Delfi Limited
Unaudited Financial Statements and Dividend Announcement
For the 1st Quarter Ended 31 March 2018

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), 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.

	Notes	Group 1st Quarter ended 31 March 2018	2017 (restated)[a]	%
		US$'000	US$'000	
			Restated	
Revenue	1	**107,333**	93,275	15.1
Cost of Sales		**(70,265)**	(62,382)	12.6
Gross Profit		**37,068**	30,893	20.0
Other operating income		**1,324**	759	74.4
Expenses				
Selling and distribution costs		**(21,411)**	(17,690)	21.0
Administrative expenses		**(5,159)**	(4,595)	12.3
Finance costs		**(715)**	(801)	(10.7)
Other operating expenses		**-**	(24)	NM
Share of profit of associated companies and joint ventures		**11**	244	(95.5)
Profit before income tax		**11,118**	8,786	26.5
Income tax expense		**(3,518)**	(3,074)	14.4
Total profit	2	**7,600**	5,712	33.1
Profit attributable to:				
Equity holders of the Company		**7,600**	5,712	33.1
Non-controlling interest		**-**	-	NM
		7,600	5,712	33.1
EBITDA		**14,370**	12,121	18.6
Earnings per ordinary share (US cents) - Basic and Diluted[b]		**1.24**	0.93	33.1
Return on equity		**14.4%**[d]	10.3%[c]	4.1% pt

Notes

a. Effective 1 January 2018, the Group adopted the Singapore IFRS-Identical Financial Reporting Standards ("SFRS(I)"), as required by the Singapore Exchange. As a result, the Group's 1Q 2017 income statement has been restated to reflect this. Please see paragraph 4 on page 13.

b. As there are no potentially dilutive ordinary shares, diluted Earnings per share (EPS) is the same as basic Earnings per Share. EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000.

c. Computed based on a restatement of FY2017 audited figures.

d. Computed based on annualized Net Profit.

NM - Not meaningful.

Explanatory Notes on Income Statement

Note 1 - Revenue

(a) Information is based on the location of the markets in which the Group operates.

	1Q ended 31 March		
	2018	2017 (restated)	Change
	US$'000	US$'000	%
Indonesia	**76,228**	64,891	17.5
Regional Markets	**31,105**	28,384	9.6
	107,333	93,275	15.1

(b) Breakdown of Sales

	1Q ended 31 March		
	2018	2017 (restated)	Change
	US$'000	US$'000	%
Own Brands	**65,364**	54,057	20.9
Agency Brands	**41,969**	39,218	7.0
	107,333	93,275	15.1

Note 2 - Net Profit

Net Profit is derived after (deducting)/crediting the following:

		1Q ended 31 March		
		2018	**2017**	**Change**
	Notes	**US$'000**	US$'000	%
Depreciation of property, plant and equipment		**(2,724)**	(2,712)	0.4
Amortization of intangible assets	a	**(203)**	(37)	451.4
Net foreign exchange gain		**760**	169	349.7
Group over/(under) provision of tax in prior years		**12**	(4)	NM
Gain on disposal of property, plant and equipment		**48**	29	65.5
Write back/(Impairment loss) on trade receivables		**80**	(43)	NM
Inventories written-off		**(284)**	(389)	(27.0)
Allowance made for inventory obsolescence		**(203)**	(725)	(720.0)

a. The higher amortization of intangible assets is attributable to the completion of an Enterprise Resource Planning (ERP) - SAP system implementation in Indonesia.

NM - Not meaningful.

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.

(Unaudited)		Group			Company	
		31-Mar-18	31-Dec-17	1-Jan-17	**31-Mar-18**	31-Dec-17
	Notes	**US$'000**	US$'000 (Restated)[1]	US$'000 (Restated)[1]	**US$'000**	US$'000
ASSETS						
Current assets						
Cash and cash equivalents		**66,349**	67,368	67,737	**62,346**	58,894
Derivative assets		**-**	-	4	**-**	-
Trade receivables	1	**75,014**	59,787	61,552	**1,205**	1,110
Loans to subsidiaries		**-**	-	-	**250**	600
Loans to associated company		**60**	60	-	**60**	60
Inventories	1	**71,644**	65,087	54,685	**-**	-
Contract assets	para 4(c)	**3,487**	3,173	3,510		-
Tax recoverable		**1,123**	1,004	5,792	**-**	-
Other current assets		**18,089**	17,191	12,697	**1,346**	4,034
		235,766	213,670	205,977	**65,207**	64,698
Non-current assets						
Investments in subsidiaries		**-**	-	-	**35,935**	35,935
Investments in associated companies and joint venture		**3,841**	3,830	2,769	**3,900**	3,900
Loans to associated company and joint venture		**889**	930	932	**-**	-
Property, plant and equipment	2	**119,137**	123,113	126,768	**668**	751
Intangibles assets	2	**8,538**	8,564	5,243	**4,599**	4,543
Deferred income tax assets		**1,645**	1,610	1,173	**-**	-
Other non-current assets		**2,500**	2,698	3,173	**-**	-
		136,550	140,745	140,058	**45,102**	45,129
Total Assets		**372,316**	354,415	346,035	**110,309**	109,827
LIABILITIES						
Current liabilities						
Trade payables	1	**36,703**	30,593	34,689	**1,237**	1,075
Contract liabilities	para 4(c)	**4,673**	4,367	4,825	**-**	-
Other payables	3	**49,219**	42,799	37,820	**3,259**	3,693
Current income tax liabilities		**2,194**	1,506	1,382	**-**	-
Derivative liabilities		**30**	143	91	**8**	82
Borrowings	4	**49,274**	47,136	44,197	**106**	104
		142,093	126,544	123,004	**4,610**	4,954
Non-current liabilities						
Borrowings	4	**3,364**	5,064	9,578	**148**	172
Deferred income tax liabilities		**455**	1,291	1,628	**-**	-
Provisions for other liabilities and charges		**13,044**	12,940	11,654	**-**	-
		16,863	19,295	22,860	**148**	172
Total liabilities		**158,956**	145,839	145,864	**4,758**	5,126
NET ASSETS		**213,360**	208,576	200,171	**105,551**	104,701
Capital and reserves attributable to the Company's equity holders						
Share capital		**95,936**	95,936	95,936	**95,936**	95,936
Foreign currency translation reserve	Para 4(a)	**(2,434)**	355	-	**-**	-
Other reserves		**982**	1,010	1,760	**-**	-
Retained earnings	Para 4	**118,753**	111,153	102,361	**9,615**	8,765
		213,237	208,454	200,057	**105,551**	104,701
Non controlling interest		**123**	122	114	**-**	-
Total equity		**213,360**	208,576	200,171	**105,551**	104,701

1. The Group's 2017 balance sheet was restated following the adoption of SFRS(I) as required by the listing requirement of the Singapore Exchange on 1 January 2018. Please see paragraph 4.

Explanatory Notes on Statement of Financial Position

Note 1 - Trade Receivables, Inventories and Trade Payables

In line with the increased sales, inventories and receivables were higher by US$6.6 million and US$15.2 million respectively for 1Q 2018. The increase in working capital was funded partially by trade payables of US$6.1 million. The increase in inventories reflected the Group's strategy to increase speed to market for our products by dedicating stock for direct deliveries to the minimarket channel; and (2) higher finished goods carried in Indonesia and Malaysia for the run-up to the Muslim Lebaran festivities in early June 2018.

Note 2 - Capital Expenditure on Property, Plant and Equipment and Intangible Assets

The allocation of capital expenditure for 1Q 2018 by geographical region is as follows:

	1Q 2018	1Q 2017
	US$'000	US$'000
Indonesia	**561**	2,857
Regional Markets	**344**	288
	905	3,145

Note 3 - Other Payables

The increase in other payables of US$6.4 million during 1Q 2018 was due to a higher accrual of advertising and promotion expenses incurred (which forms part of the trading terms) for the Modern Trade channel. This resulted from the Group's expansion of its direct deliveries to the minimarket channel and more aggressive trade activations/consumer promotions for Valentine's Day.

Note 4 - Borrowings

	Group		**Company**	
	31-Mar-18	31-Dec-17	**31-Mar-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**14,665**	16,963	**-**	-
Bank borrowings	**27,537**	24,310	**-**	-
Finance lease liabilities	**442**	547	**254**	276
Trade finance and short term advances	**9,994**	10,380	**-**	-
	52,638	52,200	**254**	276
Breakdown of borrowings:				
Current	**49,274**	47,136	**106**	104
Non current	**3,364**	5,064	**148**	172
	52,638	52,200	**254**	276

Note 5 - Key Ratios

	31-Mar-18	31-Dec-17 (restated)
Current ratio	**1.66**	1.69
Average Inventory Days	**89**	87
Average Receivable Days	**57**	58
Average Payable Days	**44**	47
Return on Equity (see paragraph 1(a) on page 2)	**14.4%**	10.3%

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(a) the amount repayable in one year or less, or on demand
(b) the amount repayable after one year;
(c) whether the amounts are secured or unsecured; and
(d) details of any collaterals.

Aggregate amount of the group's borrowings and debt securities

	Group		Company	
	31-Mar-18	31-Dec-17	**31-Mar-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**13,030**	12,411	**106**	104
- Unsecured	**36,244**	34,725	**-**	-
	49,274	47,136	**106**	104
Amount repayable after one year				
- Secured	**183**	219	**148**	172
- Unsecured	**3,181**	4,845	**-**	-
	3,364	5,064	**148**	172

Details of collateral

Of the Group's total bank borrowings as at 31 March 2018, US$13.2 million (2017: US$12.6 million) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

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.

	Notes	Period ended 31-Mar-18	Period ended 31-Mar-17 (restated)
		US$'000	US$'000
Cash flows from operating activities			
Total profit		**7,600**	5,712
Adjustments:			
Income tax expense		**3,518**	3,074
Depreciation and amortization		**2,927**	2,749
Gain on disposal of property, plant and equipment		**(48)**	(29)
Interest (income)		**(286)**	(211)
Interest expense		**715**	801
Fair value gain on derivatives		**(113)**	(88)
Share of profit of associated companies and joint venture		**(11)**	(244)
Operating cash flow before working capital changes		**14,302**	11,764
Change in working capital			
Inventories		**(6,557)**	(1,456)
Trade and other receivables		**(15,929)**	5,554
Contract assets	See para 4(c)	**(314)**	(6)
Trade and other payables		**11,150**	(6,126)
Contract liabilities	See para 4(c)	**306**	(155)
Cash generated from operations		**2,958**	9,575
Interest received		**286**	211
Income tax (paid)/refunded	1	**(3,834)**	2,297
Net cash (used in)/provided by operating activities		**(590)**	12,083
Cash flows from investing activities			
Purchases of property, plant and equipment		**(751)**	(3,145)
Payments for patents and trademarks		**(190)**	(16)
Proceeds from disposal of property, plant and equipment		**52**	39
Net cash used in investing activities		**(889)**	(3,122)
Cash flows from financing activities			
Proceeds from bank borrowings		**8,419**	7,607
(Repayment of)/proceeds from trade finance		**(386)**	632
Repayment of bank borrowings		**(4,557)**	(6,334)
Repayment of lease liabilities		**(100)**	(302)
Interest paid		**(715)**	(801)
Net cash provided by financing activities		**2,661**	802
Net increase in cash and cash equivalents		**1,182**	9,763
Cash and cash equivalents			
Beginning of financial year		**50,405**	45,235
Effects of currency translation on cash and cash equivalents		**97**	(75)
End of financial year		**51,684**	54,923

Note

1 In 1Q 2017, one of the Company's Indonesian subsidiaries received a tax refund of IDR 62 billion (US$4.6 million).

Reconciliation of liabilities arising from financing activities

	2017	Repayment	Proceeds	Non-cash changes Foreign exchange movement	2018
	US$'000	US$'000	US$'000	US$'000	US$'000
Bank borrowings	24,310	(4,557)	8,419	(635)	27,537
Lease liabilities	547	(100)	-	(5)	442
Trade finance	10,380	(386)	-	-	9,994

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Financial Year	
	31-Mar-18	31-Mar-17
	US$'000	US$'000
Cash and bank balances	**20,342**	11,886
Short term deposits	**46,007**	55,715
Less: Bank overdrafts	**(14,665)**	(12,678)
	51,684	54,923

Consolidated Statement of Comprehensive Income

	Quarter ended 31 March	
	2018	**2017**
	US$'000	US$'000
Profit for the period	**7,600**	5,712
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Foreign currency translation reserve		
- Currency translation differences arising from consolidation	**(2,788)**	1,150
Items that will not be reclassified to profit or loss:		
Defined pension benefits obligation		
- Remeasurements of defined pension benefits obligation	**-**	(7)
- Tax on remeasurements	**-**	2
- Share of other comprehensive loss of associated companies	**(28)**	-
	(28)	(5)
Other comprehensive (loss)/income, net of tax	**(2,816)**	1,145
Total comprehensive income for the period	**4,784**	6,857
Total comprehensive income attributable to:		
Equity holders of the Company	**4,783**	6,853
Non-controlling interest	**1**	4
	4,784	6,857

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company							
	Share capital	Foreign currency translation reserve	General reserve	Defined pension benefits obligation	Retained earnings	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1Q 2018								
Balance as at 31 December 2017	95,936	(59,873)	2,296	(1,286)	172,437	209,510	122	209,632
Adoption of the SFRS(I) - see paragraph 4	-	60,228	-	-	(61,284)	(1,056)	-	(1,056)
Balance as at 1 January 2018	95,936	355	2,296	(1,286)	111,153	208,454	122	208,576
Profit for the period	-	-	-	-	7,600	7,600	-	7,600
Other comprehensive (loss)/income for the period	-	(2,789)	-	(28)	-	(2,817)	1	(2,816)
Balance at 31 March 2018	95,936	(2,434)	2,296	(1,314)	118,753	213,237	123	213,360
The Group								
1Q 2017								
Balance at 31 December 2016	95,936	(60,228)	2,222	(462)	163,710	201,178	114	201,292
Adoption of the SFRS(I) - see paragraph 4	-	60,228	-	-	(61,349)	(1,121)	-	(1,121)
Balance as at 1 January 2017	95,936	-	2,222	(462)	102,361	200,057	114	200,171
Profit for the period - restated	-	-	-	-	5,712	5,712	-	5,712
Total comprehensive income/(loss) for the period - restated	-	1,146	-	(5)	-	1,141	4	1,145
Balance at 31 March 2017	95,936	1,146	2,222	(467)	108,073	206,910	118	207,028

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company		
	Share capital	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000
The Company			
1Q 2018			
Balance as at 31 December 2017	95,936	8,765	104,701
Profit for the period	-	850	850
Balance at 31 March 2018	95,936	9,615	105,551

	Share capital	**Retained earnings**	**Total equity**
The Company			
1Q 2017			
Balance at 1 January 2017	95,936	7,232	103,168
Profit for the period	-	2,763	2,763
Balance at 31 March 2017	95,936	9,995	105,931

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 1Q ended 31 March 2018, there was no change in the Company's issued and paid up share capital**.**

The Company has not issued any convertibles nor holds any treasury shares. There is no subsidiary holdings held against the total number of shares outstanding in a class that is listed.

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.

Not applicable - See para 1(d)(ii) above.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

Not applicable - See para 1(d)(ii) above.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable - See para 1(d)(ii) above.

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.

3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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.

As required by the listing requirements of the Singapore Exchange, the Group has adopted Singapore IFRS-identical Financial Reporting Standards ("SFRS(I)") on 1 January 2018. These financial statements for the quarter ended 31 March 2018 are the first set of financial information prepared under SFRS(I)s. The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance to Singapore Financial Reporting Standard ("SFRS").

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 1 January 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under the Standard.

The Group's opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I) ("date of transition"). The effects of transition from SFRS to SFRS(I) mainly arise from the optional exemptions provided for under SFRS(I) 1 and the adoption of SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments*.

(a) Application of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, the foreign currency translation reserve and retained earnings were both reduced by US$60.2 million respectively.

Foreign currency translation account and retained earnings as at 31 December 2017 were both reduced accordingly to reflect the translation losses that arose before the date of transition being excluded.

(b) Adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. There are no adjustments made to the Group's balance sheet line items.

(ii) Impairment of financial assets

The following financial assets are subject to the expected credit loss impairment model under SFRS(I) 9:

- Trade receivables; and
- Loans to related parties and other receivables at amortized cost.

The Group applied the practical expedient approach provided under SFRS(I) 9, which requires the Group to recognize an expected lifetime credit loss from initial recognition of its trade receivables. The adoption of SFRS(I) 9 does not have a material impact on the Group's financial statements.

(c) Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

In accordance with the requirements of SFRS(I) 1, the Group has adopted SFRS(I) 15 retrospectively.

The Group is in the business of marketing and distribution of chocolate, chocolate confectionery and consumer products. There are customers who have rights to return goods to the Group.

Under SFRS(I) 15, the Group recognizes a contract liability (or refund liability) on its sales when a customer has a right to return the products and a contract asset for products expected to be returned. The contract liability also represents the amount of consideration that the Group does not expect to be entitled to because it will be credited to customers. The contract liability is re-measured at each reporting date to reflect changes in the estimate, with a corresponding adjustment to revenue.

The Group recognizes a contract asset for the Group's right to recover goods from its customers. The asset is initially measured at the carrying amount of the goods at the time of sale, less any expected costs to recover the goods and any expected reduction in value, with a corresponding adjustment to cost of sales and deferred tax.

Arising from these adjustments, retained earnings as at 1 January 2017 and 31 December will be reduced by US$1.0 million (net of tax of US$0.3 million) and US$0.9 million (net of tax of US$0.3 million) respectively with the recognition of the contract assets and liabilities and deferred tax asset.

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.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		1Q ended 31 March	
		2018	2017
(i)	Based on weighted average number of ordinary shares in issue - (US cents)	**1.24**	0.93
(ii)	On a fully diluted basis - (US cents)	**1.24**	0.93

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 31 December 2017 and 31 December 2016 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31-Mar-18	31-Dec-17	**31-Mar-18**	31-Dec-17
Net asset value per ordinary share based on issued share capital - (US cents)	**34.9**	34.1	**17.3**	17.1

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.

Key Figures for the Group (unaudited)

	Quarter ended 31 March			
	2018	2017 (restated)	% Change Y-o-Y	
	US$'000	US$'000	In USD term	In constant exchange rate[1]
Indonesia	**76,228**	64,891	17.5	19.1
Regional Markets	**31,105**	28,384	9.6	3.0
REVENUE	**107,333**	93,275	15.1	14.2
Indonesia	**13,675**	12,061	13.4	15.1
Regional Markets	**695**	60	>100.0	>100.0
EBITDA	**14,370**	12,121	18.6	19.3
Profit before tax	**11,118**	8,786	26.5	27.2
Net profit attributable to shareholders	**7,600**	5,712	33.1	33.9

Key performance indicators

	Quarter ended 31 March		
	2018	2017	%
Gross profit margin	**34.5%**	33.1%	1.4% pt

Notes:

1 The Group used the following average exchange rate(s) in translating the income statements of its subsidiaries into USD terms.

Average FX rates for 1Q ended 31 March 2018

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1Q 2018	13,556	3.9616	1.3235	51.126
1Q 2017	13,375	4.4518	1.4228	49.9647
Strengthened/(Weakened) Y-o-Y	*(1.35%)*	*11.01%*	*6.98%*	*(2.32%)*

Overview

Review of the Group's 1Q 2018 Financial Performance

Figure 1 - Key Financial Highlights

(In US$ Million)	1Q 2018	1Q 2017	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	76.2	64.9	17.5%	19.1%
The Regional Markets	31.1	28.4	9.6%	3.0%
Total Revenue	**107.3**	**93.3**	**15.1%**	**14.2%**
Gross Profit Margin (%)	34.5%	33.1%	1.4% pt	1.4% pt
EBITDA	**14.4**	**12.1**	**18.6%**	**19.3%**
EBITDA Margin (%)	13.4%	13.0%	0.4% pt	0.6% pt
PATMI	**7.6**	**5.7**	**33.1%**	**33.9%**

Notes:

* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2017 in translating 1Q 2018 results.

The Group started the year on a strong note achieving 1Q 2018 revenue of US$107.3 million and PATMI of US$7.6 million, representing Year-on-Year growth of 15.1% and 33.1% respectively in the Group's US Dollar ("USD") reporting currency. The strong revenue growth was driven mainly by sales of our Own Brands products in Indonesia, especially of our premium products, but also benefitted from sales deferred from December 2017 as well as the run-up to the Muslim Lebaran festivities.

For the Regional Markets, the revenue growth in 1Q 2018 was driven mainly by higher Own Brands sales overall and higher Agency Brands sales in Malaysia.

On the back of the increased sales, the Group generated EBITDA of US$14.4 million (higher Y-o-Y by 18.6%) and PATMI of US$7.6 million (higher Y-o-Y by 33.1%). In addition to higher sales, the other key drivers of the profitability were the higher margins achieved and the benefit of a lower effective tax rate. The Group's 1Q 2018 Gross Profit Margin of 34.5% improved by 1.4% point Y-o-Y reflecting increased sales of our higher margin premium products, especially in Indonesia, and our on-going cost containment initiatives.

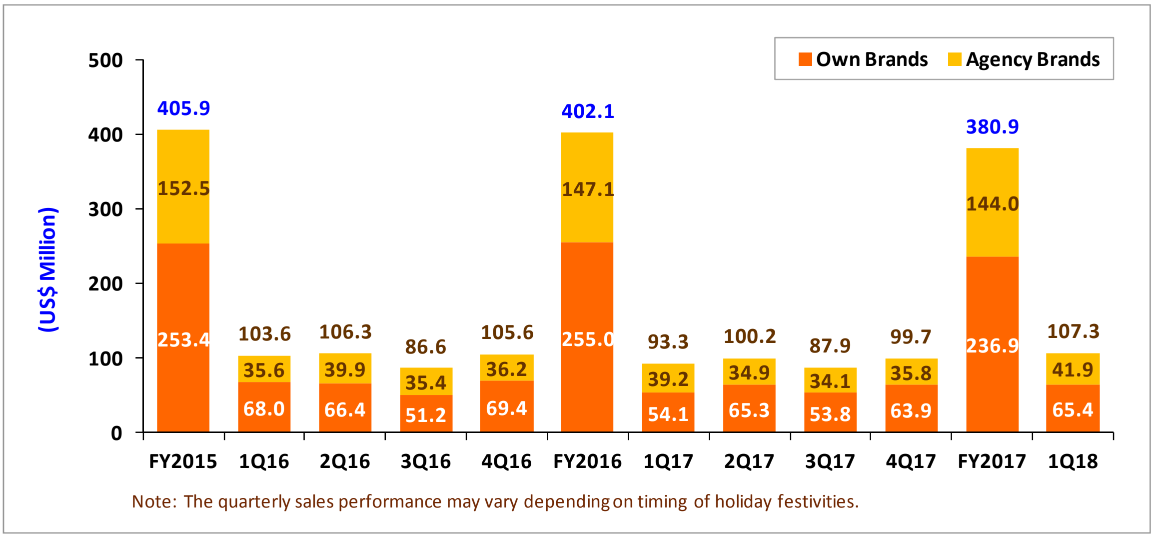
The Group's financial position remains strong with cash balance of US$66.3 million at 31 March 2018 which is more than adequate to support the Group's foreseeable near term business and investment needs.

Performance review of Own Brands and Agency Brands

Own Brands sales continued to be the major contributor to the Group's business, forming more than 60% of the Group's revenue. Over the years, our portfolio of Own Brands has progressively expanded and today extends into the categories of chocolate confectionery, biscuits and wafers, breakfast, baking and beverages.

For 1Q 2018, total Own Brands sales increased by 20.9% Y-o-Y in the Group's USD reporting currency (or 22.4% in local currency terms) driven mainly by Own Brands sales in Indonesia, especially in the premium format category.

Figure 2 - Own Brands & Agency Brands Revenue Performance (Quarterly and Full Year) - As reported



For the quarter, our Agency Brands 1Q 2018 revenue growth was higher by 7.0% versus the same period last year. Growth was achieved in Indonesia and Malaysia while the weak performance in the Philippines reflected the discontinuation of two Agency Brands.

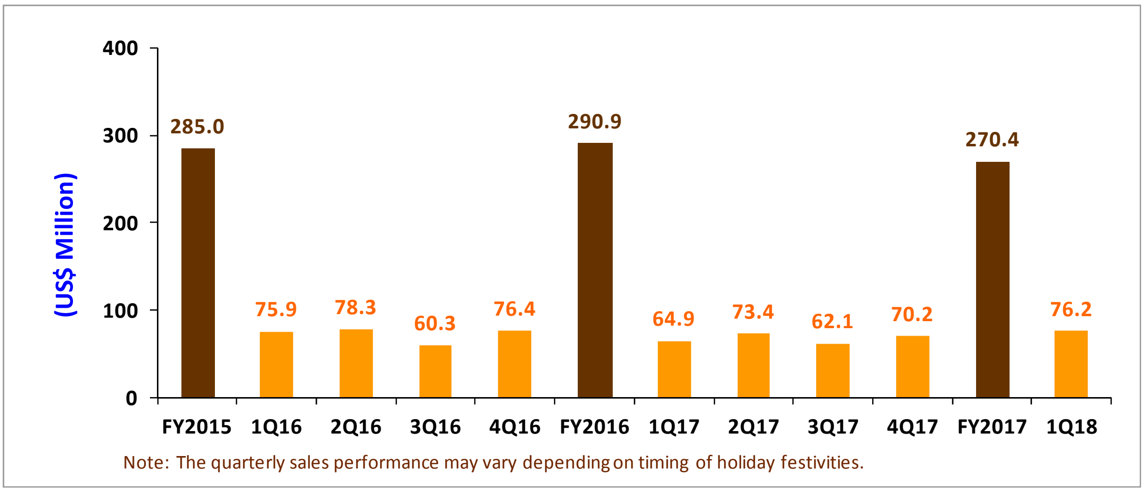
Performance Review by Markets

Indonesia

In 1Q 2018, our business in Indonesia generated revenue of US$76.2 million which was higher Y-o-Y by 17.5%. The main driver of growth was Own Brands sales which achieved Y-o-Y growth of over 20% with strong performance from our Core Brands in the premium segment (that is, *SilverQueen*, *Cha Cha*, *Ceres Meises*, *Ceres Spread* and Delfi Premium products).

The sales growth of our portfolio of Own Brands products in 1Q 2018 reflected - (i) orders from late December 2017, affected by the Government imposed transportation disruption, carried forward to this year; (ii) deliveries to capture the consumer purchases in the run up to the Muslim Lebaran festivities; and (iii) benefits from our initiative of direct shipments to our retail customers. The overall growth achieved reflected the benefits of our re-organization and restructuring initiatives implemented over the last two years as well as the execution of more aggressive promotion programmes to drive sales of our Core Brands.

Figure 3 - Indonesia's Revenue Performance (Quarterly and Full Year) - As reported



To position our business for long term success, we refocused our spending on building our core brands and focused on where the strongest growth opportunities are. Innovation for our Own Brands remains a key priority for us and our objective is to reach many more consumers by developing products that will address different consumer needs at different price points (e.g. our *Ceres Spread*, *Zap*, *Buzza* and *Cha Cha* novelty tubes). We have also refreshed our brand communication programs to strengthen our brands' connection with our consumers.

In addition, we continued investing in our sales force and in our routes-to-market capabilities to develop a distribution network that can quickly respond to the constantly evolving retail landscape both in Indonesia and our Regional Markets to ensure that our Own Brands portfolio continues to maintain a significant shelf space presence.

For our Agency Brands business in Indonesia, the double digit growth for some of our core Agency Brands in confectionery and snacking, and breakfast categories offset the weakness in others.

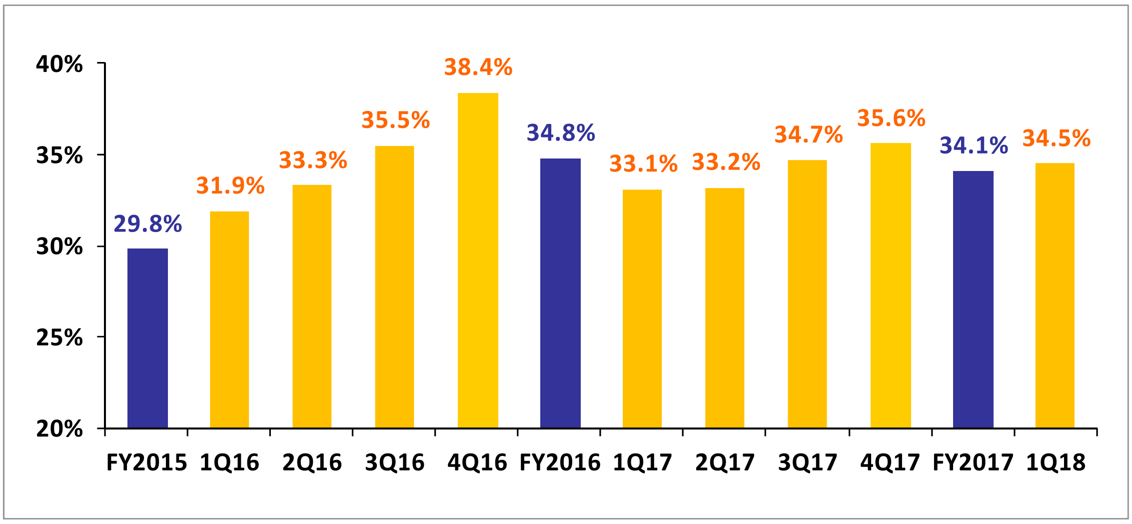
The Regional Markets

For our Regional Markets, revenues for 1Q 2018 were higher by 9.6% Y-o-Y in the Group's USD reporting currency (3.0% in local currency terms). The growth was mainly driven by higher sales in Malaysia while growth of Own Brands sales in the Philippines reflected our "*Goya - A Taste of World Class, Everyday*" marketing campaign. Agency Brands sales in the Regional Markets were, however, negatively impacted by the discontinuation of two major Agency Brands - one in the Philippines (effective June 2017) and one in Malaysia (end-2017). Excluding the discontinued Agency Brands and in local currency terms, Regional Markets' 1Q 2018 sales would have been higher 13.3%.

Review of Profitability

On the back of the revenue of US$107.3 million in 1Q 2018, the Group generated EBITDA of US$14.4 million and PATMI of US$7.6 million in the Group's USD reporting currency. The strong performance achieved can be attributed to: (i) higher revenue achieved; and (ii) improvement in margins. The Group's 1Q 2018 Gross Profit Margin improved by 1.4% to 34.5% on the back of higher sales of our premium products and our on-going cost containment initiatives.

Figure 4 - Gross Profit Margin (Quarterly and Full Year) - As reported



Note: * It should be highlighted that quarterly margins achieved may vary depending on composition of sales mix, both within Own Brands and mix of Own Brands and Agency Brands.

The Group's EBITDA of US$14.4 million generated EBITDA margin of 13.4% (higher by 0.4% point Y-o-Y). The improvement in EBITDA margin was achieved despite selling and distribution costs remaining high as a percentage of the Group's sales. In Indonesia, we continued to invest in our brand building initiatives and in our routes-to-market capabilities, which we believe is necessary as we continue to strengthen our distribution infrastructure to support long term growth.

Purchase of "Van Houten"

On April 13, 2018, we announced that we had entered into a Novation and Assignment agreement with Hershey Singapore Pte. Ltd., part of The Hershey Company, and Barry Callebaut AG where Delfi acquired for US$13.0 million the perpetual and exclusive license to the Van Houten brand name for consumer chocolate and cocoa products in certain key markets in Asia and Oceania (including Australia and New Zealand). With this acquisition, Delfi will control the rights to the Van Houten brand name in key markets in Asia. Hershey will retain the rights to Korea, India and the territory of the Middle East.

The acquisition of the exclusive and perpetual license to the Van Houten brand will be an opportunity to strengthen our portfolio and will open up opportunities for growth outside our Regional Markets. Our focus will be on innovations and revitalizing of Van Houten into a premium brand.

Update on Claims Associated with the Disposal of Delfi Cacau Brasil Ltda.

By way of background, on 24 February 2015, the Company had announced that Barry Callebaut had notified the Company of various claims from the Brazil tax authorities ("Notifications") against the former Delfi Cacau Brazil Ltda ("DCBR"), which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business. In the Company's announcement made on 28 August 2015, the Company also pointed out that although the Settlement Agreement fully settled the dispute over the closing price adjustments, Barry Callebaut remained entitled to bring any further claims that may arise under the continuing warranties.

As previously announced, the Company was notified of a total of 9 claims associated with the disposal of DCBR totaling BRL 87,002,187 as of 31 December 2016. In FY2016, the Group recognized an exceptional charge of US$2.0 million pertaining to the claims. In 2017, the Company has not been notified of any further claims. At 31 December 2017 the Company's total exposure in respect of tax and labour claims in Brazil has reduced to BRL 83,496,240 (equivalent to US$25.3 million based on end-March 2018 exchange rate) primarily due to a refinement of the basis used for indexation.

The Company, while reserving its rights in relation to the Notifications, has requested Barry Callebaut to defend these claims and the cases are proceeding through the Administration and Judicial processes in Brazil. The Board and management believe there are grounds to resist these claims and the Company will keep the shareholders updated as to material developments in relation to the Brazilian claims.

In assessing the relevant liabilities, management has considered, among other factors, industry developments in the current financial year and the legal environment in Brazil, and assessed that the amounts recognized in respect of these claims are adequate as at 31 December 2017. As management considers the disclosure of further details of these claims can be expected to prejudice seriously the Group's position in relation to the claims, further information has not been disclosed in the Group's financial statements.

Review of Financial Position and Cash Flow

Balance Sheet as at	**31-Mar-18**	31-Dec-17 (restated)	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**66,349**	67,368	(1,019)
Total Assets	**372,316**	354,415	17,901
Borrowings	**52,638**	52,200	438
Foreign currency translation reserves	**(2,434)**	355	(2,789)
Shareholders' Equity	**213,237**	208,454	4,783

As of end March 2018, the Group continues to maintain a healthy cash balance of US$66.3 million. The cash balance will be sufficient to support its acquisition of the exclusive and perpetual license for the "Van Houten" consumer chocolate brand for US$13.0 million as announced in April 2018, and meet any contingent liabilities.

The Company's shareholders' equity was higher by US$4.8 million on the Net Profit of US$7.6 million generated during the quarter which was partially offset by a foreign exchange translation loss of US$2.8 million due to the weakening of Indonesia Rupiah during the quarter under review.

For 1Q 2018, the Group generated an operating cash flow of US$14.3 million (see paragraph 1(c) on page 7) which was used mainly to fund the Group's higher working capital needs (see paragraph 1(b) Note 1 on page 5). The increase in working capital was in line with higher sales to modern trade customers which have longer trading terms and the need to carry more inventories in Indonesia and Malaysia for the run-up to the Muslim Lebaran festivities in early June 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for 1Q 2018 are in line with the commentary made on 26 February 2018 in paragraph 10 of the Group's "4Q and FY2017 Unaudited Financial Statement and Dividend Announcement".

10. A commentary at the date of the announcement of significant trends and the 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 strategic restructuring of our organization, product portfolio, and routes-to-market implemented over the last two years are starting to yield the desired results. We are fully committed to the broad strategy of consolidating our core strengths, containing operational costs and investing in core brands and key markets in order to grow our business sustainably over the long term.

In 2018, the Group's focus will be to continuously work closely with our trade customers and partners to grow our business by ensuring that our brands are always available, properly displayed and at the right price points. We will refocus our brand building initiatives and trade promotions onto our core products while ensuring that our products continue to maintain significant shelf space presence. In addition to growing our sales, we will focus on driving cost efficiencies throughout our organization and our supply chain. Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's operations to provide longer term stability and profitability. We will further strengthen the Group's cash flow generation through focused capital expenditure.

To drive the growth of our business, we will work to:

1. Ensure that our organization is well aligned to our growth plans and successful in implementing our strategies in Indonesia and our Regional Markets;

2. Grow our key brands in our markets. Innovation remains a key part of this strategy, whether it is through product innovation in order to provide us with a competitive edge or through continuous reinvention to stay relevant by creating excitement at the shelf space while focusing on the core brands and products that can deliver growth in sales and margins;

3. Extend market reach by having better channel segmentation for both the Modern Trade and Traditional Trade formats in order to widen and strengthen our distribution coverage to capture the growth opportunities; and

4. Prudently invest to build capacity and capabilities where there are clear expansion opportunities into new and attractive categories; and increase our productivity and efficiency targets in our production and distribution infrastructure.

Over the long term, the consumption environment in our markets will continue to be supported by robust economies and the fast growing middle income classes. To add further value over the longer term to our quality earnings, we will continue to explore opportunities to enter new markets and to extend to new categories if suitable acquisitions meet our investment criteria.

11. Dividend

a. Current Financial Period Reported On

Whether an interim (final) ordinary dividend has been declared (recommended)? No.

b. Corresponding Period of the Immediately Preceding Financial Year

Any interim/final dividend declared for the preceding financial period reported on? No.

c. Date payable

Not applicable.

d. Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for the quarter ended 31 March 2018 (31 March 2017: Nil)

For the financial year ended 31 December 2017, the Company’s Shareholders have approved the proposed final dividend of 0.76 Singapore cents per share at the Annual General Meeting held on 30 April 2018. The final dividend will be paid on 18 May 2018.

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 Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 30 April 2018 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

	[1] **Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual**
	1Q 2018
	US$'000
PT Freyabadi Indotama	
- Sales of goods	38
- Purchase of products	3,395
	3,433
PT Fajar Mataram Sedayu	
- Purchase of goods	**132**
	3,565

14. Negative confirmation pursuant to Rule 705(5)

On behalf of the Board, we, directors of the Company, Mr Chuang Tiong Choon and Mr Chuang Tiong Kie, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Group for the 1st Quarter ended 31 March 2018 to be false or misleading.

15. Confirmation pursuant to Rule 720(1)

The Group has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei/Evelyn Chuang
Secretaries

7 May 2018