

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements Announcement for the period ended 30 September 2018

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

	9 Months		3 Months	
	01.01.2018 to 30.09.2018	01.01.2017 to 30.09.2017	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017
	S\$'000	S\$'000 Restated ^A	S\$'000	S\$'000 Restated ^A
Revenue	269,426	256,705	85,569	87,664
Cost of sales	(179,381)	(173,381)	(55,314)	(59,389)
Gross profit	90,045	83,324	30,255	28,275
Other income	4,350	4,011	1,671	1,540
Other gains and (losses) - net	4,907	5,502	(1,959)	(302)
Expenses				
- Advertising and promotion	(17,204)	(15,685)	(5,324)	(5,670)
- Marketing	(1,028)	(1,088)	(330)	(369)
- Selling and distribution	(46,799)	(47,032)	(14,670)	(15,359)
- Administrative	(22,972)	(22,386)	(7,374)	(9,137)
Share of (loss)/profit of associated companies and a joint venture	(42)	377	(1,675)	135
Operating profit/(loss) before income tax and exceptional item	11,257	7,023	594	(887)
Income tax expense	(1,059)	(1,164)	(499)	(353)
Operating profit/(loss) after income tax and before exceptional item	10,198	5,859	95	(1,240)
<i>Exceptional item:</i>				
Other gains on disposal of investment in Super Group Ltd	-	138,350	-	-
Net profit for the period attributable to equity holders of the Company	10,198	144,209	95	(1,240)
Other comprehensive income/(losses)				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value gains	-	2,604	-	-
- Reclassification	-	(138,350)	-	-
Cash flow hedges				
- Fair value (losses)/gains	(154)	(629)	9	(285)
- Reclassification	494	52	56	88
Currency translation differences arising from consolidation				
- Losses	(1,982)	(13,695)	(7,060)	(6,624)
- Reclassification	-	(4,334)	-	2,228
Other comprehensive losses for the period, net of tax	(1,642)	(154,352)	(6,995)	(4,593)
Total comprehensive income/(losses) attributable to equity holders of the Company	8,556	(10,143)	(6,900)	(5,833)

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

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

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

	9 Months		3 Months	
	01.01.2018 to 30.09.2018	01.01.2017 to 30.09.2017	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017
	S\$'000	S\$'000 Restated [^]	S\$'000	S\$'000 Restated [^]
<u>Revenue</u>				
Dividend income	(206)	-	(2)	-
<u>Cost of sales</u>				
Depreciation	5,098	4,596	1,185	940
Write-down of inventories, net	2,055	1,922	477	743
<u>Marketing expense</u>				
Depreciation	11	12	3	4
<u>Selling and distribution expenses</u>				
Depreciation	1,899	2,069	523	593
Impairment of trade receivables - net	177	22	60	61
<u>Administrative expense</u>				
Depreciation	3,314	2,735	1,109	1,120
<u>Other (gains) and losses - net</u>				
Property, plant and equipment written-off	39	55	5	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	-	(138,350)	-	-
Gain on disposal and liquidation of subsidiaries - net	-	(6,693)	-	(131)
Fair value (gains)/losses on financial assets designated as fair value through profit or loss at initial recognition - net	(1,080)	-	2,548	-
Currency translation (gain)/loss - net	(383)	1,539	(198)	634
Gain on disposal of property, plant and equipment	(3,003)	(12)	(128)	(6)
Gain on disposal of an investment property	-	(125)	-	(125)
Gain on disposal of an associated company	(2)	-	(2)	-
<u>Other income</u>				
Interest income	(2,455)	(1,180)	(1,044)	(728)
<u>Income tax</u>				
Under/(Over) provision of tax in respect of prior years	70	13	(142)	9

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

1(b) Balance Sheets

	Group			Company		
	As at 30.09.2018	As at 31.12.2017	As at 01.01.2017	As at 30.09.2018	As at 31.12.2017	As at 01.01.2017
	S\$'000	S\$'000 Restated [^]	S\$'000 Restated [^]	S\$'000	S\$'000 Restated [^]	S\$'000 Restated [^]
ASSETS						
Current assets						
Cash and cash equivalents	287,945	294,843	92,224	10,663	21,517	23,654
Trade and other receivables	67,403	75,266	79,712	65,353	94,257	99,354
Inventories	53,282	53,457	58,006	-	-	-
Current income tax recoverable	1,613	1,952	1,197	-	-	-
Other financial assets	-	-	166,670	-	-	-
Non-current assets classified as held-for-sale	462	1,038	-	-	-	-
	410,705	426,556	397,809	76,016	115,774	123,008
Non-current assets						
Other financial assets	10,574	9,494	100	10,433	9,239	100
Loans to subsidiaries	-	-	-	41,052	14,052	22,563
Investments in associated companies	4,871	4,977	5,502	-	-	-
Investment in a joint venture	698	746	-*	-	-	-
Investments in subsidiaries	-	-	-	317,758	317,758	442,875
Investment properties	53,757	54,081	128,986	69,012	69,000	69,000
Property, plant and equipment	212,416	219,209	215,181	3,239	3,084	3,029
Deferred income tax assets	1,441	2,031	2,585	-	-	-
	283,757	290,538	352,354	441,494	413,133	537,567
Total assets	694,462	717,094	750,163	517,510	528,907	660,575
LIABILITIES						
Current liabilities						
Trade and other payables	52,114	71,036	79,650	45,342	47,718	161,022
Current income tax liabilities	938	1,021	1,895	123	137	37
	53,052	72,057	81,545	45,465	47,855	161,059
Non-current liabilities						
Provisions for other liabilities and charges	2,619	2,561	2,399	-	-	-
Deferred income tax liabilities	9,549	10,326	12,430	629	696	395
Other non-current liabilities	-	-	37	-	-	-
	12,168	12,887	14,866	629	696	395
Total liabilities	65,220	84,944	96,411	46,094	48,551	161,454
NET ASSETS	629,242	632,150	653,752	471,416	480,356	499,121
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	228,245	227,563	224,916	228,245	227,563	224,916
Capital reserve	6,066	6,066	6,066	-	-	-
Other reserves	(47,995)	(45,756)	119,402	-	558	2,313
Retained profits	442,926	444,277	303,368	243,171	252,235	271,892
TOTAL EQUITY	629,242	632,150	653,752	471,416	480,356	499,121

* : Amount is less than \$1,000.

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

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

The Group and the Company do not have any borrowings and debts securities.

Details of any collateral

Not applicable.

1(c) Consolidated Statement of Cash Flows

	9 Months		3 Months	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	S\$'000	S\$'000 Restated [^]	S\$'000	S\$'000 Restated [^]
Cash flows from operating activities				
Net profit/(loss) for the period	10,198	144,209	95	(1,240)
Adjustments for :				
Income tax expense	1,059	1,164	499	353
Depreciation of property, plant and equipment	10,322	9,412	2,820	2,657
Dividend income	(206)	-	(2)	-
Share-based payment expense	124	819	-	48
Property, plant and equipment written-off	39	55	5	-
Unrealised currency translation differences	(1,126)	(609)	(446)	(547)
Gain on disposal of property, plant and equipment	(3,003)	(12)	(128)	(6)
Gain on disposal of an investment property	-	(125)	-	(125)
Fair value (gains)/losses on financial assets designated as fair value through profit or loss at initial recognition - net	(1,080)	-	2,548	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	-	(138,350)	-	-
Gain on disposal of an associated company	(2)	-	(2)	-
Gain on disposal and liquidation of subsidiaries - net	-	(6,693)	-	(131)
Interest income	(2,455)	(1,180)	(1,044)	(728)
Provision for retirement benefits	226	64	76	44
Share of loss/(profit) of associated companies and a joint venture	42	(377)	1,675	(135)
	14,138	8,377	6,096	190
Changes in working capital :				
Trade and other receivables	8,123	4,185	6,593	3,490
Inventories	635	11,928	(2,989)	5,052
Trade and other payables	(14,055)	(7,982)	(3,310)	(2,185)
Cash generated from operations	8,841	16,508	6,390	6,547
Income tax paid	(767)	(2,992)	(247)	(1,244)
Retirement benefits paid	(151)	(72)	(37)	(42)
Net cash provided by operating activities	7,923	13,444	6,106	5,261

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

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

	9 Months		3 Months	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	S\$'000	S\$'000 Restated [^]	S\$'000	S\$'000 Restated [^]
Cash flows from investing activities				
Dividends received	206	-	203	-
Additions to investment in a joint venture	-	(791)	-	-
Proceeds from disposal of property, plant and equipment	4,099	29	4,048	6
Proceeds from disposal of an investment property	578	3,399	578	3,399
Proceeds from disposal of available-for-sale financial assets	-	169,274	-	-
Proceeds from disposal of a subsidiary, net of cash disposed of	-	61,843	-	61,843
Proceeds from disposal of an associated company	2	-	2	-
Payments for purchases of property, plant and equipment	(10,779)	(18,380)	(1,725)	(3,419)
Additions to financial assets designated at fair value through profit or loss	-	(20)	-	-
Interest received	2,455	1,180	1,044	728
Net cash (used in)/provided by investing activities	(3,439)	216,534	4,150	62,557
Cash flow from financing activity				
Dividends paid	(11,588)	(23,142)	-	(11,588)
Net cash used in financing activity	(11,588)	(23,142)	-	(11,588)
Net (decrease)/increase in cash and cash equivalents	(7,104)	206,836	10,256	56,230
Cash and cash equivalents at beginning of financial period	294,843	92,224	278,049	241,928
Effects of currency translation on cash and cash equivalents	206	(1,629)	(360)	(727)
Cash and cash equivalents at end of financial period	287,945	297,431	287,945	297,431
Represented by:				
Cash and cash equivalents as per balance sheet	287,945	297,428	287,945	297,428
Cash and cash equivalents included in assets classified as held-for-sale	-	3	-	3
Cash and cash equivalents as per above	287,945	297,431	287,945	297,431

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

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

For the financial period ended 30 September 2018

	Attributable to equity holders of the Company									
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value 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 2017	227,563	6,066	6,697	-	(69,526)	(38,315)	558	(340)	523,790	656,493
Adoption of SFRS(I) [^]	-	-	-	-	55,170	-	-	-	(79,513)	(24,343)
Balance at 1 January 2018	227,563	6,066	6,697	-	(14,356)	(38,315)	558	(340)	444,277	632,150
Profit for the period	-	-	-	-	-	-	-	-	10,198	10,198
Other comprehensive loss for the period	-	-	-	-	(1,982)	-	-	340	-	(1,642)
Transfer to retained profits on realisation	-	-	(22)	-	-	(17)	-	-	39	-
Total comprehensive income for the period	-	-	(22)	-	(1,982)	(17)	-	340	10,237	8,556
Employee share-based compensation scheme	-	-	-	-	-	-	124	-	-	124
- Value of employee services	-	-	-	-	-	-	(682)	-	-	-
- Issue of new shares	682	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	682	-	-	-	-	-	(558)	-	(11,588)	(11,464)
Balance at 30 September 2018	228,245	6,066	6,675	-	(16,338)	(38,332)	-	-	442,926	629,242

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

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

For the financial period ended 30 September 2017

	Attributable to equity holders of the Company										Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000	Hedging reserve \$'000	Retained profits \$'000		
Balance at 31 December 2016	224,916	6,066	18,857	135,746	(51,629)	(37,780)	2,313	266	380,563		679,318
Adoption of SFRS(I) ^a	-	-	-	-	51,629	-	-	-	(77,195)		(25,566)
Balance at 1 January 2017	224,916	6,066	18,857	135,746	-	(37,780)	2,313	266	303,368		653,752
Profit for the period ^a	-	-	-	-	-	-	-	-	144,209		144,209
Other comprehensive loss for the period ^a	-	-	-	(135,746)	(18,029)	-	-	(577)	-		(154,352)
Transfer to retained profits on realisation	-	-	(7,090)	-	-	(1,015)	-	-	8,105		-
Total comprehensive loss for the period	-	-	(7,090)	(135,746)	(18,029)	(1,015)	-	(577)	152,314		(10,143)
Employee share-based compensation scheme	-	-	-	-	-	-	819	-	-		819
- Value of employee services	-	-	-	-	-	-	(2,647)	-	-		-
- Issue of new shares	2,647	-	-	-	-	-	-	-	(23,142)		(23,142)
Dividends paid	-	-	-	-	-	-	-	-	-		-
Total transactions with owners, recognised directly in equity	2,647	-	-	-	-	-	(1,828)	-	(23,142)		(22,323)
Balance at 30 September 2017	227,563	6,066	11,767	-	(18,029)	(38,795)	485	(311)	432,540		621,286

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

For the quarter ended 30 September 2018

	Attributable to equity holders of the Company										Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve		Share-based payment reserve \$'000	Hedging reserve \$'000	Retained profits \$'000	Total equity \$'000	
					General reserve \$'000	Special reserve \$'000					
Balance at 1 July 2018[^]	228,245	6,066	6,686	-	(9,278)	(38,323)	-	(65)	442,811	636,142	
Profit for the quarter [^]	-	-	-	-	-	-	-	-	95	95	
Other comprehensive loss for the quarter	-	-	-	-	(7,060)	-	-	65	-	(6,995)	
Transfer to retained profits on realisation	-	-	(11)	-	-	(9)	-	-	20	-	
Total comprehensive loss for the quarter	-	-	(11)	-	(7,060)	(9)	-	65	115	(6,900)	
Balance at 30 September 2018	228,245	6,066	6,675	-	(16,338)	(38,332)	-	-	442,926	629,242	

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

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

For the quarter ended 30 September 2017

	Attributable to equity holders of the Company										Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000	Hedging reserve \$'000	Retained profits \$'000		
Balance at 1 July 2017^A	227,563	6,066	18,846	-	(13,633)	(37,788)	437	(114)	437,282		638,659
Loss for the quarter ^A	-	-	-	-	-	-	-	-	(1,240)		(1,240)
Other comprehensive loss for the quarter ^A	-	-	-	-	(4,396)	-	-	(197)	-		(4,593)
Transfer to retained profits on realisation	-	-	(7,079)	-	-	(1,007)	-	-	8,086		-
Total comprehensive loss for the quarter	-	-	(7,079)	-	(4,396)	(1,007)	-	(197)	6,846		(5,833)
Employee share-based compensation scheme	-	-	-	-	-	-	48	-	-		48
- Value of employee services	-	-	-	-	-	-	-	-	(11,588)		(11,588)
Dividends paid	-	-	-	-	-	-	-	-	-		-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	48	-	(11,588)		(11,540)
Balance at 30 September 2017	227,563	6,066	11,767	-	(18,029)	(38,795)	485	(311)	432,540		621,286

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

For the financial period ended 30 September 2018

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2018	227,563	558	252,235	480,356
Profit and total comprehensive income for the period	-	-	2,524	2,524
Employee share-based compensation scheme				
- Value of employee services	-	124	-	124
- Issue of new shares	682	(682)	-	-
Dividends paid	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	682	(558)	(11,588)	(11,464)
Balance at 30 September 2018	228,245	-	243,171	471,416

For the financial period ended 30 September 2017

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2017	224,916	2,313	271,892	499,121
Profit and total comprehensive income for the period	-	-	242	242
Employee share-based compensation scheme				
- Value of employee services	-	819	-	819
- Issue of new shares	2,647	(2,647)	-	-
Dividends paid	-	-	(23,142)	(23,142)
Total transactions with owners, recognised directly in equity	2,647	(1,828)	(23,142)	(22,323)
Balance at 30 September 2017	227,563	485	248,992	477,040

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

For the quarter ended 30 September 2018

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 July 2018	228,245	-	244,769	473,014
Loss and total comprehensive loss for the quarter	-	-	(1,598)	(1,598)
Balance at 30 September 2018	<u>228,245</u>	<u>-</u>	<u>243,171</u>	<u>471,416</u>

For the quarter ended 30 September 2017

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 July 2017	227,563	437	260,868	488,868
Loss and total comprehensive loss for the quarter	-	-	(288)	(288)
Employee share-based compensation scheme				
- Value of employee services	-	48	-	48
Dividends paid	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	-	48	(11,588)	(11,540)
Balance at 30 September 2017	<u>227,563</u>	<u>485</u>	<u>248,992</u>	<u>477,040</u>

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.

	3 months ended 30.09.2018	3 months ended 30.06.2018	3 months ended 31.03.2018
Issued and fully paid ordinary shares ('000):			
As at beginning of period	579,911	579,393	579,393
Issued during the period			
- pursuant to the grant of awards under employee share-based compensation scheme	-	518	-
As at end of period	579,911	579,911	579,393

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:-

	30.09.2018	31.12.2017
Number of issued shares excluding treasury shares ('000)	579,911	579,393

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 30 September 2018 (31 December 2017: 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 2017 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.

As required by the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The Group has also concurrently applied SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

The impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) 1

The Group is required to apply retrospectively all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial quarter ended 31 March 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements prepared under SFRS is as follows:

Cumulative translation differences

The Group has elected to set the cumulative foreign currency translation differences for all foreign operations to zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, foreign currency translation reserve as at 1 January 2017 of \$51,629,000 has been reclassified to retained profits.

Deemed cost exemption

The Group has elected to adopt the deemed cost exemption to establish the carrying amount of property, plant and equipment to be measured at fair value, which would be the deemed cost, at the date of transition to SFRS(I) on 1 January 2017. The review was completed and effected in the financial quarter ended 30 September 2018. As a result and as at 1 January 2017, property, plant and equipment have been reduced by \$27,654,000, deferred income tax assets have been increased by \$957,000, deferred income tax liabilities have been reduced by \$1,131,000 and correspondingly, retained profits have been reduced by \$25,566,000.

(b) Adoption of SFRS(I) 9

The Group has applied 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.

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. The resulting adjustment is a reclassification of unlisted investment amounting to \$145,000 from available-for-sale to fair value through profit or loss, both classified within other financial assets on the balance sheets of the Group and the Company.

(c) Adoption of SFRS(I) 15

There is no significant impact from the adoption of SFRS(I) 15.

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. (continued)

The impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows: (continued)

(d) Summary of financial impact on adoption of SFRS(I)

The line items on the Group's financial statements that have been adjusted from the adoption of SFRS(I) as described above are summarised below:

	As previously reported \$'000	Adjustments \$'000	As restated \$'000
Balance Sheet			
As at 1 January 2017			
<u>Non-current assets</u>			
Property, plant and equipment	242,835	(27,654)	215,181
Deferred income tax assets	1,628	957	2,585
<u>Non-current liabilities</u>			
Deferred income tax liabilities	13,561	(1,131)	12,430
<u>Equity</u>			
Other reserves - Foreign currency translation reserve	(51,629)	51,629	-
Retained profits	380,563	(77,195)	303,368
As at 31 December 2017			
<u>Non-current assets</u>			
Property, plant and equipment	245,442	(26,233)	219,209
Deferred income tax assets	1,122	909	2,031
<u>Non-current liabilities</u>			
Deferred income tax liabilities	11,307	(981)	10,326
<u>Equity</u>			
Other reserves - Foreign currency translation reserve	(69,526)	55,170	(14,356)
Retained profits	523,790	(79,513)	444,277
Consolidated Statement of Comprehensive Income			
Period ended 30 September 2017			
Cost of sales	(174,321)	940	(173,381)
Other gains and (losses) - net*	146,608	(2,756)	143,852
Selling and distribution expenses	(47,157)	125	(47,032)
Income tax expense	(1,015)	(149)	(1,164)
Other comprehensive income/(losses):			
Currency translation differences arising from consolidation			
- Losses	(13,697)	2	(13,695)
- Reclassification	(7,090)	2,756	(4,334)
Quarter ended 30 September 2017			
Cost of sales	(60,329)	940	(59,389)
Other gains and (losses) - net	3,645	(3,947)	(302)
Selling and distribution expenses	(15,484)	125	(15,359)
Income tax expense	(204)	(149)	(353)
Other comprehensive income/(losses):			
Currency translation differences arising from consolidation			
- Losses	(6,626)	2	(6,624)
- Reclassification	(1,719)	3,947	2,228

* : This includes gains on disposal of investment in Super Group Ltd of \$138,350,000.

There is no impact on the net cash flows from operating, investing and financing activities as the above adjustments are non-cash in nature.

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

	Group		Group	
	9 Months		3 Months	
	01.01.2018 to 30.09.2018	01.01.2017 to 30.09.2017 Restated [^]	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017 Restated [^]
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)	1.76	24.93	0.02	(0.21)
(b) On a fully diluted basis (cents)	1.76	24.87	0.02	(0.21)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	579,609	578,414	579,911	579,393
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	579,915	579,792	579,911	579,760

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

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

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

	Group		Company	
	30.09.2018 Cents	31.12.2017 Cents Restated [^]	30.09.2018 Cents	31.12.2017 Cents Restated [^]
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	108.51	109.11	81.29	82.91

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

Included in net asset value per ordinary share of the Group is 49.65 cents of cash and cash equivalents per ordinary share as at 30 September 2018 (31 December 2017: 50.89 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 - 9 months ended 30 September 2018 vs. 9 months ended 30 September 2017

Food and Beverage division performance

The F&B revenue and gross profit increased by 4.9% and 8.0% to \$269.22 million and \$82.95 million respectively for the financial period ended 30 September 2018 as compared to the corresponding financial period last year. The increase in revenue and gross profit was mainly due to higher sales in Malaysia, Cambodia, China and Singapore during the current financial period. Overall, the F&B division recorded an improvement in segment profit of \$7.51 million in the current financial period mainly due to:

- Higher gross profit of \$6.14 million explained above;
- Higher other gains of \$4.64 million mainly from disposal of property, plant and equipment and improvement in currency translation;

and partially offset by

- Higher advertising and promotion expenses of \$1.68 million as we invested in promotions to grow our sales; and
- Higher administrative expenses of \$1.52 million mainly contributed by commencement of Cambodia backend operations and increase in consultancy fees.

Group performance

The Group's operating profit after tax and before exceptional item increased by \$4.34 million from \$5.86 million in the corresponding period last year to \$10.20 million in the current financial period. This was mainly due to higher net profit of \$7.26 million generated from F&B division, net fair value gains on equity investments of \$1.08 million, higher interest income of \$1.30 million, absence of one-off transaction costs of \$0.68 million relating to disposal of a subsidiary and partially offset by absence of net gain on disposal and liquidation of subsidiaries of \$6.69 million recorded in the corresponding financial period last year. The exceptional item in the corresponding period last year was a one-off gain on disposal of investment in Super Group Ltd of \$138.35 million.

8(b) Third Quarter Results - 3 months ended 30 September 2018 vs. 3 months ended 30 September 2017

Food and Beverage division performance

The F&B revenue decreased by 2.4% to \$85.57 million for the financial quarter ended 30 September 2018 as compared to the corresponding financial quarter last year mainly due to higher sales in Cambodia in the corresponding period where we accelerated to rebuild our sales following a disruption. Despite the marginal fall in revenue, gross profit increased by 7.6% to \$28.10 million with higher sales and improved gross margin in Malaysia. Overall, the F&B division recorded an improvement in segment profit of \$2.22 million in the current financial quarter mainly due to:

- Higher gross profit of \$2.00 million explained above;
- Higher other gains of \$1.11 million mainly from improvement in currency translation;
- Lower selling and distribution expenses of \$0.69 million mainly from operational efficiencies;

and partially offset by

- Lower share of profit of associated companies and a joint venture of \$1.81 million.

Group performance

The Group's net profit after tax attributable to equity holders of the Company increased by \$1.34 million from net loss of \$1.24 million recorded in the corresponding financial quarter last year to net profit of \$0.10 million in the current financial quarter. This was mainly due to higher net profit of \$1.77 million generated from F&B division, absence of one-off transaction costs of \$0.68 million relating to disposal of a subsidiary, lower consultancy fees of \$1.01 million and partially offset by net fair value losses on equity investments of \$2.55 million. The income tax expense on the current financial quarter is significant on operating profit before income tax due to non-deductible fair value losses on equity investments of \$2.55 million.

Excluding net fair value losses on equity investments of \$2.55 million and share of loss of associated companies and a joint venture of \$1.68 million, the Group's net profit after tax attributable to equity holders of the Company would have increased by \$5.56 million from net loss of \$1.24 million recorded in the corresponding financial quarter last year to adjusted net profit of \$4.32 million in the current financial quarter.

8(c) Balance Sheets – 30 September 2018 vs. 31 December 2017

Group

Cash and cash equivalents decreased by \$6.89 million from \$294.84 million as at 31 December 2017 to \$287.95 million as at 30 September 2018. The decrease was mainly due to dividends paid to equity holders of the Company, payments for purchases of property, plant and equipment and partially offset by cash generated from operating activities, proceeds from disposal of property, plant and equipment and interest received. Please refer to Note 8(d) for more details.

Trade and other receivables decreased by \$7.87 million from \$75.27 million as at 31 December 2017 to \$67.40 million as at 30 September 2018. The decrease was mainly due to improvement in collection from customers.

Property, plant and equipment decreased by \$6.79 million from \$219.21 million as at 31 December 2017 to \$212.42 million as at 30 September 2018. The decrease was mainly due to current period's depreciation charge of \$10.32 million and partially offset by additions of \$5.87 million.

Trade and other payables decreased by \$18.93 million from \$71.04 million as at 31 December 2017 to \$52.11 million as at 30 September 2018 mainly due to settlements during the current financial period.

Company

Cash and cash equivalents decreased by \$10.86 million from \$21.52 million as at 31 December 2017 to \$10.66 million as at 30 September 2018. The decrease was mainly due to dividends paid to equity holders of the Company of \$11.59 million.

Trade and other receivables decreased by \$28.91 million from \$94.26 million as at 31 December 2017 to \$65.35 million as at 30 September 2018 mainly due to conversion of amount due from a subsidiary of \$27.00 million to loan to the subsidiary in the current financial period. Accordingly, loans to subsidiaries increased correspondingly by \$27.00 million from \$14.05 million as at 31 December 2017 to \$41.05 million as at 30 September 2018.

8(d) Consolidated Statement of Cash Flows

Year to Date - 9 months ended 30 September 2018 vs. 9 months ended 30 September 2017

The Group registered a net decrease in cash and cash equivalents of \$7.10 million for the financial period ended 30 September 2018.

Net operating cash inflow for the Group of \$7.92 million was mainly contributed by F&B division.

Net cash outflow from investing activities of \$3.44 million was mainly due to payments for purchases of property, plant and equipment of \$10.78 million and partially offset by proceeds from disposal of property, plant and equipment of \$4.10 million and interest received of \$2.46 million.

Net cash outflow from financing activity of \$11.59 million arose from dividends paid to equity holders of the Company.

Third Quarter - 3 months ended 30 September 2018 vs. 3 months ended 30 September 2017

The Group registered a net increase in cash and cash equivalents of \$10.26 million for the financial quarter ended 30 September 2018.

Net operating cash inflow for the Group of \$6.11 million was mainly contributed by F&B division.

Net cash inflow from investing activities of \$4.15 million was mainly due to proceeds from disposal of property, plant and equipment of \$4.05 million, interest received of \$1.04 million and partially offset by payments for purchases of property, plant and equipment of \$1.73 million.

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 are increasing their focus on promoting lower sugar consumption. We will continue to reformulate our beverage products to promote healthier consumption. In Malaysia, the Finance Minister recently announced during the tabling of Budget 2019 that an excise tax of RM40 cents per litre could be imposed on sweetened beverages from 1 April 2019. The Group will take 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

Lim Swee Lee Joanne
Company Secretary
9 November 2018

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 30 September 2018 to be false or misleading in any material respect.

On behalf of the Directors



MELVIN TEO TZAI WIN
Director



KOH BOON HWEE
Director

9 November 2018