Delfi Limited
Unaudited Financial Statements and Dividend Announcement
For the 3rd Quarter and Nine Months Ended 30 September 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		
		3Q ended 30 September			9M ended 30 September		
		2018	2017 (restated)[a]	Change	**2018**	2017 (restated)[a]	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Revenue	1	**102,692**	87,759	17.0	**319,103**	281,530	13.3
Cost of Sales		**(67,908)**	(57,264)	18.6	**(209,651)**	(186,900)	12.2
Gross Profit		**34,784**	30,495	14.1	**109,452**	94,630	15.7
Other operating income	2	**843**	431	95.7	**2,667**	6,161	(56.7)
Expenses							
Selling and distribution costs		**(20,989)**	(18,776)	11.8	**(63,196)**	(55,359)	14.2
Administrative expenses		**(5,866)**	(5,281)	11.1	**(17,785)**	(14,927)	19.1
Finance costs		**(711)**	(667)	6.6	**(2,237)**	(2,256)	(0.8)
Other operating expenses	3	**(852)**	(72)	1,075.2	**(855)**	(510)	67.5
Exceptional items[b]	4	**(403)**	-	NM	**(855)**	(1,053)	(18.8)
Share of loss of associated company and joint ventures	5	**(18)**	(611)	(97.1)	**(180)**	(388)	(53.7)
Profit before income tax		**6,788**	5,519	23.0	**27,011**	26,298	2.7
Income tax expense	6	**(2,791)**	(2,166)	28.9	**(10,282)**	(9,039)	13.8
Total profit	7	**3,997**	3,353	19.2	**16,729**	17,259	(3.1)
Profit/(loss) attributable to:							
Equity holders of the Company		**3,997**	3,353	19.2	**16,730**	17,260	(3.1)
Non-controlling interest		**-**	-	NM	**(1)**	(1)	0.0
		3,997	3,353	19.2	**16,729**	17,259	(3.1)
EBITDA		**10,429**	9,380	11.2	**37,850**	33,237	13.9
Earnings per ordinary share (US cents) - Basic and Diluted[c]							
- Exclude exceptional/non-recurring items		**0.72**	0.55	31.2	**2.88**	2.28	26.1
- Include exceptional/non-recurring items		**0.65**	0.55	19.2	**2.74**	2.82	(3.1)
Return on equity							
- Exclude exceptional/non-recurring items[d]					11.7%[f]	8.9%[e]	2.8% pt
- Include exceptional/non-recurring items[d]					11.1%[f]	10.5%[e]	0.6% 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 3Q 2017 and 9M 2017 income statement has been restated to reflect this. Please see paragraph 4 on page 17.

b. The discovery of a number of 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 4 on page 4.

For 3Q 2018, the US$0.4 million pertains to professional fees incurred for the investigation carried out.

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$0.9 million and US$1.0 million in 9M 2018 and 9M 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.

	3Q ended 30 September			9M ended 30 September		
	2018	2017	Change	**2018**	2017	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Indonesia	**72,388**	62,228	16.3	**229,150**	200,638	14.2
Regional Markets	**30,304**	25,531	18.7	**89,953**	80,892	11.2
	102,692	87,759	17.0	**319,103**	281,530	13.3

(b) Breakdown of Sales

	3Q ended 30 September			9M ended 30 September		
	2018	2017	Change	**2018**	2017	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Own Brands	**65,043**	54,542	19.3	**207,790**	175,982	18.1
Agency Brands	**37,649**	33,217	13.3	**111,313**	105,548	5.5
	102,692	87,759	17.0	**319,103**	281,530	13.3

In April 2018, the Company acquired the exclusive and perpetual license and associated rights to the "Van Houten" brand name for consumer chocolate and consumer cocoa products for key markets in Asia Pacific from Hershey Singapore Pte Ltd, part of The Hershey Company. In 3Q and 9M 2018, Van Houten contributed US$2.2 million and US$6.1 million to Group's Own Brands sales. Prior to the acquisition, Van Houten was classified as an Agency Brand. Please see paragraph 1(b)(i) Note 1 on page 7.

Note 2 - Other Operating Income

Included in 9M 2017's other operating income was the pre-tax gain of US$4.6 million (after deducting fees and other charges) recognized on completion of the divestment of the Company's 50% stake in PT Ceres Meiji Indotama ("CMI") for US$8.3 million on 10 May 2017.

Note 3 - Other Operating Expense

In 3Q 2018, one of the Company's subsidiaries in Indonesia incurred a charge of US$0.7 million arising from a customs duty audit.

Note 4 - Exceptional Items

In June 2018, the Group discovered 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 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. 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 and professional accounting firm, the Group is undertaking a thorough review of the financials, the structure, the system and procedures of DMI's finance function.

The forensic investigation into these activities resulted in the identification of improper transactions between 2013 and 2018 amounting to 165 million Philippine Peso (equivalent to US$3.0 million at 30 September 2018 exchange rate). As a result, the Group recognized an exceptional charge of US$0.5 million in 2Q and 1H 2018. The Group's 1H 2017 income statement has also been restated to record an exceptional charge of US$1.0 million for the improper transactions found in year 2017. From a Balance Sheet perspective, 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.

For 3Q 2018, the US$0.4 million expense recognized pertains mainly to professional fees incurred for the investigation carried out.

While the Group considers this matter to be very serious indeed, the impact of these improper transactions does not significantly affect the Group's reported results. The Company has engaged Philippines law firms, Angara Abello Concepcion Regala & Cruz and Poblador, Bautista & Reyes, to pursue legal action and all remedies available. The matter is now in the hands of the lawyers.

Note 5 - Share of Loss of Associated Company and Joint Ventures

In 3Q 2017, the Company paid US$0.6 million for its share of the liquidation cost as part of an agreement with partners Cemoi Group and Bloomer Chocolate Company that will lead to the winding down of the PACTS (Processors Alliance For Cocoa Traceability and Sustainability) programme.

Note 6 - Income Tax Expense

The Group's 3Q and 9M 2018 higher effective tax rates can be attributed to non-deductible exceptional charges. A withholding tax of US$0.7 million and US$2.1 million was also recognized on dividend and royalty income received from its Indonesia entities for 3Q and 9M 2018 (compared to US$0.7 million and US$1.7 million for 3Q and 9M 2017). In 2Q 2017, the gain on sale of CMI was exempted from tax in Singapore.

Note 7 - Net Profit

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

		3Q ended 30 September			9M ended 30 September		
		2018	2017	Change	**2018**	2017	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment		**(2,568)**	(2,844)	(9.7)	**(7,939)**	(8,274)	(4.0)
Amortization of intangible assets	a	**(254)**	(40)	535.0	**(695)**	(114)	509.6
Net foreign exchange gain/(loss)		**298**	(34)	NM	**1,042**	(74)	NM
Group over/(under) provision of tax in prior years		**346**	51	578.4	**(380)**	(481)	(21.0)
Gain on disposal of property, plant and equipment		**87**	150	(42.0)	**167**	205	(18.5)
(Impairment loss)/write-back on trade receivables		**(21)**	4	NM	**40**	55	(27.3)
Inventories written-off	b	**(1,086)**	(937)	15.9	**(1,691)**	(1,621)	4.3
Write-back/(allowance made) for inventory obsolescence	b	**307**	(355)	NM	**(737)**	(1,499)	(50.8)

a. The higher amortization of intangible assets is attributable to the completion of the implementation of the SAP Enterprise Resource Planning (ERP) system in all of the Group's subsidiaries.

b. With the rationalization of lower performing Agency Brands and Own Brands SKU's completed in 2017, total inventories written-off and allowance for inventory obsolescence for 3Q and 9M 2018 was lower Y-o-Y.

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-Sep-18	31-Dec-17 (restated)[a]	1-Jan-17 (restated)[a]	30-Sep-18	31-Dec-17
	Notes	US$'000	US$'000	US$'000	US$'000	US$'000
ASSETS						
Current assets						
Cash and cash equivalents	1	**51,308**	67,368	67,737	**43,310**	58,894
Derivative assets		**7**	-	4	**7**	-
Trade receivables	3	**75,665**	59,787	61,552	**1,701**	1,110
Loans to subsidiaries		**-**	-	-	**1,000**	600
Loans to joint ventures		**60**	60	-	**60**	60
Inventories	3	**60,819**	65,080	54,680	**40**	-
Contract assets		**3,118**	3,173[c]	3,510	**-**	-
Tax recoverable		**1,086**	1,004	5,792	**-**	-
Other current assets		**17,055**	16,200	12,698	**2,013**	4,034
		209,118	212,672	205,973	**48,131**	64,698
Non-current assets						
Investments in subsidiaries		**-**	-	-	**35,935**	35,935
Investments in associated companies and joint ventures		**3,650**	3,830	2,769	**3,900**	3,900
Loans to associated company		**856**	930	932	**-**	-
Property, plant and equipment	2	**107,328**	123,113	126,768	**653**	751
Intangibles assets	1, 2	**22,303**	8,564	5,243	**17,581**	4,543
Deferred income tax assets		**1,541**	1,610	1,173	**-**	-
Other non-current assets		**3,893**	2,698	3,173	**-**	-
		139,571	140,745	140,058	**58,069**	45,129
Total Assets		**348,689**	353,417	346,031	**106,200**	109,827
LIABILITIES						
Current liabilities						
Trade payables		**30,159**	30,593	34,689	**511**	1,075
Contract liabilities		**4,090**	4,367[c]	4,825	**-**	-
Other payables	4	**53,320**	44,447	39,592	**3,519**	3,693
Current income tax liabilities		**1,577**	1,506	1,382	**-**	-
Derivative liabilities		**3**	143	91	**3**	82
Borrowings	5	**47,928**	47,136	44,197	**115**	104
		137,077	128,192	124,776	**4,148**	4,954
Non-current liabilities						
Borrowings	5	**805**	5,064	9,578	**166**	172
Deferred income tax liabilities		**485**	1,291	1,628	**-**	-
Provisions for other liabilities and charges		**12,574**	12,940	11,654	**-**	-
		13,864	19,295	22,860	**166**	172
Total liabilities		**150,941**	147,487	147,636	**4,314**	5,126
NET ASSETS		**197,748**	205,930	198,395	**101,886**	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		**(14,281)**	539[c]	-	**-**	-
Other reserves		**982**	1,010	1,760	**-**	-
Retained earnings[b]		**114,994**	108,323[c]	100,585	**5,950**	8,765
		197,631	205,808	198,281	**101,886**	104,701
Non controlling interest		**117**	122	114	**-**	-
Total equity		**197,748**	205,930	198,395	**101,886**	104,701

a 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.

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

c Please refer to paragraph 4(a) to 4(c) on page 17 and page 18.

Explanatory Notes on Statement of Financial Position

Note 1 - Cash and Intangible Assets

On 13 April 2018, the Company acquired the perpetual and exclusive licence and associated rights to the "Van Houten" brand name for consumer chocolate and consumer cocoa products for markets in Asia Pacific (excluding Korea, India and the Middle East) for US$13.0 million.

Currently, the main markets for the Van Houten consumer chocolate and cocoa products are Indonesia, Thailand, Malaysia, and Singapore with a small presence in the Philippines and Vietnam. Prior to the acquisition, the Group's wholly owned subsidiary, PT Perusahaan Industri Ceres, had 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.

Included in intangible assets was the SAP Enterprise Resource Planning system implemented. As at end 3Q 2018, the Company has completed the implementation of the SAP platform for all its subsidiaries.

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

The allocation of capital expenditure for 3Q 2018 by geographical region is as follows:

	3Q 2018	3Q 2017	**9M 2018**	9M 2017
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**870**	3,878	**2,377**	7,933
Regional Markets	**1,746**	836	**2,641**	1,346
	2,616	4,714	**5,018**	9,279

The increase in 3Q 2018's capital expenditure for the Regional Markets can be attributed mainly to the Group's completion of its implementation of the SAP platform (see Note 1 above).

Note 3 - Trade Receivables and Inventories

Compared to end-2017, receivables were higher by US$15.9 million on increased sales to minimarkets which carry longer settlement terms. In 3Q 2018, the Group, in Indonesia, has progressively taken over from its Regional Distributors to distribute directly to its Modern Trade customers' distribution centres in order to improve its customer service levels. The increase in debtors was partially offset by lower inventories of US$4.3 million.

Note 4 - Other Payables

The increase in other payables of US$8.9 million during 9M 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.

Note 5 - Borrowings

	Group		Company	
	30-Sep-18	31-Dec-17	**30-Sep-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**17,044**	16,963	**-**	-
Bank borrowings	**24,567**	24,310	**-**	-
Finance lease liabilities	**355**	547	**281**	276
Trade finance	**6,767**	10,380	**-**	-
	48,733	52,200	**281**	276
Breakdown of borrowings:				
Current	**47,928**	47,136	**115**	104
Non-current	**805**	5,064	**166**	172
	48,733	52,200	**281**	276

Note 6 - Key Ratios

	30-Sep-18	31-Dec-17 (restated)
Current ratio	**1.53**	1.66
Average inventory days	**82**	87
Average receivable days	**58**	58
Average payable days	**40**	47
Return on equity (see paragraph 1(a) on page 2)	**11.1%**	10.5%

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-Sep-18	31-Dec-17	**30-Sep-18**	31-Dec-17
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**10,442**	12,411	**115**	104
- Unsecured	**37,486**	34,725	**-**	-
	47,928	47,136	**115**	104
Amount repayable after one year				
- Secured	**200**	219	**166**	172
- Unsecured	**605**	4,845	**-**	-
	805	5,064	**166**	172

Details of collateral

Of the Group's total bank borrowings as at 30 September 2018, US$10.6 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 30-Sep-18 US$'000	30-Sep-17 (restated) US$'000
Cash flows from operating activities			
Total profit		**16,729**	17,259
Adjustments:			
Income tax expense		**10,282**	9,039
Depreciation and amortization		**8,634**	8,388
Gain on disposal of property, plant and equipment		**(167)**	(205)
Exceptional items	Para 1(a) Note 4	**855**	1,053
Interest income		**(887)**	(689)
Interest expense		**2,237**	2,256
Fair value gain on derivatives		**(147)**	(54)
Gain on sale of associated company		**-**	(4,633)
Share of loss from associated company and joint ventures		**180**	388
Operating cash flow before working capital changes		**37,716**	32,802
Change in working capital			
Inventories		**4,262**	(5,711)
Trade and other receivables		**(17,929)**	16
Contract assets		**55**	201
Trade and other payables		**1,500**	4,963
Contract liabilities		**(277)**	(297)
Exceptional loss	Para 1(a) Note 4	**(855)**	(1,053)
Cash generated from operations		**24,472**	30,921
Interest received		**887**	689
Income tax paid	1	**(10,885)**	(5,877)
Net cash provided by operating activities		**14,474**	25,733
Cash flows from investing activities			
Purchases of property, plant and equipment	2	**(3,190)**	(9,195)
Investment in joint ventures		**-**	(3,900)
Payments for intangible assets	Para 1(b) Note 1	**(14,793)**	(339)
Proceeds from disposal of associated company		**-**	8,197
Proceeds from disposal of property, plant and equipment		**177**	238
Net cash used in investing activities		**(17,806)**	(4,999)
Cash flows from financing activities			
Proceeds from bank borrowings		**9,017**	12,195
(Repayment of)/proceeds from trade finance		**(3,613)**	1,619
Repayment of bank borrowings		**(6,630)**	(10,981)
Repayment of lease liabilities		**(275)**	(708)
Interest paid		**(2,237)**	(2,256)
Dividends paid to equity holders of company		**(10,059)**	(13,306)
Net cash used in financing activities		**(13,797)**	(13,437)
Net (decrease)/increase in cash and cash equivalents		**(17,129)**	7,297
Cash and cash equivalents			
Beginning of financial year		**50,405**	45,235
Effects of currency translation on cash and cash equivalents		**988**	128
End of financial year		**34,264**	52,660

Notes

1 In 9M 2017, one of the Company's Indonesian subsidiaries received a tax refund of IDR 62.0 billion (US$4.6 million).

2 In 9M 2018, the amount excludes addition of property, plant and equipment of US$0.1 million (9M 2017: US$0.1 million) that were financed by lease liabilities.

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

	Period ended	
	30-Sep-18	30-Sep-17
	US$'000	US$'000
Cash and bank balances	**6,210**	10,319
Short term deposits	**45,098**	52,336
Less: Bank overdrafts	**(17,044)**	(9,995)
	34,264	52,660

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	(6,630)	9,017	-	(2,130)	24,567
Lease liabilities	547	(275)	-	108	(25)	355
Trade finance	10,380	(3,613)	-		-	6,767

Consolidated Statement of Comprehensive Income

	3Q ended 30 September		9M ended 30 September	
	2018	2017 (restated)	**2018**	2017 (restated)
	US$'000	US$'000	**US$'000**	US$'000
Profit for the period	**3,997**	3,353	**16,729**	17,259
Other comprehensive (loss)/income:				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from consolidation	**(5,009)**	(1,911)	**(14,824)**	316
Items that will not be reclassified to profit or loss:				
Defined pension benefits obligation				
- Remeasurements of defined pension benefits obligation	**-**	1	**-**	(7)
- Tax on remeasurements	**-**	-	**-**	2
- Share of other comprehensive loss of associated companies	**-**	-	**(28)**	(9)
	-	1	**(28)**	(14)
Other comprehensive (loss)/income, net of tax	**(5,009)**	(1,910)	**(14,852)**	302
Total comprehensive (loss)/income for the year	**(1,012)**	1,443	**1,877**	17,561
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(1,011)**	1,442	**1,882**	17,555
Non-controlling interest	**(1)**	1	**(5)**	6
	(1,012)	1,443	**1,877**	17,561

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								
1H 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/(loss) for the period	-	-	-	-	12,733	12,733	(1)	12,732
Other comprehensive loss for the period	-	(9,812)	-	(28)	-	(9,840)	(3)	(9,843)
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
3Q 2018								
Balance at 1 July 2018	95,936	(9,273)	2,296	(1,314)	117,511	205,156	118	205,274
Profit for the period	-	-	-	-	3,997	3,997	-	3,997
Other comprehensive loss for the period	-	(5,008)	-	-	-	(5,008)	(1)	(5,009)
Interim dividend relating to 2018	-	-	-	-	(6,514)	(6,514)	-	(6,514)
Balance at 30 September 2018	95,936	(14,281)	2,296	(1,314)	114,994	197,631	117	197,748

[1] Please refer to para 1(a) Note 4 on page 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								
1H 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	-	-	-	-	13,907	13,907	(1)	13,906
Other comprehensive income/(loss) for the period	-	2,221	-	(15)	-	2,206	6	2,212
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
3Q 2017								
Balance at 1 July 2017	95,936	2,221	2,222	(477)	108,686	208,588	119	208,707
Profit for the period	-	-	-	-	3,353	3,353	-	3,353
Other comprehensive (loss)/income for the period	-	(1,912)	-	1	-	(1,911)	1	(1,910)
Interim dividend relating to 2017	-	-	-	-	(7,500)	(7,500)	-	(7,500)
Balance at 30 September 2017	95,936	309	2,222	(476)	104,539	202,530	120	202,650

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

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			
1H 2018			
Balance as at 31 December 2017	95,936	8,765	104,701
Profit for the period	-	4,055	4,055
Final dividend relating to 2017	-	(3,545)	(3,545)
Balance at 30 June 2018	95,936	9,275	105,211
3Q 2018			
Balance at 1 July 2018	95,936	9,275	105,211
Profit for the period	-	3,189	3,189
Interim dividend relating to 2018	-	(6,514)	(6,514)
Balance at 30 September 2018	95,936	5,950	101,886
The Company			
1H 2017			
Balance at 1 January 2017	95,936	7,232	103,168
Profit for the period	-	8,127	8,127
Final dividend relating to 2016	-	(5,806)	(5,806)
Balance at 30 June 2017	95,936	9,553	105,489
3Q 2017			
Balance at 1 July 2017	95,936	9,553	105,489
Profit for the period	-	2,314	2,314
Final dividend relating to 2016	-	(7,500)	(7,500)
Balance at 30 September 2017	95,936	4,367	100,303

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 3Q and 9M ended 30 September 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.

		3Q ended 30 September		9M ended 30 September	
		2018	2017 (restated)	**2018**	2017 (restated)
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Exclude exceptional/non-recurring items	**0.72**	0.55	**2.88**	2.28
	- Include exceptional/non-recurring items	**0.65**	0.55	**2.74**	2.82
(ii)	On a fully diluted basis - (US cents)				
	- Exclude exceptional/non-recurring items	**0.72**	0.55	**2.88**	2.28
	- Include exceptional/non-recurring items	**0.65**	0.55	**2.74**	2.82

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 September 2018 and 30 September 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-Sep-18	31-Dec-17 (restated)	**30-Sep-18**	31-Dec-17
Net asset value per ordinary share based on issued share capital - (US cents)	**32.3**	33.7	**16.5**	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)

	3Q ended 30 September				9M ended 30 September			
	2018	2017 (restated)	%	%	**2018**	2017 (restated)	%	%
	US$'000	US$'000	In USD term	In constant exchange rate	**US$'000**	US$'000	In USD term	In constant exchange rate
Indonesia	**72,388**	62,228	16.3	27.0	**229,150**	200,638	14.2	19.6
Regional Markets	**30,304**	25,531	18.7	17.0	**89,953**	80,892	11.2	6.8
REVENUE	**102,692**	87,759	17.0	24.1	**319,103**	281,530	13.3	15.9
Indonesia	**10,513**	10,163	3.4	15.6	**37,666**	34,472	9.3	15.3
Regional Markets	**(84)**	(783)	89.2	78.3	**184**	(1,235)	NM	NM
EBITDA	**10,429**	9,380	11.2	23.4	**37,850**	33,237	13.9	19.3
Profit before tax and exceptional/non-recurring items[2]	**7,191**	5,520	30.3	46.1	**27,866**	22,718	22.7	28.6
Exceptional/non-recurring items	**(403)**	-	NM	NM	**(855)**	3,580	NM	NM
Profit before tax	**6,788**	5,519	23.0	38.5	**27,011**	26,298	2.7	7.7
Net profit attributable to shareholders before exceptional/non-recurring items	**4,400**	3,353	31.2	50.6	**17,585**	13,944	26.1	33.3
Profit attributable to shareholders	**3,997**	3,353	19.2	38.0	**16,730**	17,260	(3.1)	2.5

Key performance indicators

	3Q ended 30 September			9M ended 30 September		
	2018	2017	Change	**2018**	2017	Change
Gross profit margin	**33.9%**	34.7%	(0.8)%pt	**34.3%**	33.6%	0.7%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 3Q and 9M ended 30 September 2018

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippine Peso (PHP)
3Q 2018	14,509	4.0644	1.3655	53.4063
3Q 2017	13,331	4.2822	1.3647	50.7380
Strengthened/(Weakened) Y-o-Y	*(8.80%)*	*5.09%*	*(0.06)%*	*(5.26%)*
9M 2018	13,976	3.9832	1.3381	52.2731
9M 2017	13,343	4.3604	1.3933	50.2076
Strengthened/(Weakened) Y-o-Y	*(4.74%)*	*8.65%*	*3.96%*	*(4.11%)*

2 Exceptional and non-recurring items (before tax) comprised the US$4.6 million gain on the disposal of CMI recorded in 2Q 2017 and the exceptional charges of US$0.4 million and US$0.9 million recognized in 3Q 2018 and 9M 2018 respectively (9M 2017: US$1.0 million) as a result of the improper transactions uncovered in the Philippines. See paragraph 1(a) Note 4.

Overview

Review of the Group's 3Q and 9M 2018 Financial Performance

Figure 1 - Key Financial Highlights

(In US$ Million)	3Q 2018	3Q 2017	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *	9M 2018	9M 2017	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	72.4	62.3	16.3%	27.0%	229.2	200.6	14.2%	19.6%
The Regional Markets	30.3	25.5	18.7%	17.0%	89.9	80.9	11.2%	6.8%
Total Revenue	**102.7**	**87.8**	**17.0%**	**24.1%**	**319.1**	**281.5**	**13.3%**	**15.9%**
Gross Profit Margin (%)	33.9%	34.7%	(0.8% pt)	(0.8% pt)	34.3%	33.6%	0.7% pt	0.7% pt
EBITDA (excl exceptional/non-recurring items)	**10.4**	**9.4**	**11.2%**	**23.4%**	**37.9**	**33.2**	**13.9%**	**19.3%**
EBITDA (incl exceptional/non-recurring items)	**10.0**	**8.8**	**13.7%**	**26.5%**	**37.0**	**36.3**	**2.0%**	**6.9%**
PATMI (excl exceptional/non-recurring items) **	**4.4**	**3.4**	**31.2%**	**50.6%**	**17.6**	**13.9**	**26.1%**	**33.3%**
PATMI (incl exceptional/non-recurring items)	**4.0**	**3.4**	**19.2%**	**38.0%**	**16.7**	**17.3**	**(3.1%)**	**2.5%**

Notes:

* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 3Q and 9M 2017 in translating the 3Q and 9M 2018 results.

** The exceptional/non-recurring items in 2017 and 2018 pertain to (1) the charge of US$0.4 million incurred in 3Q 2018 (9M 2018: US$0.9 million) and US$1.0 million in 2Q 2017 as a result of the 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.

Continuing from 1H 2018's positive momentum, the Group achieved revenue of US$102.7 million and PATMI of US$4.0 million for 3Q 2018, representing Year-on-Year (Y-o-Y) growth of 17.0% and 19.2% respectively, in the Group's US Dollar reporting currency. For 9M 2018, revenue and PATMI totalled US$319.1 million and US$16.7 million respectively.

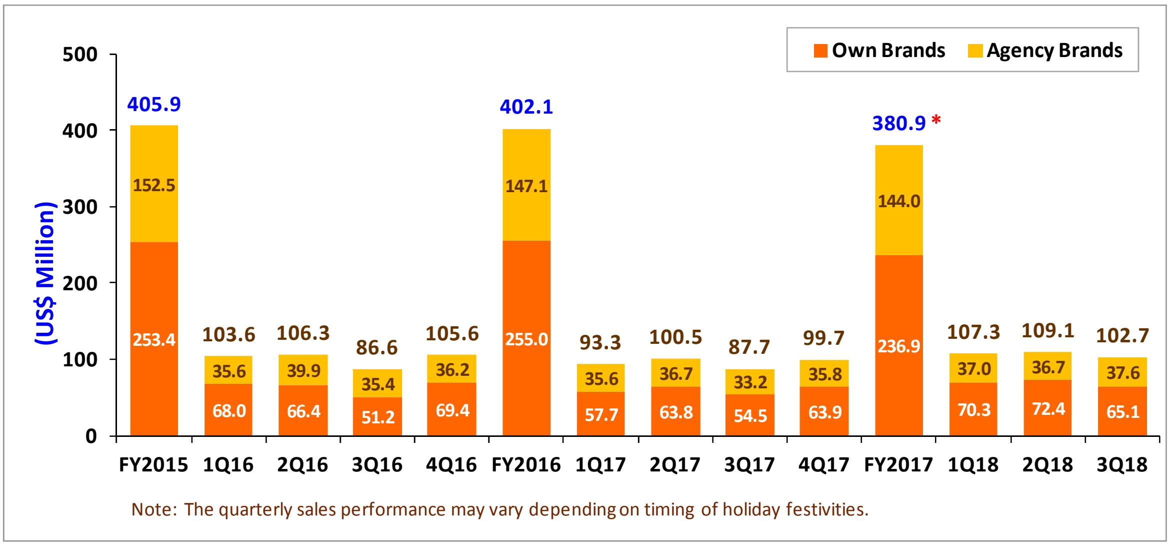
The growth achieved, despite the weakness in the regional currencies (especially the Indonesian Rupiah and Philippine Peso), can be attributed to higher Own Brands sales reflecting the benefits of our growth initiatives implemented over the past two years and the growing chocolate confectionery markets in Indonesia and the Philippines. 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, the Group's sales of Own Brands products were higher Y-o-Y by 19.3% and 18.1% for 3Q and 9M 2018 respectively in the Group's US Dollar reporting currency (or in Local Currency terms, Y-o-Y growth of 29.1% and 23.2% respectively). The growth of Own Brands was driven mainly by our product portfolio in Indonesia which increased over 20% Y-o-Y reflecting the following:

i. Higher sales growth of our products in the premium format category; and
ii. Benefits from our initiative of direct shipments to some of our retail customers.

In 3Q 2018, our Agency Brands business across our markets achieved Y-o-Y revenue growth of 13.3% driven mainly by our businesses in Malaysia and the Philippines which achieved double digit growth. To provide better clarity on the performance of Agency Brands, the following should be highlighted - (i) For Indonesia, sales of Van Houten products are now classified 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 21.8% Y-o-Y, in the Group's US Dollar reporting currency.

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



<u>Note</u>:

* Figures may not add up due to restatement of 1Q, 2Q and 3Q 2017 with adoption of SFRS(I) - para 4.

The Group's profitability in 3Q and 9M 2018 was as follows:

i. EBITDA (excluding the exceptional/non-recurring items) of US$10.4 million and US$37.9 million - Y-o-Y growth of 11.2% and 13.9% respectively in the Group's US Dollar reporting currency (or in local currency terms, growth of 23.4% and 19.3%).

ii. PATMI (excluding the exceptional/non-recurring items) of US$4.4 million and US$17.6 million - Y-o-Y growth of 31.2% and 26.1% in the Group's US Dollar reporting currency (or in local currency terms, growth of 50.6% and 33.3%).

The Group's financial position remains strong with cash balance of US$51.3 million at 30 September 2018 which should adequately support the Group's foreseeable near term business and investment needs.

Performance Review by Markets

Indonesia

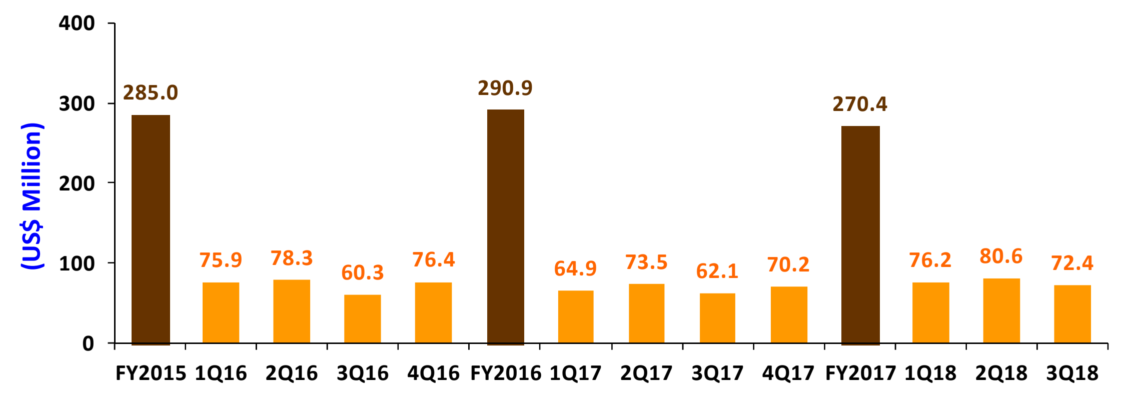
Our business in Indonesia achieved 3Q 2018 revenue of US$72.4 million and 9M 2018 revenue of US$229.2 million, higher Y-o-Y by 16.3% and 14.2% respectively, in the Group's US Dollar reporting currency. The main driver of growth was Own Brands sales which grew in excess of 20% for the periods under review. The growth can be attributed to higher sales achieved by our premium brands of *SilverQueen, Delfi* Premium, *Selamat, Ceres* and *Cha Cha*.

With our acquisition of the exclusive and perpetual rights to the Van Houten brand, sales of Van Houten products, since 2Q 2018, have been reclassified to Own Brands sales whereas in prior periods they were classified as Agency Brands. For 9M 2018, Van Houten sales in Indonesia were higher Y-o-Y by 4.8%.

In addition to continued growth in the consumption of chocolate confectionery, the sales growth generated by our portfolio of Own Brands products reflected the benefits of the growth initiatives that we have implemented over the past two years. Initiatives like (i) focusing on higher sales velocity and/or margin performance products; (ii) withdrawing lower performing SKU's; and (iii) reorganizing our supply chain management, for example, implementing direct deliveries to the distribution centres of some of our Modern Trade customers. The supply chain 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



Note: The quarterly sales performance may vary depending on timing of holiday festivities.

To position our business for long term success, we focused 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 for the remainder of 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 19.1% with the double digit growth achieved for some of our core Agency Brands in confectionery and snacking, and breakfast categories.

The Regional Markets

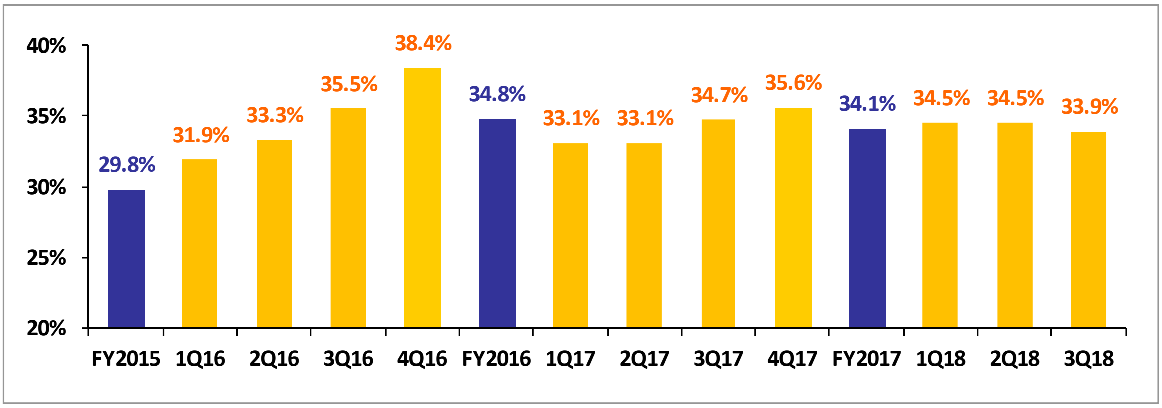
For our Regional Markets, revenues for 3Q 2018 and 9M 2018 were higher Y-o-Y by 18.7% and 11.2% respectively in the Group's US Dollar reporting currency. The growth was mainly driven by higher sales in Malaysia while growth of Own Brands sales in the Philippines reflected our "*Goya - A Taste of World 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' 3Q 2018 sales would have been higher 20.7%.

Review of Profitability

On the back of the revenue achieved, the Group generated EBITDA (excluding exceptional/non-recurring items) of US$10.4 million and US$37.9 million for 3Q and 9M 2018 respectively. The underlying performance reflected: (i) the higher revenue achieved; and (ii) for 9M 2018, the improvement in Gross Profit Margin in 1H 2018. For 3Q 2018, Gross Profit Margin was lower Y-o-Y by 0.8% point on the back of higher raw material costs as a result of the currency headwinds faced. For example, the Indonesian Rupiah in 3Q 2018 weakened against the US Dollar by an average of 8.8%.

To mitigate the impact of higher input costs, we had implemented a product resizing programme on some of our products in 3Q 2018.

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.

For Own Brands, our ongoing strategy to tackle higher input costs includes a combination of the following: pro-active price adjustments and product right-sizing, launch of new higher margined products and cost containment initiatives. In addition, the strategy of buying forward our main raw material requirements in a timely manner serves to lock-in forward costs to a major extent thus providing greater cost visibility and margin stability.

The Group's EBITDA growth of 11.2% and 13.9% for 3Q and 9M 2018 respectively was achieved despite sales and distribution costs remaining high as a percentage of 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. The Y-o-Y increase in administrative expense in 3Q 2018 reflected mainly the costs incurred for implementation of the SAP system.

As a result of the improper transactions uncovered in the Philippines, an exceptional charge of US$0.4 million in 3Q and US$0.9 million in 9M 2018 were recognized, and the 9M 2017 income statement has also been restated to record an exceptional charge of US$1.0 million. For more details, please see Note 4 on page 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 September 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$20.6 million based on end-September 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 September 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.

Review of Financial Position and Cash Flow

Balance Sheet as at	30-Sep-18	31-Dec-17	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**51,308**	67,368	(16,060)
Total assets	**348,689**	353,417	(4,728)
Borrowings	**48,733**	52,200	(3,467)
Foreign currency translation reserves	**(14,281)**	539	(14,820)
Shareholders' equity	**197,631**	205,808	(8,177)

As at 30 September 2018, the Group and Company had a healthy cash balance of US$51.3 million and US$43.3 million respectively after the two dividend payments in 2018, totaling US$10.1 million (see paragraph 1(d)(i) on page 13), and the acquisition of the exclusive and perpetual rights to “Van Houten” chocolate brand for US$13.0 million (paragraph 1(b) Note 1 on page 7). The cash balance will be sufficient to support its foreseeable near term business and investment needs together with any contingent liabilities.

Despite the 9M 2018 Net Profit of US$16.7 million, shareholders’ equity decreased by US$8.2 million as a result of the 9M 2018 foreign currency translation loss of US$14.8 million. This is due to the depreciation of the Indonesian Rupiah and Philippine Peso during the period under review; coupled with the dividend payouts.

For 9M 2018, the Group generated an operating cash flow of US$37.7 million which was utilized to fund the Group’s higher working capital needs and its capital expenditure on property, plant and equipment and the SAP project totalling US$5.0 million (see paragraph 1(b) Note 2 and 3 on page 7). The higher working capital was due mainly to an increase in trade receivables of US$15.9 million. This reflected higher sales to Modern Trade customers which have longer trading terms as the Group progressively covers the direct distribution to minimarkets customers. The increase in trade receivables was partially offset by lower inventories of US$4.3 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 3Q and 9M 2018 are in line with the commentary made on 2 August 2018 in paragraph 10 of the Group’s “2Q and 1H 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 focus 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. To mitigate the impact of higher input costs as a result of the continued weakness in regional currencies, we will continue our product resizing programme whilst launching higher margined products. In addition, we will assess implementing price increases where appropriate.

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)? 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 3Q 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**	
	3Q 2018	**9M 2018**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	9	59
- Purchase of products	3,187	10,057
	3,196	**10,116**
PT Fajar Mataram Sedayu		
- Purchase of goods	276	662
	276	**662**
	3,472	**10,778**

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 Liep, 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 3rd Quarter and 9M ended 30 September 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

12 November 2018