
Unaudited Financial Statements Announcement for the period ended 31 March 2019

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

1(a)(i) Consolidated Statement of Comprehensive Income

	3 Months	
	01.01.2019 to 31.03.2019	01.01.2018 to 31.03.2018
	S\$'000	S\$'000
Revenue	92,599	91,774
Cost of sales	(61,041)	(60,562)
Gross profit	31,558	31,212
Other income	1,818	1,293
Other gains and (losses) - net		
- Fair value gains on financial assets	2,333	47
- Others	13,669	(1,958)
Expenses		
- Advertising and promotion	(9,446)	(4,925)
- Marketing	(380)	(362)
- Selling and distribution	(16,461)	(15,801)
- Administrative	(9,512)	(7,276)
- Finance	(182)	-
Share of profit of associated companies and a joint venture	144	151
Profit before income tax	13,541	2,381
Income tax expense	(3,382)	(1,029)
Net profit for the period attributable to equity holders of the Company	10,159	1,352
Other comprehensive income/(losses)		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges		
- Fair value losses	(186)	(159)
- Reclassification	42	208
Currency translation gains arising from consolidation	910	61
Other comprehensive income for the period, net of tax	766	110
Total comprehensive income attributable to equity holders of the Company	10,925	1,462

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Net profit for the period is derived after (crediting)/charging the following:

	3 Months	
	01.01.2019 to 31.03.2019	01.01.2018 to 31.03.2018
	S\$'000	S\$'000
<u>Revenue</u>		
Dividend income	-	(3)
<u>Cost of sales</u>		
Depreciation	1,517	1,978
Amortisation of intangible assets	34	-
Write-down of inventories, net	615	814
<u>Marketing expense</u>		
Depreciation	2	4
<u>Selling and distribution expenses</u>		
Depreciation	1,087	694
Impairment of trade receivables - net	177	33
<u>Administrative expense</u>		
Depreciation	1,202	1,092
<u>Other (gains) and losses - net</u>		
Property, plant and equipment written-off	7	1
Fair value gains on financial assets designated as fair value through profit or loss at initial recognition - net	(2,333)	(47)
Currency translation loss - net	146	2,122
(Gain)/Loss on disposal of property, plant and equipment	(13,704)	1
Gain on disposal of an investment property	(28)	-
<u>Other income</u>		
Interest income	(1,201)	(663)
<u>Finance expense</u>		
Interest expense on lease liabilities	182	-
<u>Income tax</u>		
Under provision of tax in respect of prior years	488	212

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	277,630	282,729	19,339	18,916
Trade and other receivables	69,379	70,186	65,480	65,333
Inventories	51,845	61,550	-	-
Current income tax recoverable	1,645	1,881	-	-
Other financial assets	30,141	-	-	-
Non-current assets classified as held-for-sale	465	838	-	-
	431,105	417,184	84,819	84,249
Non-current assets				
Other financial assets	12,499	10,457	12,421	10,326
Loans to subsidiaries	-	-	41,052	41,052
Investments in associated companies	5,081	4,884	-	-
Investment in a joint venture	666	658	-	-
Investments in subsidiaries	-	-	317,758	317,758
Investment properties	50,434	59,131	80,077	65,000
Property, plant and equipment	227,881	212,268	2,978	3,102
Intangible assets	4,088	-	-	-
Deferred income tax assets	2,762	3,856	-	-
	303,411	291,254	454,286	437,238
Total assets	734,516	708,438	539,105	521,487
LIABILITIES				
Current liabilities				
Trade and other payables	55,455	59,967	46,227	45,638
Current income tax liabilities	5,205	1,250	168	133
Lease liabilities	2,673	-	268	-
	63,333	61,217	46,663	45,771
Non-current liabilities				
Lease liabilities	20,261	-	14,820	-
Provisions for other liabilities and charges	1,841	1,836	-	-
Deferred income tax liabilities	9,237	12,253	563	572
	31,339	14,089	15,383	572
Total liabilities	94,672	75,306	62,046	46,343
NET ASSETS	639,844	633,132	477,059	475,144
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	228,245	228,245	228,245	228,245
Capital reserve	6,066	6,066	-	-
Other reserves	(43,408)	(40,838)	-	-
Retained profits	448,941	439,659	248,814	246,899
TOTAL EQUITY	639,844	633,132	477,059	475,144

1(b)(i) Aggregate amount of group's borrowings and debt securities

The Group and the Company do not have any external borrowings and debt securities other than lease liabilities of \$22.93 million and \$15.09 million respectively as a result of implementation of SFRS(I) 16 Leases on 1 January 2019.

Details of any collateral

Refer to above.

1(c) Consolidated Statement of Cash Flows

	3 Months	
	31.03.2019	31.03.2018
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit for the period	10,159	1,352
Adjustments for :		
Income tax expense	3,382	1,029
Depreciation of property, plant and equipment	3,808	3,768
Dividend income	-	(3)
Share-based payment expense	-	66
Property, plant and equipment written-off	7	1
Unrealised currency translation differences	684	(820)
(Gain)/Loss on disposal of property, plant and equipment	(13,704)	1
Gain on disposal of an investment property	(28)	-
Fair value gains on financial assets designated as fair value through profit or loss at initial recognition - net	(2,333)	(47)
Amortisation of intangible assets	34	-
Interest expense	182	-
Interest income	(1,201)	(663)
Provision for retirement benefits	51	74
Share of profit of associated companies and a joint venture	(144)	(151)
	897	4,607
Changes in working capital :		
Trade and other receivables	(709)	2,521
Inventories	9,881	2,124
Trade and other payables	(4,755)	(10,337)
Cash generated from/(used in) operations	5,314	(1,085)
Income tax paid	(589)	(242)
Retirement benefits paid	(64)	(14)
Net cash provided by/(used in) operating activities	4,661	(1,341)

1(c) Consolidated Statement of Cash Flows (continued)

	3 Months	
	31.03.2019	31.03.2018
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received	-	3
Payments for intangible assets	(2,403)	-
Proceeds from disposal of property, plant and equipment	14,609	19
Proceeds from disposal of an investment property	9,076	-
Proceeds from disposal of financial assets, at fair value through profit or loss	100	-
Payments for purchases of property, plant and equipment	(1,395)	(1,709)
Additions to financial assets, at fair value through profit or loss	(30,000)	-
Interest received	1,201	663
Net cash used in by investing activities	(8,812)	(1,024)
Cash flows from financing activities		
Interest paid	(182)	-
Repayments of lease liabilities	(600)	-
Net cash used in financing activities	(782)	-
Net decrease in cash and cash equivalents	(4,933)	(2,365)
Cash and cash equivalents at beginning of financial period	282,729	294,843
Effects of currency translation on cash and cash equivalents	(166)	(115)
Cash and cash equivalents at end of financial period	277,630	292,363

1(d)(i) Consolidated Statement of Changes in Equity

For the quarter ended 31 March 2019

	<u>Attributable to equity holders of the Company</u>								
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000	Hedging reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 31 December 2018	228,245	6,066	6,669	(9,172)	(38,335)	-	-	439,659	633,132
Adoption of SFRS(I) 16 [^]	-	-	-	-	-	-	-	(4,213)	(4,213)
Balance at 1 January 2019	228,245	6,066	6,669	(9,172)	(38,335)	-	-	435,446	628,919
Profit for the quarter	-	-	-	-	-	-	-	10,159	10,159
Other comprehensive income for the quarter	-	-	-	910	-	-	(144)	-	766
Transfer to retained profits on realisation	-	-	(3,332)	-	(4)	-	-	3,336	-
Total comprehensive income for the quarter	-	-	(3,332)	910	(4)	-	(144)	13,495	10,925
Balance at 31 March 2019	228,245	6,066	3,337	(8,262)	(38,339)	-	(144)	448,941	639,844

[^] : Refer to Note 5 for impact on adoption of SFRS(I) 16.

1(d)(i) Consolidated Statement of Changes in Equity (continued)

For the quarter ended 31 March 2018

	Attributable to equity holders of the Company								
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Foreign	General reserve \$'000	Share-based	Hedging reserve \$'000	Retained profits \$'000	Total equity \$'000
				currency translation reserve \$'000		payment reserve \$'000			
Balance at 1 January 2018	227,563	6,066	6,697	(14,358)	(38,315)	558	(340)	468,622	656,493
Profit for the quarter	-	-	-	-	-	-	-	1,352	1,352
Other comprehensive income for the quarter	-	-	-	61	-	-	49	-	110
Transfer to retained profits on realisation	-	-	(6)	-	(4)	-	-	10	-
Total comprehensive income for the quarter	-	-	(6)	61	(4)	-	49	1,362	1,462
Employee share-based compensation scheme - Value of employee services	-	-	-	-	-	66	-	-	66
Total transactions with owners, recognised directly in equity	-	-	-	-	-	66	-	-	66
Balance at 31 March 2018	227,563	6,066	6,691	(14,297)	(38,319)	624	(291)	469,984	658,021

1(d)(i) Statement of Changes in Equity of the Company

For the quarter ended 31 March 2019

	<u>Share capital</u> \$'000	<u>Share- based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2019	228,245	-	246,899	475,144
Profit and total comprehensive income for the quarter	-	-	1,915	1,915
Balance at 31 March 2019	228,245	-	248,814	477,059

For the quarter ended 31 March 2018

	<u>Share capital</u> \$'000	<u>Share- based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2018	227,563	558	252,235	480,356
Profit and total comprehensive income for the quarter	-	-	660	660
Employee share-based compensation scheme - Value of employee services	-	66	-	66
Total transactions with owners, recognised directly in equity	-	66	-	66
Balance at 31 March 2018	227,563	624	252,895	481,082

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 year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding year of the immediately preceding financial year.

Issued and fully paid ordinary shares ('000):

As at beginning and end of period

3 months ended 31.03.2019
579,911

The Company does not have any convertibles.

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

The Company does not have any treasury shares.

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

Number of issued shares excluding treasury shares ('000)

31.03.2019	31.12.2018
579,911	579,911

The Company does not have any treasury shares.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2019 (31 December 2018: Nil).

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. Where 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.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2018 except as explained in Note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases effective on 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for leases will be measured on transition as if the new rules had always been applied.

The Group has recognised right-of-use assets of \$17,417,000 on 1 January 2019, lease liabilities of \$22,513,000 and deferred income tax assets of \$883,000. As a result, retained profits was \$4,213,000 lower on 1 January 2019.

The Company has recognised right-of-use assets and lease liabilities of \$15,149,000 on 1 January 2019 for its investment property.

Operating cash flows will increase and financing cash flows decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

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

Earnings per ordinary share of the Group

Earnings per ordinary share for the period based on net profit attributable to equity holders of the Company during the period:-

(a) Based on weighted average number of ordinary shares in issue (cents)

(b) On a fully diluted basis (cents)

Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)

Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)

Group	
3 Months	
01.01.2019 to 31.03.2019	01.01.2018 to 31.03.2018
1.75	0.23
1.75	0.23
579,911	579,393
579,911	579,864

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

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

Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period

Group		Company	
31.03.2019	31.12.2018	31.03.2019	31.12.2018
Cents	Cents	Cents	Cents
110.33	109.18	82.26	81.93

Included in net asset value per ordinary share of the Group is 47.87 cents of cash and cash equivalents per ordinary share as at 31 March 2019 (31 December 2018: 48.75 cents of cash and cash equivalents per ordinary share).

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.

8(a) Year to Date Results - 3 months ended 31 March 2019 vs. 3 months ended 31 March 2018

Group performance

The revenue and gross profit increased by 0.9% and 1.1% to \$92.60 million and \$31.56 million respectively for the financial quarter ended 31 March 2019 as compared to the corresponding financial quarter last year mainly due to higher sales in Singapore, Cambodia and Europe during the current financial quarter. Overall, net profit after tax of the Group increased by \$8.81 million from \$1.35 million recorded in the corresponding financial quarter last year to \$10.16 million in the current financial quarter. During the current financial quarter, we have rationalised our property portfolio to reduce our operating costs base including the disposal of a United States property. Accordingly, this has contributed to higher gain on disposal of property, plant and equipment in other gains, alongside higher fair value gains on financial assets. To continue to invest in our brand and protect our market share, we have increased advertising and promotion expenses during the festive season. During the financial quarter, administrative expenses have also increased from the scale up of Cambodia back-end operations in preparation of commencement of local production in later part of 2019.

8(b) Balance Sheets – 31 March 2019 vs. 31 December 2018

Group

Cash and cash equivalents decreased by \$5.10 million from \$282.73 million as at 31 December 2018 to \$277.63 million as at 31 March 2019. The decrease was mainly due to additional investments in other financial assets. Please refer to Note 8(c) for more details.

Inventories decreased by \$9.70 million from \$61.55 million as at 31 December 2018 to \$51.85 million as at 31 March 2019. The decrease was mainly due to the sell-down of stocks after the festive season.

Total other financial assets increased by \$32.18 million from \$10.46 million as at 31 December 2018 to \$42.64 million as at 31 March 2019 mainly due to additional investments of \$30.00 million and fair value gains of \$2.33 million on financial assets, at fair value through profit or loss.

Investment properties decreased by \$8.70 million from \$59.13 million as at 31 December 2018 to \$50.43 million as at 31 March 2019 mainly due to disposal of a property in United States.

Property, plant and equipment and total lease liabilities increased by \$15.61 million and \$22.93 million respectively mainly due to the recognition of right-of-use assets and corresponding lease liabilities on the adoption of SFRS(I) 16 Leases on 1 January 2019.

Intangible assets increased by \$4.09 million from acquisition of trademark licence and bottling right.

Company

Investment properties and total lease liabilities increased by \$15.08 million and \$15.09 million respectively from the adoption of SFRS(I) 16 Leases on 1 January 2019.

8(c) Consolidated Statement of Cash Flows

Year to Date - 3 months ended 31 March 2019 vs. 3 months ended 31 March 2018

The Group registered a net decrease in cash and cash equivalents of \$4.93 million for the financial quarter ended 31 March 2019.

Net operating cash inflow for the Group of \$4.66 million was mainly contributed by F&B division.

Net cash outflow from investing activities of \$8.81 million was mainly due to additions to other financial assets of \$30.00 million, payments for intangible assets of \$2.40 million; and partially offset by proceeds from disposal of United States property and other non-current assets of \$23.69 million.

Net cash outflow from financing activities of \$0.78 million was mainly due to repayment of lease liabilities.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.

In the next 12 months, the Group expects the F&B margins to remain under pressure from the weak consumption outlook for our key markets and competitive selling prices while fluctuations in raw material prices will also impact the F&B results. In addition, we note significant fluctuations in regional currencies particularly with regards to the Malaysian Ringgit, the Indonesian Rupiah and the Chinese Yuan which will also affect the Group's results. We will continue to grow our sales by rejuvenating our brand; growing our food business; and developing our agency business while we expand our product offerings to cater to the evolving and rapidly changing consumer tastes. On the operational front, we will continue to enhance operational efficiencies, mitigate risks from market fluctuations and make improvements on a continuous basis.

In the recent years, regulators have focused their efforts on promoting lower sugar consumption. Accordingly, we will continue to reformulate our beverage products to promote healthier consumption. In Malaysia, implementation of excise tax of RM40 cents per litre imposed on sweetened beverages has been postponed to 1 July 2019. The Group has taken appropriate actions to mitigate the effects of the excise tax and any other proposed tax changes that will affect the Group.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events

11. Contingent Liability

None.

12. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Period

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect.

No dividend is recommended for the financial period reported on.

14. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

15. Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers required under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dawn Tay
Company Secretary
26 April 2019

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 31 March 2019 to be false or misleading in any material respect.

On behalf of the Directors



MELVIN TEO TZAI WIN
Director



KOH BOON HWEE
Director

26 April 2019