

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

FOOD EMPIRE HOLDINGS LIMITED

(Co Registration No: 200001282G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2007

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

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

	Group Jan - Dec 2007 (S\$'000)	Group Jan - Dec 2006 (S\$'000)	Increase/ (Decrease) %
Revenue	276,859	234,124	18.3
Changes in inventories of finished goods	(1,622)	(3,576)	}
Raw materials and consumables used	(145,275)	(117,509)	
Staff costs	(29,091)	(23,904)	
Impairment loss on property, plant and equipment	(20)	(2)	NM
Depreciation expenses	(2,225)	(1,877)	18.5
Write off of goodwill	(138)	-	NM
Foreign exchange loss	(1,518)	(2,725)	-44.3
Other operating expenses	(62,477)	(56,746)	10.1
Finance costs	(853)	(437)	95.2
Other income	724	1,301	-44.5
Share of profit of associated companies	645	1,243	-48.1
Profit from operations before taxation	35,009	29,892	17.1
Taxation (Note1)	(3,399)	(3,303)	2.9
Profit after taxation	31,610	26,589	18.9
<u>Attributable to:</u>			
Shareholders of the Company	31,602	26,859	17.7
Minority interests, net of taxation	8	(270)	NM
Profit after taxation	31,610	26,589	18.9

Note 1

Included in the taxation is as follows

	Group Jan - Dec 2007 (S\$'000)	Group Jan - Dec 2006 (S\$'000)
(Over) / under provision for the prior year	(190)	520

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

	Group 31 Dec 07 (S\$'000)	Group 31 Dec 06 (S\$'000)	Company 31 Dec 07 (S\$'000)	Company 31 Dec 06 (S\$'000)
Non-Current Assets				
Property, plant and equipment (note 2)	15,705	15,416	-	-
Investment properties (note 2)	2,047	2,166	-	-
Investments in subsidiary companies	-	-	12,519	12,519
Investments in associated companies (note 3)	8,296	11,330	-	1,647
Intangible assets (note 4)	22,644	10,244	-	-
Amounts due from associated companies	2,310	-	-	-
Deferred tax assets	1,130	299	-	-
	52,132	39,455	12,519	14,166
Current Assets				
Cash and bank balances	22,965	36,305	54	105
Trade receivables	80,187	59,356	-	-
Deferred charges	1,305	587	-	-
Prepayment and other debtors	3,367	3,730	30	63
Other receivables	1,191	1,919	4	92
Amounts due from subsidiary companies (non-trade)	-	-	53,014	56,117
Amounts due from associated companies	1,603	957	-	-
Inventories	39,938	36,433	-	-
	150,556	139,287	53,102	56,377
Current Liabilities				
Trade payables and accruals	26,541	27,851	525	402
Interest-bearing loans and borrowings	2,875	1,532	-	1,532
Other payables	350	94	-	-
Provision for taxation	3,513	2,335	302	102
	33,279	31,812	827	2,036
Net Current Assets	117,277	107,475	52,275	54,341
Non-Current Liabilities				
Interest-bearing loans and borrowings	10,782	5,620	-	5,620
Deferred tax liabilities	1,861	631	-	-
	12,643	6,251	-	5,620
Net Assets	156,766	140,679	64,794	62,887
Equity				
Share capital	62,453	60,622	62,453	60,622
Reserves	94,313	78,180	2,341	2,265
	156,766	138,802	64,794	62,887
Minority interests	-	1,877	-	-
	156,766	140,679	64,794	62,887

Note 2:

Reclassification of Property, plant and equipment as a result of adopting FRS 40 which came into effect on 1 January 2007 and had been applied retrospectively.

Note 3:

The reduction was due to the disposal of an associated company in 3Q 2007.

Note 4:

Included in the intangible assets is an amount of S\$12.1 million (US\$8.4 million) representing the value of the brand name "Petrovskaya Sloboda" which the Group acquired in March 2007.

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 07		As at 31 Dec 06	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	2,875	-	1,532

Amount repayable after one year

As at 31 Dec 07		As at 31 Dec 06	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	10,782	-	5,620

Details of any collateral

NIL

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	12 months ended 31 Dec 2007 S\$'000	12 months ended 31 Dec 2006 S\$'000
Cash flows from operating activities:		
Profit from operations before taxation	35,009	29,892
Adjustments for:		
Depreciation of property, plant and equipment	2,225	1,877
Gain on disposal of property, plant and equipment	(2)	(51)
Loss on disposal of associated company	89	-
Write off of goodwill	138	
Interest income	(673)	(304)
Interest expenses	853	437
Exchange realignment	(5,082)	(3,747)
Impairment loss on property, plant and equipment	20	2
Share of profit of associated companies	(645)	(1,243)
Value of employees services received for issue of share options	119	348
Operating profit before working capital changes	32,051	27,211

	12 months ended 31 Dec 2007 S\$'000	12 months ended 31 Dec 2006 S\$'000
Cont'd		
Increase in receivables	(20,667)	(24,156)
(Increase) / decrease in inventories	(3,264)	626
(Decrease) / increase in payables	(1,068)	2,576
Cash flows from operations	7,052	6,257
Income taxes paid	(1,603)	(1,391)
Net cash flows generated from operating activities	5,449	4,866
Cash flows from investing activities:		
Interest income received	673	304
Purchase of property, plant and equipment	(3,069)	(4,656)
Proceeds from sales of property, plant and equipment	53	226
Proceeds from disposal of investment held for sale	536	-
Net cash paid for acquisition of subsidiaries	(14,255)	-
Acquisition of additional shares in subsidiary	(1,973)	-
Proceeds from disposal of associates	4,376	-
Investment in associated companies	(1,195)	(5,517)
Increase in loans to associates	(3,060)	(145)
Net cash flows used in investing activities	(17,914)	(9,788)
Cash flows from financing activities:		
Interest paid	(853)	(437)
Proceeds from issuance of shares	1,384	23,170
Dividends paid	(7,911)	(5,856)
Increase in interest-bearing loans & borrowings	6,505	7,152
Net cash flows (used in) / generated from financing activities	(875)	24,029
Net (decrease) / increase in cash and cash equivalents	(13,340)	19,107
Cash and cash equivalents at beginning of the period	36,305	17,198
Cash and cash equivalents at end of the period	22,965	36,305

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 period.

Group	Share Capital (S\$'000)	Share Premium (S\$'000)	Foreign Currency Translation Reserve (S\$'000)	Asset Revaluation Reserve (S\$'000)	Share-based payment reserve (S\$'000)	Accumulated profits (S\$'000)	Total (S\$'000)	Minority Interests (S\$'000)	Total Equity (S\$'000)
Balance as at 1 Jan 06	19,454	17,843	(979)	-	902	62,507	99,727	2,171	101,898
Foreign currency translation differences	-	-	(5,537)	-	-	-	(5,537)	(24)	(5,561)
Net surplus on revaluation of property	-	-	-	91	-	-	91	-	91
Net expenses recognised directly in equity	-	-	(5,537)	91	-	-	(5,446)	(24)	(5,470)
Net profit for the year	-	-	-	-	-	26,859	26,859	(270)	26,589
Total recognised income and expenses for the year	-	-	(5,537)	91	-	26,859	21,413	(294)	21,119
Transfer of share premium reserve to share capital	17,843	(17,843)	-	-	-	-	-	-	-
Dividends paid to shareholders of the Company	-	-	-	-	-	(5,856)	(5,856)	-	(5,856)
Value of employee services received for issue of share options	-	-	-	-	348	-	348	-	348
Exercise of share options	155	-	-	-	(155)	-	-	-	-
Issuance of ordinary shares	23,170	-	-	-	-	-	23,170	-	23,170
Balance as at 31 Dec 06	60,622	-	(6,516)	91	1,095	83,510	138,802	1,877	140,679
Balance as at 1 Jan 07	60,622	-	(6,516)	91	1,095	83,510	138,802	1,877	140,679
Foreign currency translation differences	-	-	(7,230)	-	-	-	(7,230)	35	(7,195)
Net expenses recognised directly in equity	-	-	(7,230)	-	-	-	(7,230)	35	(7,195)
Net profit for the year	-	-	-	-	-	31,602	31,602	8	31,610
Total recognised income and expenses for the year	-	-	(7,230)	-	-	31,602	24,372	43	24,415
Dividends paid	-	-	-	-	-	(7,911)	(7,911)	-	(7,911)
Acquisition of Minority Interest	-	-	-	-	-	-	-	(1,920)	(1,920)
Value of employee services received for issue of share options	-	-	-	-	119	-	119	-	119
Exercise of share options	447	-	-	-	(447)	-	-	-	-
Issuance of ordinary shares	1,384	-	-	-	-	-	1,384	-	1,384
Balance as at 31 Dec 07	62,453	-	(13,746)	91	767	107,201	156,766	-	156,766

Company	Share Capital (S\$'000)	Share Premium (S\$'000)	Share-based payment reserve (S\$'000)	Accumulated profits (S\$'000)	Total Equity (S\$'000)
Balance as at 1 Jan 06	19,454	17,843	902	3,998	42,197
Net profit for the year	-	-	-	3,028	3,028
Total recognised income for the year	-	-	-	3,028	3,028
Transfer of share premium reserve to share capital	17,843	(17,843)	-	-	-
Dividends paid to shareholders of the Company	-	-	-	(5,856)	(5,856)
Value of employee services received for issue of share options	-	-	348	-	348
Exercise of share options	155	-	(155)	-	-
Issuance of ordinary shares	23,170	-	-	-	23,170
Balance as at 31 Dec 06	60,622	-	1,095	1,170	62,887
Balance as at 1 Jan 07	60,622	-	1,095	1,170	62,887
Net profit for the year	-	-	-	8,315	8,315
Total recognised income for the year	-	-	-	8,315	8,315
Dividends paid to shareholders of the Company	-	-	-	(7,911)	(7,911)
Value of employee services received for issue of share options	-	-	119	-	119
Exercise of share options	447	-	(447)	-	-
Issuance of ordinary shares	1,384	-	-	-	1,384
Balance as at 31 Dec 07	62,453	-	767	1,574	64,794

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.

For the financial year ended 31 December 2007, 5,850,000 (2006: 4,030,000) new ordinary shares were allotted and issued pursuant to the exercise of options granted under the Food Empire Share Option Scheme (the "Option Scheme").

As at 31 December 2007, options to subscribe to a total of 6,640,000 ordinary shares were outstanding under the Option Scheme. As at 31 December 2006, there were unexercised options for 13,555,000 of unissued ordinary shares of the Company under the Option Scheme.

	Number of options outstanding at 31 Dec 06	Number of options granted during the financial period	Number of options lapsed during the financial period	Number of options exercised during the financial period	Number of options outstanding at 31 Dec 07	Exercise price per share \$	Exercise period
2002 Options	2,920,000	-	(495,000)	(2,130,000)	295,000	0.17	14 March 2004 to 13 March 2012
2003 Options	500,000	-	-	(400,000)	100,000	0.27	4 June 2005 to 13 March 2012
2004 Options	240,000	-	-	(120,000)	120,000	0.275	25 May 2006 to 24 May 2009
2004 Options	9,895,000	-	(570,000)	(3,200,000)	6,125,000	0.275	25 May 2006 to 24 May 2014
	<u>13,555,000</u>	<u>-</u>	<u>(1,065,000)</u>	<u>(5,850,000)</u>	<u>6,640,000</u>		

The Group has no treasury shares.

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.

	Company	
	31 Dec 07	31 Dec 06
Number of issued shares	438,165,000	432,315,000

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.

The Group has no treasury shares.

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 same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2006 have been applied in the preparation of this financial statements except that the Group had adopted new/revised Financial Reporting Standards (FRSs) which came into effect on 1 January 2007.

The adoption of these new FRS had no material impact to the performance of the Group.

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.

Not applicable.

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 12 months ended 31 Dec 07	Group 12 months ended 31 Dec 06
Earnings per share		
(i) Based on existing issued share capital (cents)	7.26	6.66
(ii) On a fully diluted basis (cents)	7.15	6.56

Weighted average number of shares table

	Group 12 months ended 31 Dec 07	Group 12 months ended 31 Dec 06
Weighted average number of shares for calculation of basic EPS	435,155,400	403,208,468
Weighted average number of shares for calculation of diluted EPS	442,188,854	409,738,450

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 31 Dec 07	Group 31 Dec 06	Company 31 Dec 07	Company 31 Dec 06
Net asset value per ordinary share (cents)	35.78	32.11	14.79	14.55

The net assets value per ordinary share is calculated based on the number of ordinary shares issued of 438,165,000 (31 Dec 2006: 432,315,000) shares of the Company as at 31 December 2007.

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.

For the year ended 31 December 2007, the Group recorded its seventh consecutive year of double digit revenue growth with sales increasing by 18.3% or S\$42.7 million to S\$276.9 million. The Group also delivered a 17.7% increase in profit after tax and minority interests – an increase of S\$4.7 million – to S\$31.6 million.

The revenue and profit growth can be attributed to the growing popularity of the Group's beverage products as a result of its focused and successful brand building activities.

Revenue

The majority of the Group's revenue (54.7%) came from Russia. Eastern Europe and Central Asia, which includes Ukraine and Kazakhstan, is the second largest market contributing 38.2% of revenue. The Group also generated 7.1% of sales from the other countries.

Revenue by Region (S\$'000)

	FY 07	FY 06	% change
Russia	151,311	130,737	15.7%
Eastern Europe and Central Asia	105,669	89,115	18.6%
Other Markets	19,879	14,272	39.3%
Total	276,859	234,124	18.3%

Revenue from Russia increased by 15.7% to S\$151.3 million on the back of increased sales of the Group's MacCoffee branded products. Throughout the year the Group successfully expanded its distribution network to bring its products to new geographical areas in Russia. This, together with focussed brand building activities, ensured MacCoffee continues to be the most popular 3 in 1 instant coffee mix throughout Russia.

Sales to Eastern Europe and Central Asia increased by 18.6% to S\$105.7 million. During the fourth quarter of 2007, the Group launched newly designed packaging for its core products in Ukraine and Kazakhstan. The launch of the new package design resulted in strong sales in the final quarter of the year. The Group was particularly pleased with the sales growth from the Commonwealth of Independent State (CIS). In the CIS, the Group's branding activities have firmly established its products among consumers.

Revenue from other countries increased from S\$14.3 million to S\$19.9 million. The Group is continuing to open up its smaller markets while concentrating its efforts on the core markets which contribute the bulk of its revenue.

During the year the Group acquired the Petrovskaya Sloboda brand along with its existing operations. Following the acquisition, the Group commenced a rationalisation of Petrovskaya Sloboda's manufacturing facility in order to increase efficiency. This rationalisation is expected to be completed by the 2nd quarter of 2008. The Petrovskaya Sloboda brand contributed positively to the Group's revenue in 2007 and is expected to contribute to the Group's profitability in 2008.

Profitability

During 2007, the Group experienced fluctuations in commodity prices which increased the cost of raw materials. Despite these cost pressures the Group's profit after tax and minority interests for the year ended 31 December 2007 increased by 17.7% to S\$31.6 million, up from S\$26.9 million in the previous year.

Other operating expenses rose by 10.1% primarily due to increased advertising and promotional activities such as the Ukraine free car giveaway and the brand activities that accompanied the launch of the new product packaging.

The Group's staff costs increased in line with the growth of the business. The Group employed more staff to expand its distribution network as well as to staff the Russian factory which commenced operations in 2006 and became fully operational in 2007. The Group also adjusted salaries to reflect the current market rates.

Currency fluctuations affected the Group's results as the vast majority of its transactions are in US dollars while its reporting currency is in Singapore dollars. If the Group's performance were reported in US dollars, revenue would have increased by 25.5% (unaudited) and profit after tax and minority interests would have risen by 24.8% (unaudited).

The Group's earnings per share on a fully diluted basis rose by 9.0% from 6.56 cents in 2006 to 7.15 cents in 2007.

Balance Sheet & Cash Flow

The Group ended the year with a strong balance sheet with net assets of S\$156.8 million as at 31 December 2007, compared to S\$140.7 million as at 31 December 2006. The Group's cash and bank balances stood at S\$23.0 million as at 31 December 2007, down from S\$36.3 million a year ago. This is primarily due to the use of funds to complete the acquisition of the Petrovskaya Sloboda brand and operations as well as an increase in the working capital required to fund the growth of the business.

Trade receivables increased from S\$59.4 million in 2006 to S\$80.2 million in 2007. This increase is due to an overall increase in sales as well as the strong sales volume recorded in the final quarter of the year.

The Group's net cash flow generated from operations improved from S\$4.9 million in 2006 to S\$5.4 million in 2007.

Net asset value per ordinary share increased from 32.11 cents as at 31 December 2006 to 35.78 cents as at 31 December 2007.

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's performance may be affected by the following factors:

- The possibility of changes in regulatory policies in developing markets;
- Fluctuations in the cost of raw materials;
- Foreign exchange fluctuations; and
- Competitive market conditions.

The Group continues to pursue strategies to minimise any potential impact of the above factors. The Group will continue with its brand building activities and the expansion of its distribution network.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.90
Tax Rate	One-tier tax exempted

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final	First & Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	0.275 cents per ordinary share	1.60 cents per ordinary share
Tax Rate	18%	One-tier tax exempt

(c) Date payable

The proposed first & final dividend, if approved at the Annual General Meeting, will be paid on 26 May 2008.

(d) Books closure date

The book closure date of the proposed first and final dividend, if approved at the Annual General Meeting, will be on 14 May 2008

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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.

By Product

2007	Beverages (S\$'000)	Others (S\$'000)	Elimination (S\$'000)	Total (S\$'000)
Segment revenue from external customers	256,377	20,482	-	276,859
Segment results	34,869	348	-	35,217
Finance costs				(853)
Share of profit of associated companies				645
Profit before taxation				35,009
Taxation				(3,399)
Profit after taxation				31,610
2006	Beverages (S\$'000)	Others (S\$'000)	Elimination (S\$'000)	Total (S\$'000)
Segment revenue from external customers	217,785	16,339	-	234,124
Segment results	30,794	(1,708)	-	29,086
Finance costs				(437)
Share of profit of associated companies				1,243
Profit before taxation				29,892
Taxation				(3,303)
Profit for the year				26,589

By Country

2007	Russia	Eastern Europe & Central Asia	Others	Elimination	Total
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment revenue from external customers	151,311	105,669	19,879	-	276,859

2006	Russia	Eastern Europe & Central Asia	Others	Elimination	Total
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment revenue from external customers	130,737	89,115	14,272	-	234,124

14. 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.

15. A breakdown of sales.

	Group		% Increase/ (Decrease)
	31/12/2007 (S\$'000)	31/12/2006 (S\$'000)	
Sales reported for first half year	123,411	104,289	18.3%
Operating profit after tax before deducting minority interests reported for first half financial year	15,108	13,518	11.8%
Sales reported for second half year	153,448	129,835	18.2%
Operating profit after tax before deducting minority interests reported for second half financial year	16,502	13,071	26.2%

16. 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 (S\$) FY2006	Previous Full Year (S\$) FY2005
Ordinary	7,910,802	5,856,375
Preference	-	-
Total:	7,910,802	5,856,375

17 Interested person transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Simonelo Limited Group of Companies		
- Factory Rental	1,574,000	-
- Office Rental	102,000	-
- Loan	236,000	-
Triple Ace Limited Group of Companies		
- Loan	263,000	4,503,000
- Interest Income	-	232,000

18. Proposed One-For-Five Bonus Issue

The Board proposed a bonus issue on the basis of one (1) bonus share credited as fully paid for every five (5) existing shares held subject to shareholders' approval. For details, please refer to separate announcement dated February 27, 2008.

19. Confirmation by the Board

We, Tan Wang Cheow and Sudeep Nair, being 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 material has come to the attention of the Board of Directors of the Company which may render the financial results for the financial year ended on 31 December 2007 to be false or misleading.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

**Tan San-Ju
Company Secretary
27 February 2008**