-	-	-	93	-	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	-	-	-	-	-	-	-	630	630
Total transactions with owners in their capacity as owners	54	-	-	-	93	-	147	630	777
Balance as at 31 December 13	40,719	(317)	(1,578)	60	1,591	125,477	165,952	284	166,236

The Group – 12M 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
Loss for the year	-	-	-	-	-	(13,237)	(13,237)	(364)	(13,601)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(8,746)	-	-	-	(8,746)	-	(8,746)
Share of other comprehensive loss of associates	-	-	(3,638)	-	-	-	(3,638)	-	(3,638)
Total comprehensive loss for the year	-	-	(12,384)	-	-	(13,237)	(25,621)	(364)	(25,985)
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	218	-	218	-	218
Issuance of new shares	5	-	-	-	-	-	5	-	5
Exercise of share options	1	-	-	-	(1)	-	-	-	-
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(2,384)	(2,384)	-	(2,384)
Total contributions by and distributions to owners	6	-	-	-	217	(2,384)	(2,161)	-	(2,161)
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of subsidiaries	-	-	-	-	-	-	-	396	396
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	(53)	(53)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	343	343
Total transactions with owners in their capacity as owners	6	-	-	-	217	(2,384)	(2,161)	343	(1,818)
Balance as at 31 December 14	40,725	(317)	(13,962)	60	1,808	109,856	138,170	263	138,433

The Group – 12M 13

	Attributable to equity shareholders of the Company								
	Share capital	Treasury shares	Foreign currency translation reserve	Asset revaluation reserve	Share-based payment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 13	40,464	(317)	974	60	1,136	119,097	161,414	6	161,420
Profit for the year	-	-	-	-	-	11,696	11,696	(355)	11,341
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(1,663)	-	-	-	(1,663)	-	(1,663)
Share of other comprehensive loss of associates	-	-	(889)	-	-	-	(889)	-	(889)
Total comprehensive (loss)/income for the year	-	-	(2,552)	-	-	11,696	9,144	(355)	8,789
<u>Contributions by and distributions to owners</u>									
Value of employee services received for issue of share options	-	-	-	-	509	-	509	-	509
Issuance of new shares	201	-	-	-	-	-	201	-	201
Dividends paid to equity shareholders of the Company	-	-	-	-	-	(5,316)	(5,316)	-	(5,316)
Exercise of share options	54	-	-	-	(54)	-	-	-	-
Total contributions by and distributions to owners	255	-	-	-	455	(5,316)	(4,606)	-	(4,606)
<u>Changes in ownership interests in subsidiaries</u>									
Capital injection from non-controlling interest of subsidiaries representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	633	633
Total transactions with owners in their capacity as owners	255	-	-	-	455	(5,316)	(4,606)	633	(3,973)
Balance as at 31 December 13	40,719	(317)	(1,578)	60	1,591	125,477	165,952	284	166,236

The Company – 4Q

	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 October 14	40,724	(317)	4,075	1,804	3,109	49,395
Profit for the period	-	-	-	-	5,884	5,884
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(406)	-	-	(406)
Total comprehensive (loss)/income for the period	-	-	(406)	-	5,884	5,478
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	5	-	5
Exercise of share options	1	-	-	(1)	-	-
Dividends refund from equity shareholders of the Company	-	-	-	-	4	4
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	1	-	-	4	4	9
Balance as at 31 December 14	40,725	(317)	3,669	1,808	8,997	54,882
Balance as at 1 October 13	40,665	(317)	4,150	1,498	(346)	45,650
Profit for the period	-	-	-	-	5,367	5,367
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(57)	-	-	(57)
Total comprehensive (loss)/income for the period	-	-	(57)	-	5,367	5,310
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	147	-	147
Exercise of share options	54	-	-	(54)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	54	-	-	93	-	147
Balance as at 31 December 13	40,719	(317)	4,093	1,591	5,021	51,107

The Company – 12M

	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
Profit for the year	-	-	-	-	6,360	6,360
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(424)	-	-	(424)
Total comprehensive (loss)/income for the year	-	-	(424)	-	6,360	5,936
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	218	-	218
Issuance of new shares	5	-	-	-	-	5
Exercise of share options	1	-	-	(1)	-	-
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,384)	(2,384)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	6	-	-	217	(2,384)	(2,161)
Balance as at 31 December 14	40,725	(317)	3,669	1,808	8,997	54,882
Balance as at 1 January 13	40,464	(317)	4,234	1,136	5,682	51,199
Profit for the year	-	-	-	-	4,655	4,655
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(141)	-	-	(141)
Total comprehensive (loss)/income for the year	-	-	(141)	-	4,655	4,514
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	509	-	509
Issuance of new shares	201	-	-	-	-	201
Exercise of share options	54	-	-	(54)	-	-
Dividends paid to equity shareholders of the Company	-	-	-	-	(5,316)	(5,316)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	255	-	-	455	(5,316)	(4,606)
Balance as at 31 December 13	40,719	(317)	4,093	1,591	5,021	51,107

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: -

	FY 2014	FY 2013
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (excluding treasury shares)	532,720,999	531,992,999
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
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 and 31 Dec (excluding treasury shares)	532,740,999	532,720,999
<u>Share Option - exercise price of S\$0.229</u>		
Balance as at 1 Jan and 31 Mar	100,000	100,000
Options lapsed during the period	(100,000)	-
Balance of unexercised share options as at 30 Jun and 30 Sep and 31 Dec	-	100,000
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan	3,110,000	3,560,000
Options exercised during the period	(20,000)	(220,000)
Balance as at 31 Mar	3,090,000	3,340,000
Options exercised during the period	-	(230,000)
Balance as at 30 Jun and 30 Sep	3,090,000	3,110,000
Options lapsed during the period	(250,000)	-
Balance as at 31 Dec	2,840,000	3,110,000
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan	3,880,000	3,950,000
Options exercised during the period	-	(70,000)
Balance as at 31 Mar and 30 June and 30 Sep	3,880,000	3,880,000
Options lapsed during the period	(250,000)	-
Balance as at 31 Dec	3,630,000	3,880,000
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan	3,922,000	4,130,000
Options exercised during the period	-	(140,000)
Balance as at 31 Mar	3,922,000	3,990,000
Options exercised during the period	-	(68,000)
Balance as at 30 Jun and 30 Sep	3,922,000	3,922,000
Options lapsed during the period	(250,000)	-
Balance as at 31 Dec	3,672,000	3,922,000

	<u>FY 2014</u>	<u>FY 2013</u>
<u>Share Option - exercise price of S\$0.669</u>		
Balance as at 1 Jan	4,880,000	-
Granted to eligible participants on 8 March 2013	-	4,880,000
Balance as at 31 Mar and 30 Jun and 30 Sep	4,880,000	4,880,000
Options lapsed during the period	(250,000)	-
Balance as at 31 Dec	<u>4,630,000</u>	<u>4,880,000</u>

Out of the 14,772,000 outstanding share options on 31 December 2014 (31 December 2013: 15,892,000), 11,994,000 (31 December 2013: 8,546,000) share options are exercisable.

Treasury Shares

As at 31 December 2014, the total number of treasury shares held was 1,001,000 (31 December 13: 1,001,000).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares is as follows: -

	Group	
	<u>As at 31 Dec 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	
	4Q 14	4Q 13	12M 14	12M 13
Earnings/(Loss) per share				
Based on existing issued share capital (USD cents)	(2.28)	(0.04)	(2.48)	2.20
On a fully diluted basis (USD cents)	(2.27)	(0.04)	(2.48)	2.18

	Group		Group	
	4Q 14	4Q 13	12M 14	12M 13
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	532,740,999	532,720,999	532,736,396	532,594,106
Weighted average number of shares for calculation of diluted EPS	533,314,745	536,666,042	534,158,609	536,946,157

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-14	31-Dec-13	31-Dec-14	31-Dec-13
Net asset value per ordinary share (USD cents)	25.94	31.15	10.30	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 financial year ended 31 December 2014 ("FY2014") was US\$249.5 million, a year-on-year ("yoy") decline of 5.1% compared with the US\$262.9 million revenue recorded in FY2013. The Group registered a net loss of US\$13.6 million for FY2014, compared with a profit after tax of US\$11.3 million in FY2013. Excluding the impact of foreign exchange losses, net profit after tax for FY2014 would have been US\$15.6 million. The performance was also impacted by an impairment loss charge of US\$3 million on the Group's brand - Petrovskaya Sloboda, costs relating to start-ups, developing new markets and one-off corporate restructuring. The Group recognized a tax credit of \$2.8 million for FY2014, largely from the recognition of deferred tax assets arising from the loss.

Revenue by Region (US\$'000)

	Group			Group		
	4Q 14 US\$'000	4Q 13 US\$'000	Increase/ (Decrease) %	12M 14 US\$'000	12M 13 US\$'000	Increase/ (Decrease) %
Russia	25,952	40,670	(36.2)	136,655	152,925	(10.6)
Ukraine	5,552	9,565	(42.0)	26,719	35,323	(24.4)
Kazakhstan and CIS Countries	12,822	15,017	(14.6)	48,356	47,903	0.9
Others Countries	13,257	8,845	49.9	37,784	26,735	41.3
Total	57,583	74,097	(22.3)	249,514	262,886	(5.1)

In FY2014, sales to the Group's largest region, Russia, decreased by 10.6% to US\$136.7 million compared to US\$152.9 million in FY2013 due to weakening of Russian Ruble against US dollar.

In the Group's Ukraine region, sales declined by 24.4% from US\$35.3 million in FY2013 to US\$26.7 million in FY2014 due to weakening of Ukrainian Hryvnia against the US dollar.

In the Group's Kazakhstan region and CIS countries, sales increased by 0.9% from US\$47.9 million in FY2013 to US\$48.4 million in FY2014.

Sales to the Group's Other Markets grew by 41.3% from US\$26.7 million in FY2013 to US\$37.8 million in FY2014. The robust performance was underpinned by a significant increase in beverage sales in South East Asia which accounted for over 50% of the growth. An uptick in sales was also recorded in Europe, China and the Middle East.

Our non-dairy creamer plant and snack factory in Malaysia, which commenced commercial production during FY2014, has yet to contribute meaningfully to Group Sales.

Profitability

For FY2014, the Group recorded a net loss of US\$13.6 million as compared to a profit after tax of US\$11.3 million in FY2013 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 exchange rate of the Russian Ruble and Ukrainian Hryvnia against the US dollar.

In FY2014, the Russian Ruble weakened from 32.7 Ruble per US dollar on 31 December 2013 to 56.3 Ruble per US dollar on 31 December 2014. Over the same period, Ukrainian Hryvnia weakened from 8.24 Hryvnia to 15.8 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.
5. Impairment loss charge on the Group's brand - Petrovskaya Sloboda.

Balance Sheet & Cashflow

Property, plant and equipment increased from US\$61.5 million as at 31 December 2013 to US\$65.9 million as at 31 December 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\$45.7 million as at 31 December 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\$35.5 million as at 31 December 2014, in line with the increase in inventories.

Investment in associates decreased from US\$14.8 million as at 31 December 2013 to US\$10.7 million as at 31 December 2014 mainly due to translation loss recorded in Russian associates.

Trade receivables decreased from US\$52.5 million as at 31 December 2013 to US\$42.5 million as at 31 December 2014 mainly due to translation loss of its outstanding trade receivables denominated in currencies other than the US dollar.

The Group's borrowings were US\$41.6 million as at 31 December 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 inflow of US\$2.8 million in FY2014, compared to a net operating cash outflow of US\$4.4 million in FY2013. The Group's cash and cash equivalents was US\$19.8 million as at 31 December 2014, compared to US\$27.7 million as at 31 December 2013.

The Group's net assets as at 31 December 2014 were US\$138.4 million. The net asset value per ordinary share (excluding non-controlling interests) as at 31 December 2014 was 25.94 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.**

The weak oil prices and the political conflict between Russia and Ukraine will continue to weigh negatively on the Group. In Ukraine, its currency Hryvnia has further weakened from 15.8 Hryvnia to approximately 28.0 Hryvnia per US dollar since the beginning of the year as a result of significant economic degradation arising from this conflict. If the situation continues, our Group may have to take necessary actions to rationalize our operations.

In recent years, the Group's diversification in some markets, in particular Asia, is showing progress.

The Group's non-dairy creamer plant, snack factory and the beverage manufacturing facility in Malaysia have all commenced commercial production. The Group intends to bring up the utilization levels of the plants and intensify marketing efforts in FY2015 to achieve greater market acceptance. The Group's other project, an instant coffee plant in India, is on track for completion and is expected to commence commercial production by the second half of 2015.

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?

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	0.563
Tax Rate	1-tier tax exempted

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend have been declared/recommended, a statement to that effect.

In view of the Group's current financial performance, the Board has decided not to recommend any dividend for FY2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

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

Geographical Segment	Russia		Ukraine		Kazakhstan and CIS Countries		Other Countries		Elimination		Per consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
Revenue												
Sales to external customers	136,655	152,925	26,719	35,323	48,356	47,903	37,784	26,735	-	-	249,514	262,886
Inter-segment sales	149	-	-	-	-	-	122,387	101,598	(122,536)	(101,598)	-	-
Total Revenue	<u>136,804</u>	<u>152,925</u>	<u>26,719</u>	<u>35,323</u>	<u>48,356</u>	<u>47,903</u>	<u>160,171</u>	<u>128,333</u>	<u>(122,536)</u>	<u>(101,598)</u>	<u>249,514</u>	<u>262,886</u>
Results :												
Segment results	(1,764)	12,510	(5,030)	3,818	8,757	5,644	20,233	46,792	(28,810)	(52,691)	(6,614)	16,073
Interest income											74	122
Interest expenses											(564)	(235)
Share of (loss)/profit of associates											(337)	529
Tax income/(expenses)											2,761	(1,350)
Non-controlling interest											364	355
Depreciation for property, plant and equipment											(4,366)	(3,297)
Depreciation for investment properties											(39)	(48)
Impairment of intangible assets											(3,000)	-
Other non-cash expenses											(1,516)	(453)
(Loss)/profit attributable to equity shareholders of the Company											<u>(13,237)</u>	<u>11,696</u>
Assets and liabilities												
Segment assets	67,706	90,805	16,279	20,838	754	883	137,653	124,630	-	-	222,392	237,156
Investment in associates	7,245	11,453	-	-	-	-	3,481	3,353	-	-	10,726	14,806
Additions to non-current assets	484	2,226	282	2,546	8	3	19,088	29,447	-	-	19,862	34,222
Segment liabilities	(11,306)	(12,416)	(1,875)	(3,766)	(102)	(31)	(70,676)	(54,707)	-	-	(83,959)	(70,920)

Information by products

Segment revenue information from external customers based on the different product	Group	
	2014	2013
	(US\$'000)	(US\$'000)
Beverages	229,450	246,867
Others	19,269	16,019
Ingredients	795	-
	249,514	262,886

The Group's revenue and profits are primarily derived from the manufacture and distribution of beverages and food products. In prior years, the operating segments are segregated into 2 segments, namely: -

1. the "beverages" segment, including the manufacture, sales and promotion of all beverage products
2. the "others" segment, including manufacture, sales and promotion of other non-beverage products such as confectionery, snack and frozen convenience food.

During the current year, management has rationalised and made changes to its operating segments by focusing on the geographical markets of its main products.

The change in operating segments is in line with the requirements of the accounting standard FRS 108 - Operating Segments.

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-14 US\$'000	31-Dec-13 US\$'000	
Revenue reported for first half year	119,359	122,674	-2.7%
Operating (loss)/profit after tax before deducting minority interests reported for first half financial year	-548	9,124	NM
Revenue reported for second half year	130,155	140,212	-7.2%
Operating (loss)/profit after tax before deducting minority interests reported for second half financial year	-13,053	2,217	NM

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) FY2014	Previous Full Year (US\$'000) FY2013
Ordinary	-	2,384
Special	-	-
Total:	-	2,384

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) 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 year ended 31 December 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
23 February 2015