Delfi Limited
Unaudited Financial Statements and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 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.

		Group			Group		
		2Q ended 30 June			Half Year ended 30 June		
		2018	2017 (restated)[a]	Change	**2018**	2017 (restated)[a]	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Revenue	1	**109,078**	100,496	8.5	**216,411**	193,771	11.7
Cost of Sales		**(71,478)**	(67,254)	6.3	**(141,743)**	(129,636)	9.3
Gross Profit		**37,600**	33,242	13.1	**74,668**	64,135	16.4
Other operating income	2	**500**	4,971	(89.9)	**1,824**	5,730	(68.2)
Expenses							
Selling and distribution costs		**(20,796)**	(18,894)	10.1	**(42,207)**	(36,583)	15.4
Administrative expenses		**(6,760)**	(5,051)	33.8	**(11,919)**	(9,646)	23.6
Finance costs		**(811)**	(788)	2.9	**(1,526)**	(1,589)	(4.0)
Other operating expenses		**(3)**	(413)	(99.3)	**(3)**	(438)	(99.3)
Exceptional items[b]	3	**(452)**	(1,053)	(57.1)	**(452)**	(1,053)	(57.1)
Share of (loss)/profit of associated companies/joint ventures		**(173)**	(21)	723.8	**(162)**	223	NM
Profit before income tax	5	**9,105**	11,993	(24.1)	**20,223**	20,779	(2.7)
Income tax expense	4	**(3,973)**	(3,799)	4.6	**(7,491)**	(6,873)	9.0
Total profit		**5,132**	8,194	(37.4)	**12,732**	13,906	(8.4)
Profit/(loss) attributable to:							
Equity holders of the Company		**5,133**	8,195	(37.4)	**12,733**	13,907	(8.4)
Non-controlling interest		**(1)**	(1)	NM	**(1)**	(1)	NM
		5,132	8,194	(37.4)	**12,732**	13,906	(8.4)
EBITDA		**13,051**	11,736	11.2	**27,421**	23,857	14.9
Earnings per ordinary share (US cents) - Basic and Diluted[c]							
- Exclude exceptional/non-recurring items		**0.91**	0.80	14.4	**2.16**	1.73	24.5
- Include exceptional/non-recurring items		**0.84**	1.34	(37.4)	**2.08**	2.28	(8.4)
Return on equity							
- Exclude exceptional/non-recurring items[d]					**12.8%[f]**	8.8%[e]	4.0% pt
- Include exceptional/non-recurring items[d]					**12.4%[f]**	10.4%[e]	2.0% pt

Notes

a. Effective 1 January 2018, the Group adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)"), as required by the Singapore Exchange. As a result, the Group's 2Q 2017 and 1H 2017 income statement has been restated to reflect this. Please see paragraph 4 on page 16.

b. The discovery of a number of alleged improper transactions in the Philippines between March 2013 and May 2018 resulted in recognition of an exceptional charge in the current period, with the comparative figures for the year 2017 also restated to reflect the extent that earlier periods are affected. Please see Note 3 on page 3 and 4.

c. 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.

d. Computed based on Net Profit excluding the exceptional charges of US$0.5 million and US$1.0 million in 2Q 2018 and 2Q 2017 and US$4.4 million after tax gain from disposal of an associated company in FY2017.

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

f. 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.

	2Q ended 30 June			Half Year ended 30 June		
	2018	2017 (restated)	Change	**2018**	2017 (restated)	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Indonesia	**80,533**	73,519	9.5	**156,762**	138,410	13.3
Regional Markets	**28,545**	26,977	5.8	**59,649**	55,361	7.7
	109,078	100,496	8.5	**216,411**	193,771	11.7

(b) Breakdown of Sales

	2Q ended 30 June			Half Year ended 30 June		
	2018	2017 (restated)	Change	**2018**	2017 (restated)	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Own Brands	**72,398**	63,782	13.5	**142,747**	121,440	17.5
Agency Brands	**36,680**	36,714	(0.1)	**73,664**	72,331	1.8
	109,078	100,496	8.5	**216,411**	193,771	11.7

In April 2018, the Group acquired the exclusive and perpetual license and associated rights to the "Van Houten" brand name for consumer chocolate and cocoa products for key markets in Asia Pacific from Hershey Singapore Pte Ltd, part of The Hershey Company. In 2Q 2018, Van Houten contributed US$4.0 million to Own Brands sales in Indonesia. Prior to the acquisition, Van Houten was classified as an Agency Brand. Please see paragraph 1(b)(i) Note 1 on page 6.

Note 2 - Other Operating Income

In 2Q 2017, the Group recognised a pre-tax gain of US$4.6 million, after deducting fees and other charges on completion of the divestment of its 50% stake in PT Ceres Meiji Indotoma ("CMI") for US$8.3 million on 10 May 2017.

Note 3 - Exceptional Items

In June 2018, the Group discovered alleged improper transactions in one of its wholly owned subsidiaries, Delfi Marketing, Inc. ("***DMI***") in the Philippines. Immediately on becoming aware of these transactions apparently carried out by several employees, DMI has since subjected these employees to administrative disciplinary proceedings, and imposed sanctions, including dismissal. The Group also carried out an internal investigation assisted by Ernst & Young Advisory Pte Ltd. Meanwhile, concurrent to the forensic investigation, the Group has assigned a team from head office to take over the leadership of the finance function in DMI. With assistance from the internal auditors, the Group is undertaking a thorough review of the financials, structure, the system and procedures of DMI's finance function.

Note 3 - Exceptional Items (cont'd)

The forensic investigation into these activities resulted in the identification of alleged improper transactions between 2013 and 2018 amounting to 165 million Philippines Pesos (equivalent to US$3.0 million at 30 June 2018 exchange rate). As a result, the Group recognized an exceptional charge of US$0.5 million in 2Q and 1H 2018. 1H 2017's income statement has also been restated to record an exceptional charge of US$1.0 million for alleged improper transactions found in year 2017. The Group's retained earnings as at 31 December 2017 and 1 January 2017 were restated by US$3.0 million and U$1.9 million respectively with corresponding adjustments to other current assets of US$1.0 million; other payables US$1.8 million and foreign currency translation reserve of US$0.2 million.

While the Group considers this matter to be very serious indeed, the impact of these alleged improper transactions does not significantly affect the Group's reported results. The Company has engaged Philippines law firm, Poblador, Bautista & Reyes, to advise on all remedies available. The matter is now in the hands of the lawyers.

Note 4 - Income Tax Expense

The Group's 2Q and 1H 2018 effective tax rates appeared higher compared to the same periods in prior year because in 2Q 2017, the gain on sale of CMI was exempted from tax in Singapore. A withholding tax of US$0.3 million and US$1.7 million was also recognized on dividend and royalty income received from its Indonesia entities for 2Q and 1H 2018 (compared to US$0.4 million and US$1.0 million for 2Q and 1H 2017).

Note 5 - Net Profit

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

		2Q ended 30 June			**Half Year ended 30 June**		
		2018	2017	Change	**2018**	2017	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment		**(2,647)**	(2,718)	(2.6)	**(5,371)**	(5,430)	(1.1)
Amortization of intangible assets	a	**(238)**	(37)	540.5	**(441)**	(74)	495.9
Net foreign exchange (loss)/ gain		**(16)**	(209)	(92.3)	**744**	(40)	NM
Group (under) provision of tax in prior years		**(738)**	(528)	39.8	**(726)**	(532)	36.5
Gain on disposal of property, plant and equipment		**32**	26	23.1	**80**	55	45.5
(Impairment loss)/write-back on trade receivables		**(19)**	94	NM	**61**	51	19.6
Inventories written off		**(321)**	(295)	8.8	**(605)**	(684)	(11.5)
Allowance made for inventory obsolescence		**(841)**	(419)	100.7	**(1,044)**	(1,144)	(8.7)

a. The higher amortization of intangible assets is attributable to the completion of an Enterprise Resource Planning (ERP) - SAP system implementation in Indonesia (4Q 2017), Singapore and the Philippines (April 2018).

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.

		Group			Company	
		30-Jun-18	31-Dec-17 (restated)[1]	1-Jan-17 (restated)[1]	**30-Jun-18**	31-Dec-17
	Notes	**US$'000**	US$'000	US$'000	**US$'000**	US$'000
ASSETS						
Current assets						
Cash and cash equivalents	1	**53,763**	67,368	67,737	**48,173**	58,894
Derivative assets		**24**	-	4	**14**	-
Trade receivables	3	**77,468**	59,787	61,552	**1,202**	1,110
Loans to subsidiaries		**-**	-	-	**-**	600
Loans to joint venture		**60**	60	-	**60**	60
Inventories	3	**59,797**	65,080	54,680	**-**	-
Contract assets	Para 4(c)	**3,260**	3,173	3,510	**-**	-
Tax recoverable		**777**	1,004	5,792	**-**	-
Other current assets		**17,030**	16,200	12,698	**1,677**	4,034
		212,179	212,672	205,973	**51,126**	64,698
Non-current assets						
Investments in subsidiaries		**-**	-	-	**35,935**	35,935
Investments in associated companies and joint venture		**3,668**	3,830	2,769	**3,900**	3,900
Loans to associated company and joint venture		**867**	930	932	**-**	-
Property, plant and equipment	2	**112,411**	123,113	126,768	**586**	751
Intangibles assets	1,2	**21,385**	8,564	5,243	**17,600**	4,543
Deferred income tax assets		**1,261**	1,610	1,173	**-**	-
Other non-current assets		**3,013**	2,698	3,173	**-**	-
		142,605	140,745	140,058	**58,021**	45,129
Total Assets		**354,784**	353,417	346,031	**109,147**	109,827
LIABILITIES						
Current liabilities						
Trade payables		**30,916**	30,593	34,689	**99**	1,075
Contract liabilities	Para 4(c)	**4,440**	4,367	4,825	**-**	-
Other payables	4	**50,077**	44,447	39,592	**3,617**	3,693
Current income tax liabilities		**2,173**	1,506	1,382	**-**	-
Derivative liabilities		**-**	143	91	**-**	82
Borrowings	5	**46,153**	47,136	44,197	**104**	104
		133,759	128,192	124,776	**3,820**	4,954
Non-current liabilities						
Borrowings	5	**2,663**	5,064	9,578	**116**	172
Deferred income tax liabilities		**265**	1,291	1,628	**-**	-
Provisions for other liabilities and charges		**12,823**	12,940	11,654	**-**	-
		15,751	19,295	22,860	**116**	172
Total liabilities		**149,510**	147,487	147,636	**3,936**	5,126
NET ASSETS		**205,274**	205,930	198,395	**105,211**	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)	**(9,273)**	539	-	**-**	-
Other reserves		**982**	1,010	1,760	**-**	-
Retained earnings[2]	Para 4(a)	**117,511**	108,323	100,585	**9,275**	8,765
		205,156	205,808	198,281	**105,211**	104,701
Non controlling interest		**118**	122	114	**-**	-
Total equity		**205,274**	205,930	198,395	**105,211**	104,701

1 The Group's 2017 balance sheet has been 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.

2 The discovery of the alleged improper transactions in DMI (see paragraph 1(a) Note 3 on page 3 and 4) resulted in the identification of errors in the prior period financial statements and so the opening consolidated balance sheets are restated to reflect the extent that earlier periods are affected.

Explanatory Notes on Statement of Financial Position

Note 1 - Cash and Intangible Assets

As announced on 13 April 2018, the Company 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 licence to the "Van Houten" brand name for consumer chocolate and cocoa products in key markets in Asia Pacific (excluding Korea, India and the Middle East).

Currently, the main markets for the Van Houten consumer chocolate and cocoa products are Indonesia, Thailand, Malaysia, and Singapore with small presence in the Philippines and Vietnam. Prior to the acquisition, the Group's wholly owned subsidiary, PT Perusahaan Industri Ceres, has been the sub-licensee for the Van Houten brand in Indonesia for the past nine years.

The acquisition will be an opportunity to strengthen our portfolio and will open up opportunities for growth outside our Regional Markets.

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

The allocation of capital expenditure for 2Q 2018 by geographical region is as follows:

	2Q 2018	2Q 2017	**1H 2018**	1H 2017
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**946**	1,198	**1,507**	4,055
Regional Markets	**551**	222	**895**	510
	1,497	1,420	**2,402**	4,565

Note 3 - Trade Receivables and Inventories

Compared to end 2017, receivables were higher by US$17.7 million on (1) increased sales to minimarkets which carry longer settlement terms and (2) a slowdown in collection during the Muslim Lebaran holiday. Since 4Q 2017, the Group has progressively taken over from its Regional Distributors in Indonesia the distribution direct to its Modern Trade customer's distribution centres in order to improve its customer service levels. The Group's debtors' collection was also affected by the festive holiday in Indonesia and Malaysia in the second half of June 2018. The increase in debtors was partially offset by lower inventories of US$5.3 million.

Note 4 - Other Payables

The increase in other payables of US$5.6 million during 1H 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 in Indonesia. This resulted from the Group taking on direct deliveries to the minimarket channel and more aggressive trade activations/consumer promotions for Valentine's Day and the Muslim Lebaran festivities.

Note 5 - Borrowings

	Group		Company	
	30-Jun-18	31-Dec-17	**30-Jun-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**13,942**	16,963	**-**	-
Bank borrowings	**25,598**	24,310	**-**	-
Finance lease liabilities	**348**	547	**220**	276
Trade finance	**8,928**	10,380	**-**	-
	48,816	52,200	**220**	276
Breakdown of borrowings:				
Current	**46,153**	47,136	**104**	104
Non current	**2,663**	5,064	**116**	172
	48,816	52,200	**220**	276

Note 6 - Key Ratios

	30-Jun-18	31-Dec-17 (restated)
Current ratio	**1.59**	1.66
Average Inventory Days	**80**	87
Average Receivable Days *	**58**	58
Average Payable Days	**40**	47
Return on Equity (see paragraph 1(a) on page 2)	**12.4%**	10.4%

* The trade receivable days reflects the Group strategy to ship directly to its Modern Trade customers.

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	
	30-Jun-18	31-Dec-17	**30-Jun-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
- Secured	**13,624**	12,411	**104**	104
- Unsecured	**32,529**	34,725	**-**	-
	46,153	47,136	**104**	104
Amount repayable after one year				
- Secured	**155**	219	**116**	172
- Unsecured	**2,508**	4,845	**-**	-
	2,663	5,064	**116**	172

Details of collateral

Of the Group's total bank borrowings as at 30 June 2018, US$13.8 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.

		Period ended	
		30-Jun-18	30-Jun-17 (restated)
	Notes	**US$'000**	US$'000
Cash flows from operating activities			
Total profit		**12,732**	13,906
Adjustments:			
Income tax expense		**7,491**	6,873
Depreciation and amortization		**5,812**	5,504
Gain on disposal of property, plant and equipment		**(80)**	(55)
Exceptional items	Para 1(a) Note 3	**452**	1,053
Interest income		**(576)**	(436)
Interest expense		**1,527**	1,589
Fair value gain on derivatives		**(167)**	(108)
Gain on sale of associated company		**-**	(4,632)
Share of loss/(profit) from associated companies/joint ventures		**162**	(223)
Operating cash flow before working capital changes		**27,353**	23,471
Change in working capital			
Inventories		**5,283**	2,366
Trade and other receivables		**(18,826)**	(9,420)
Contract assets		**(87)**	330
Trade and other payables		**1,393**	2,453
Contract liabilities		**73**	(434)
Exceptional loss	Para 1(a) Note 3	**(452)**	(1,053)
Cash generated from operations		**14,737**	17,713
Interest received		**576**	436
Income tax paid	1	**(7,262)**	(3,863)
Net cash provided by operating activities		**8,051**	14,286
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,899)**	(4,565)
Investment in joint venture		**-**	(900)
Payments for intangible assets	Para 1(b) Note 1	**(13,541)**	(33)
Proceeds from disposal of associated company		**-**	8,197
Proceeds from disposal of property, plant and equipment		**84**	88
Net cash (used in)/provided by investing activities		**(15,356)**	2,787
Cash flows from financing activities			
Proceeds from bank borrowings		**9,857**	7,507
Repayment of trade finance		**(1,452)**	(623)
Repayment of bank borrowings		**(7,052)**	(8,766)
Repayment of lease liabilities		**(191)**	(506)
Interest paid		**(1,527)**	(1,589)
Dividends paid to equity holders of company		**(3,545)**	(5,806)
Net cash used in financing activities		**(3,910)**	(9,783)
Net (decrease)/increase in cash and cash equivalents		**(11,214)**	7,290
Cash and cash equivalents			
Beginning of financial period		**50,405**	45,235
Effects of currency translation on cash and cash equivalents		**630**	(149)
End of financial period		**39,821**	52,376

Note

1 In 1H 2017, one of the Company's Indonesian subsidiaries received a tax refund of IDR 62.0 billion (US$4.6 million).

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

	Period ended	
	30-Jun-18	30-Jun-17
	US$'000	US$'000
Cash and bank balances	**7,557**	17,193
Short term deposits	**46,206**	56,000
Less: Bank overdrafts	**(13,942)**	(20,817)
	39,821	52,376

Reconciliation of liabilities arising from financing activities

				Non-cash changes		
	2017	**Repayment**	**Proceeds**	**Additions**	**Foreign exchange movement**	**2018**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Bank borrowings	24,310	(7,052)	9,857	-	(1,517)	25,598
Lease liabilities	547	(191)	-	13	(21)	348
Trade finance	10,380	(1,452)	-	-	-	8,928

Consolidated Statement of Comprehensive Income

	2Q ended 30 June		Half Year ended 30 June	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
Profit for the period	**5,132**	8,194	**12,732**	13,906
Other comprehensive (loss)/income:				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from consolidation	**(7,026)**	1,077	**(9,815)**	2,227
Items that will not be reclassified to profit or loss:				
Defined pension benefits obligation				
- Remeasurements of defined pension benefits obligation	**-**	(1)	**-**	(8)
- Tax on remeasurements	**-**	-	**-**	2
- Share of other comprehensive loss of associated companies	**-**	(9)	**(28)**	(9)
	-	(10)	**(28)**	(15)
Other comprehensive (loss)/income, net of tax	**(7,026)**	1,067	**(9,843)**	2,212
Total comprehensive (loss)/income for the period	**(1,894)**	9,261	**2,889**	16,118
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(1,890)**	9,260	**2,893**	16,113
Non-controlling interest	**(4)**	1	**(4)**	5
	(1,894)	9,261	**2,889**	16,118

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	-	60,076	-	-	(61,132)	(1,056)	-	(1,056)
Prior year restatement[1]	-	336	-	-	(2,982)	(2,646)	-	(2,646)
Balance as at 1 January 2018	95,936	539	2,296	(1,286)	108,323	205,808	122	205,930
Profit for the period	-	-	-	-	7,600	7,600	-	7,600
Other comprehensive loss for the period	-	(2,789)	-	(28)	-	(2,817)	-	(2,817)
Balance at 31 March 2018	95,936	(2,250)	2,296	(1,314)	115,923	210,591	122	210,713
2Q 2018								
Balance at 1 April 2018	95,936	(2,250)	2,296	(1,314)	115,923	210,591	122	210,713
Profit for the period	-	-	-	-	5,133	5,133	(1)	5,132
Other comprehensive loss for the period	-	(7,023)	-	-	-	(7,023)	(3)	(7,026)
Final dividend relating to 2017	-	-	-	-	(3,545)	(3,545)	-	(3,545)
Balance at 30 June 2018	95,936	(9,273)	2,296	(1,314)	117,511	205,156	118	205,274

[1] Please refer to para 1(a) Note 3 on page 3 and 4.

	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 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	-	60,076	-	-	(61,197)	(1,121)	-	(1,121)
Prior year restatement[1]	-	152	-	-	(1,928)	(1,776)	-	(1,776)
Balance as at 1 January 2017	95,936	-	2,222	(462)	100,585	198,281	114	198,395
Profit for the period	-	-	-	-	5,712	5,712	-	5,712
Total comprehensive income/(loss) for the period	-	1,146	-	(5)	-	1,141	4	1,145
Balance at 31 March 2017	95,936	1,146	2,222	(467)	106,297	205,134	118	205,252
2Q 2017								
Balance at 1 April 2017	95,936	1,146	2,222	(467)	106,297	205,134	118	205,252
Profit for the period	-	-	-	-	8,195	8,195	(1)	8,194
Other comprehensive income/(loss) for the period	-	1,075	-	(10)	-	1,065	2	1,067
Final dividend relating to 2016	-	-	-	-	(5,806)	(5,806)	-	(5,806)
Balance at 30 June 2017	95,936	2,221	2,222	(477)	108,686	208,588	119	208,707

[1] Please refer to para 1(a)Note 3.

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
2Q 2018			
Balance at 1 April 2018	95,936	9,615	105,551
Profit for the period	-	3,205	3,205
Final dividend relating to 2017	-	(3,545)	(3,545)
Balance at 30 June 2018	95,936	9,275	105,211

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
2Q 2017			
Balance at 1 April 2017	95,936	9,995	105,931
Profit for the period	-	5,364	5,364
Final dividend relating to 2016	-	(5,806)	(5,806)
Balance at 30 June 2017	95,936	9,553	105,489

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 2Q and 1H ended 30 June 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$60.1 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.**

		2Q ended 30 June		1H ended 30 June	
		2018	2017 (restated)	**2018**	2017 (restated)
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Exclude exceptional/non-recurring items	**0.91**	0.80	**2.16**	1.73
	- Include exceptional/non-recurring items	**0.84**	1.34	**2.08**	2.28
(ii)	On a fully diluted basis - (US cents)				
	- Exclude exceptional/non-recurring items	**0.91**	0.80	**2.16**	1.73
	- Include exceptional/non-recurring items	**0.84**	1.34	**2.08**	2.28

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 30 June 2018 and 30 June 2017 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	
	30-Jun-18	31-Dec-17 (restated)	**30-Jun-18**	31-Dec-17
Net asset value per ordinary share based on issued share capital - (US cents)	**33.6**	33.7	**17.2**	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)

	2Q ended 30 June				Half Year ended 30 June			
	2018	2017	%		**2018**	2017	%	
	US$'000	US$'000	In USD term	In constant exchange rate[1]	**US$'000**	US$'000	In USD term	In constant exchange rate[1]
Indonesia	**80,533**	73,519	9.5	13.9	**156,762**	138,410	13.3	16.3
Regional Markets	**28,545**	26,977	5.8	1.1	**59,649**	55,361	7.7	2.1
REVENUE	**109,078**	100,496	8.5	10.5	**216,411**	193,771	11.7	12.3
Indonesia	**13,477**	12,248	10.0	15.2	**27,153**	24,309	11.7	15.1
Regional Markets	**(426)**	(512)	16.7	1.5	**268**	(452)	NM	NM
EBITDA	**13,051**	11,736	11.2	15.9	**27,421**	23,857	14.9	17.6
Profit before tax and exceptional/non-recurring items[2]	**9,557**	8,414	13.6	18.6	**20,675**	17,200	20.2	23.0
Exceptional/non-recurring items[2]	**(452)**	3,579	NM	NM	**(452)**	3,579	NM	NM
Profit before tax	**9,105**	11,993	(24.1)	(20.7)	**20,223**	20,779	(2.7)	(0.4)
Net profit attributable to shareholders before exceptional/non-recurring items	**5,585**	4,880	14.4	20.6	**13,185**	10,591	24.5	27.8
Net profit attributable to shareholders	**5,133**	8,195	(37.4)	(33.9)	**12,733**	13,907	(8.4)	(6.0)

Key performance indicators

	2Q ended 30 June			Half Year ended 30 June		
	2018	2017	Change	**2018**	2017	Change
Gross profit margin	**34.5%**	33.1%	1.4% pt	**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 1H ended 30 June 2018

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1H 2018	13,709	3.9426	1.3244	51.7065
1H 2017	13,349	4.3996	1.4075	49.9423
Strengthened/(Weakened) Y-o-Y	*(2.7%)*	*10.39%*	*5.90%*	*(3.53%)*

2 Exceptional and non-recurring items (before tax) comprised the gain of US$4.6 million on disposal of CMI recorded in 2Q 2017 and the exceptional charge of US$0.5 million and US$1.0 million recognized in 2Q 2018 and 2017 as a result of the alleged improper transactions uncovered in the Philippines. See paragraph 1(a) Note 2 and Note 3.

Overview

Review of the Group's 2Q and 1H 2018 Financial Performance

Figure 1 - Key Financial Highlights

(In US$ Million)	2Q 2018	2Q 2017	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *	1H 2018	1H 2017	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	80.6	73.5	9.5%	13.9%	156.8	138.4	13.3%	16.3%
The Regional Markets	28.5	27.0	5.8%	1.1%	59.6	55.4	7.7%	2.1%
Total Revenue	**109.1**	**100.5**	**8.5%**	**10.5%**	**216.4**	**193.8**	**11.7%**	**12.3%**
Gross Profit Margin (%)	34.5%	33.1%	1.4% pt	1.4% pt	34.5%	33.1%	1.4% pt	1.4% pt
EBITDA (excl exceptional/non-recurring items)	**13.1**	**11.7**	**11.2%**	**15.9%**	**27.4**	**23.8**	**14.9%**	**17.6%**
EBITDA (incl exceptional/non-recurring items) **	**12.6**	**15.3**	**(17.7%)**	**(14.2%)**	**27.0**	**27.4**	**(1.7%)**	**0.6%**
PATMI (excl exceptional/non-recurring items) **	**5.6**	**4.9**	**14.4%**	**20.6%**	**13.2**	**10.6**	**24.5%**	**27.8%**
PATMI (incl exceptional/non-recurring items)	**5.1**	**8.2**	**(37.4%)**	**(33.9%)**	**12.7**	**13.9**	**(8.4%)**	**(6.0%)**

Notes:

* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 2Q and 1H 2017 in translating 2Q and 1H 2018 results.

** The exceptional/non-recurring items in 2nd Quarter 2017 and 2018 pertain to (1) the charge of US$0.5 million incurred in 2Q 2018 and US$1.0 million in 2Q 2017 as a result of the alleged improper transactions uncovered in the Philippines; and (2) the pre-tax gain of US$4.6 million on sale of Ceres Meiji Indotama ("CMI") recognized in 2Q 2017.

Following on from 1Q 2018's positive momentum, the growth achieved by the Group in 2Q and 1H 2018 can be attributed to the growing chocolate confectionery markets in Indonesia and the Philippines; and higher Own Brands sales and margins achieved.

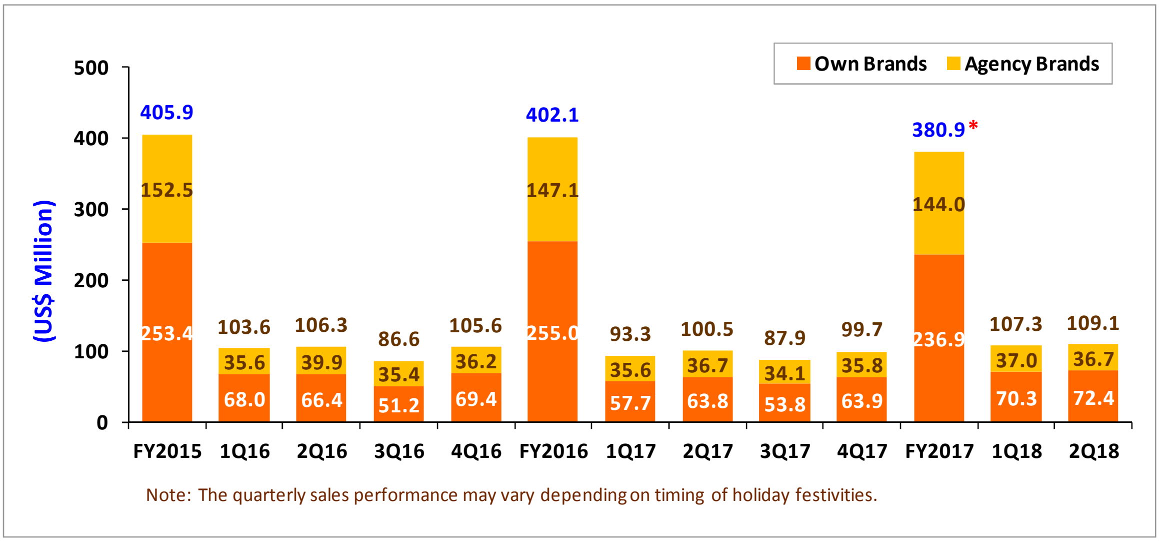
The Group generated revenue of US$109.1 million in 2Q 2018 which culminated in 1H 2018 revenue of US$216.4 million. This represented Y-o-Y growth of 8.5% and 11.7% for 2Q and 1H 2018 respectively, in the Group's US Dollar reporting currency.

The key driver of the Group's revenue was sales of Own Brands products - Higher Y-o-Y by 13.5% and 17.5% for 2Q 2018 and 1H 2018 respectively. For the Group, Own Brands products continue to be the major contributor to our business, forming more than 60% of 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, beverages and baking.

For the periods under review, Own Brands revenue growth was driven mainly by our product portfolio in Indonesia. This performance reflected continued growth in the consumption of chocolate confectionery, higher sales growth of our products in the premium format category and benefits from our initiative of direct shipments to some of our retail customers.

For Agency Brands, our business in Malaysia achieved strong double digit growth although this was offset by reported weaker performance in Indonesia and the Philippines. To provide clarity on the fundamental underlying Y-o-Y performance in these two markets, the following must be highlighted - (i) For Indonesia, sales of Van Houten products are now classed as Own Brands; and (ii) the performance for Philippines reflected the discontinuation of some less profitable Agency Brands. Hence, adjusted for these, our Agency Brands' fundamental underlying sales performance would have reflected a Y-o-Y growth of 16.6% Y-o-Y, instead of the reported flat performance.

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



<u>Note</u>:
* Figure may not add up due to restatement of 1Q and 2Q 2017 with adoption of SFRS(I) - para 4.

The Group generated EBITDA (excluding the exceptional/non-recurring items) of US$13.1 million in 2Q 2018 and 1H 2018 of US$27.4 million, representing Y-o-Y growth of 11.2% and 14.9% respectively. In addition to higher sales achieved, the other key driver of growth was higher Gross Profit Margin. The Group's 2Q and 1H 2018 Gross Profit Margin of 34.5% improved Y-o-Y by 1.4% point reflecting increased sales of our higher margin premium products in Indonesia, and our on-going cost containment initiatives.

For 2Q and 1H 2018, the Group's PATMI (excluding the exceptional/non-recurring items) was higher Y-o-Y by 14.4% and 24.5% respectively. This growth was achieved despite a higher effective tax rate which can be attributed to a withholding tax charge of US$0.3 million and US$1.7 million recorded on dividend and royalty income received from our Indonesian entities in 2Q and 1H 2018, compared to US$0.4 million and US$1.0 million for 2Q and 1H 2017.

The Group's financial position remains strong with cash balance of US$53.8 million at 30 June 2018 which is more than adequate to support the Group's foreseeable near term business and investment needs.

Performance Review by Markets

Indonesia

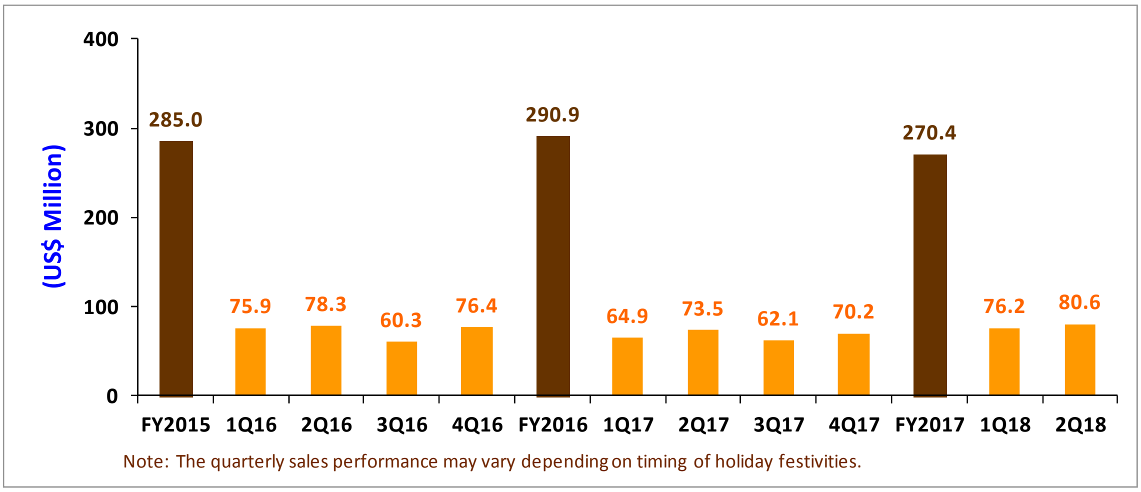
Our business in Indonesia generated 2Q 2018 revenue of US$80.6 million which was higher Y-o-Y by 9.5% with 1H 2018 revenue growth of 13.3% achieved. The main driver was Own Brands sales (generating Y-o-Y growth of 20.1% in 1H 2018) with strong performance from our brands in the premium segment like *SilverQueen*, *Cha Cha* and *Delfi* Premium products.

In 2Q 2018, sales of Van Houten has been reclassified to Own Brands sales whereas in prior periods they were classed as Agency Brands. For 2Q and 1H 2018, Van Houten sales in Indonesia were higher 18.5% and 9.6% respectively. Excluding this, our Own Brands sales in USD reporting currency would have been higher by 9.1% and 16.7% respectively.

The sales growth of our portfolio of Own Brands products reflected the continued growth in the consumption of chocolate confectionery and our growth initiatives implemented. Initiatives like (i) focusing on higher sales velocity and/or margin performance products; and (ii) reorganizing our supply chain management, for example, implementing direct deliveries to the distribution centres of some of our Modern Trade customers. The supply change reorganization has resulted in increased service levels to these customers and increased the speed to market for our products, albeit with higher working capital commitments.

Our objective is to maintain a high level of product availability and ensure that our products continue to maintain significant shelf space presence.

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 brands and focused on where the strongest growth opportunities are. Innovation for 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). Our new product introduction programme will continue into 2H 2018.

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. Our objective is to continue improving service levels to all our retail customers

As discussed on page 22, the sales performance of our Agency Brands sales in Indonesia reflected the reclassification of "Van Houten" sales to Own Brands. Adjusted for this, Agency Brands sales would have been higher Y-o-Y by close to 12.0% with the double digit growth achieved for some of our core Agency Brands in confectionery and snacking, and breakfast categories.

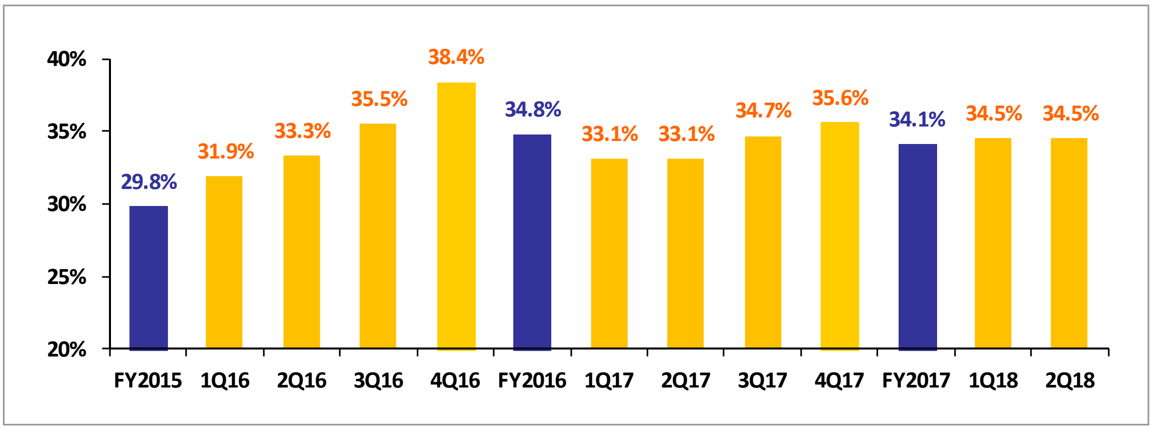
The Regional Markets

For our Regional Markets, revenues for 2Q 2018 were higher by 5.8% Y-o-Y in the Group's USD reporting currency. 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, Regional Markets' 2Q 2018 sales would have been higher 13.6%.

Review of Profitability

On the back of the revenue of US$216.4 million, the Group generated EBITDA (excluding exceptional/non-recurring items) of US$27.4 million for 1H 2018. The underlying performance reflected: (i) the higher revenue achieved; and (ii) improvement in margins. The Group's 1H 2018 Gross Profit Margin improved by 1.4% point 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.

In addition to the Gross Profit Margin improvement, the Group generated EBITDA margin of 12.7% which was 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 continue 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.

As a result of the alleged improper transactions uncovered in the Philippines, an exceptional charge of US$0.5 million in 2Q and 1H 2018 was recognized, and the 1H 2017 income statement has also been restated to record an exceptional charge of US$1.0 million. For more details, please see Note 3 on page 3 and 4.

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. Since then, the Company has not been notified of any further claims. At 30 June 2018 the Company's total exposure in respect of tax and labour claims in Brazil has reduced to BRL 83,496,240 (equivalent to US$21.5 million based on end-June 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 30 June 2018. 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.

<u>Review of Financial Position and Cash Flow</u>

Balance Sheet as at	30-Jun-18	31-Dec-17 (restated)	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**53,763**	67,368	(13,605)
Total Assets	**354,786**	353,417	1,369
Borrowings	**48,816**	52,200	(3,384)
Foreign currency translation reserves	**(9,273)**	539	(9,812)
Shareholders' Equity	**205,156**	205,808	(652)

As at 30 June 2018, the Group and Company maintains a healthy cash balance of US$53.8 million and US$48.2 million respectively after making a FY2017 final dividend payment of US$3.5 million (see paragraph 1(d)(i) on page 12) , and an acquisition of perpetual rights to “Van Houten” chocolate brand US$13.0 million (paragraph 1(b) Note 1 on page 6). The cash balance will be sufficient to support its foreseeable near term business and investment needs together with any contingent liabilities

Despite a 1H 2018 Net Profit of US$12.7 million, shareholders’ equity decreased by US$0.7 million. This resulted from a 1H 2018 foreign currency translation loss of US$9.8 million due to a depreciation of the Indonesian Rupiah during the period under review; coupled with the final dividend payout.

For 1H 2018, the Group generated an operating cash flow of US$27.4 million which was utilized to fund the Group’s higher working capital needs and its capital expenditure on property, plant and equipment and SAP project of US$2.4 million (see paragraph 1(b) Note 2 and 3 on page 6). The higher working capital was due mainly to an increase in trade receivables of US$17.7 million. This reflected higher sales to Modern Trade customers which have longer trading terms as the Group progressively cover the direct distribution to minimarkets as well as a slowdown in collection during festive holidays in end June (see paragraph 1(b) Note 3). The increase in trade receivables was partially offset by lower inventories of US$5.3 million.

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 2Q and 1H 2018 are in line with the commentary made on 7 May 2018 in paragraph 10 of the Group’s “1Q 2018 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 continuing 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 especially 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, we believe 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 or partnerships meet our investment criteria.

11. Dividend

a. Current Financial Period Reported On

Whether an interim (final) ordinary dividend has been declared (recommended)? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.47 cents per ordinary share

An interim dividend of 1.08 US cents or 1.47 Singapore cents per share is declared based on 611,157,000 ordinary shares issued. Together with the cash distribution of 0.58 US cents or 0.76 Singapore cents paid on 18 May 2018, the total cash distributions received by shareholders this year will amount to 1.66 US cents or 2.23 Singapore cents per share.

b. Corresponding Period of the Immediately Preceding Financial Year

Any interim/final dividend declared for the preceding financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.66 cents per ordinary share

c. Date payable

The interim dividend will be paid on 7 September 2018.

d. Books closure date

NOTICE IS HEREBY GIVEN that, the Transfer Books and the Register of Members of the Company will be closed at 5:00 p.m. on 24 August (“Books Closure Date”) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068906 before 5:00 p.m. on Books Closure Date will be registered to determine shareholder’s entitlement to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (“CDP”), the interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim dividend entitlement to the CDP account holders in accordance with its normal practice.

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

Not applicable

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

The 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	
	2Q 2018	**1H 2018**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	12	50
- Purchase of products	3,512	6,907
	3,524	**6,957**
PT Fajar Mataram Sedayu		
- Purchase of goods	256	388
	256	**388**
	3,780	**7,345**

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 2nd Quarter and Half Year ended 30 June 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

2 August 2018