

FOOD EMPIRE HOLDINGS LIMITED
(Co Registration No: 200001282G)

Full year Financial Statement and Dividend Announcement for the Period ended 31 December 2018

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

1(a)(i) 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		
	4Q 18	4Q 17	Increase/ (Decrease)	12M 18	12M 17	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	69,973	74,100	(5.6)	284,330	269,450	5.5
Cost of sales	(43,182)	(45,619)	(5.3)	(173,473)	(166,239)	4.4
Gross profit	26,791	28,481	(5.9)	110,857	103,211	7.4
Selling and distribution expenses	(11,547)	(11,434)	1.0	(47,847)	(39,482)	21.2
General and administrative expenses	(13,435)	(9,165)	46.6	(41,430)	(34,659)	19.5
Results from operating activities	1,809	7,882	(77.0)	21,580	29,070	(25.8)
Net other expenses (Note 1)	(284)	(7,622)	(96.3)	(1,394)	(5,723)	(75.6)
Net finance costs (Note 2)	(254)	(139)	82.7	(791)	(900)	(12.1)
Share of profit/(loss) of associates	232	(3,805)	NM	505	(4,489)	NM
Profit/(loss) before taxation (Note 3)	1,503	(3,684)	NM	19,900	17,958	10.8
Taxation (Note 4)	1,109	381	191.1	(2,169)	(4,659)	(53.4)
Profit/(loss) for the period/year	2,612	(3,303)	NM	17,731	13,299	33.3
Profit/(loss) attributable to:						
Equity shareholders of the Company	2,715	(2,750)	NM	18,092	14,137	28.0
Non-controlling interest	(103)	(553)	(81.4)	(361)	(838)	(56.9)
	2,612	(3,303)	NM	17,731	13,299	33.3

NM denotes not meaningful.

Notes:
1. Net other expenses comprises:

	4Q 18 US\$'000	4Q 17 US\$'000	Increase/ (Decrease) %	12M 18 US\$'000	12M 17 US\$'000	Increase/ (Decrease) %
<u>Other income</u>						
Sales of scrapped items	7	112	(93.75)	204	246	(17.1)
Other income	572	297	92.59	1,814	950	90.9
Insurance claim	1	-	NM	6	19	(68.4)
Gain on disposal of asset classified as held for sale	-	-	NM	408	-	NM
Foreign exchange gain	-	42	NM	-	1,136	NM
	580	451	28.6	2,432	2,351	3.4
<u>Other expenses</u>						
Foreign exchange loss	(832)	-	NM	(3,541)	-	NM
Impairment of loan to associates	(13)	(3,600)	(99.6)	(172)	(3,600)	(95.2)
Impairment of an associate	-	(4,281)	NM	-	(4,281)	NM
Impairment of goodwill	-	(99)	NM	-	(99)	NM
Loss on disposal of property, plant and equipment	(19)	(93)	(79.6)	(46)	(69)	(33.3)
Loss on disposal of an associate	-	-	NM	(67)	-	NM
Loss on disposal of a subsidiary	-	-	NM	-	(25)	NM
	(864)	(8,073)	(89.3)	(3,826)	(8,074)	(52.6)
Net other expenses	(284)	(7,622)	(96.3)	(1,394)	(5,723)	(75.6)

2. Net finance costs comprises:

	Group			Group		
	4Q 18 US\$'000	4Q 17 US\$'000	Increase/ (Decrease) %	12M 18 US\$'000	12M 17 US\$'000	Increase/ (Decrease) %
<u>Finance income</u>						
Interest income	70	163	(57.1)	506	329	53.8
<u>Finance costs</u>						
Interest expenses on:						
- Bank loans	(299)	(300)	(0.3)	(1,259)	(1,223)	2.9
- Others	(25)	(2)	1,150.0	(38)	(6)	533.3
	(324)	(302)	7.3	(1,297)	(1,229)	5.5
Net finance costs	(254)	(139)	82.7	(791)	(900)	(12.1)

3. Included in profit before taxation are as follows:

	Group			Group		
	4Q 18 US\$'000	4Q 17 US\$'000	Increase/ (Decrease) %	12M 18 US\$'000	12M 17 US\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(1,458)	(1,347)	8.24	(5,670)	(5,299)	7.0
Depreciation of investment properties	(41)	(42)	(2.4)	(169)	(163)	3.7
Inventories written down	(601)	(359)	67.4	(880)	(728)	20.9
(Allowance)/write back of allowance for doubtful receivables	(3,235)	89	NM	(2,956)	(99)	2,855.9
Net fair value loss on derivatives	-	(42)	NM	-	-	NM
Bad debts written off	(14)	(7)	100.0	(14)	(7)	100.0
Write back for impairment on property, plant and equipment	-	98	NM	-	-	NM

4. Included in the taxation is as follows:

	Group			Group		
	4Q 18	4Q 17	Increase/ (Decrease)	12M 18	12M 17	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Current income tax						
- Current income taxation	(796)	(176)	352.3	(4,186)	(4,302)	(2.7)
- (Under)/over provision for prior year	(958)	374	NM	480	324	48.1
Deferred income tax	2,863	183	1,464.5	1,537	(681)	NM
	1,109	381	191.1	(2,169)	(4,659)	(53.4)

1(a)(ii) Statement of group comprehensive income

	Group			Group		
	4Q 18	4Q 17	Increase/ (Decrease)	12M 18	12M 17	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit/(loss) net of tax	2,612	(3,303)	NM	17,731	13,299	33.3
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain	(1,555)	(191)	714.1	(6,426)	1,582	NM
Share of other comprehensive income of associates	(518)	174	NM	(1,593)	553	NM
Share of other comprehensive income of non-controlling interest	3	-	NM	3	-	NM
Exchange differences realised on disposal of an associate	-	-	NM	8	-	NM
Exchange differences realised on disposal of a subsidiary	-	-	NM	-	92	NM
Other comprehensive income for the period/year, net of tax	(2,070)	(17)	12,076.5	(8,008)	2,227	NM
Total comprehensive income for the period/year	542	(3,320)	NM	9,723	15,526	(37.4)
Total comprehensive income attributable to:						
Equity shareholders of the Company	642	(2,767)	NM	10,081	16,364	(38.4)
Non-controlling interest	(100)	(553)	(81.9)	(358)	(838)	(57.3)
	542	(3,320)	NM	9,723	15,526	(37.4)

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	
	31 Dec 2018 US\$'000	31 Dec 2017 US\$'000	31 Dec 2018 US\$'000	31 Dec 2017 US\$'000
Non-Current Assets				
Property, plant and equipment	68,932	64,617	-	-
Investment properties	16,117	16,615	-	-
Investments in subsidiaries	-	-	44,635	44,536
Investments in associates	11,392	12,594	-	-
Intangible assets	10,343	10,343	-	-
Amount due from an associate (non-trade)	-	106	-	-
Deferred tax assets	2,615	3,299	-	-
	109,399	107,574	44,635	44,536
Current Assets				
Cash and cash equivalents	42,218	42,835	18	24
Trade receivables	32,632	39,685	18	-
Deferred expenses	178	173	-	-
Prepaid operating expenses and other debtors	6,844	5,746	7	8
Other receivables	2,403	2,002	-	-
Amounts due from subsidiaries (non-trade)	-	-	8,837	12,434
Amounts due from associates (non-trade)	77	94	-	-
Amount due from a related party (trade)	428	987	-	-
Inventories	50,537	47,505	-	-
	135,317	139,027	8,880	12,466
Asset held for sale	-	644	-	-
	135,317	139,671	8,880	12,466
Current Liabilities				
Trade payables and accruals	(29,731)	(35,287)	(121)	(752)
Finance lease creditors	(39)	(31)	-	-
Interest-bearing loans and borrowings	(20,275)	(20,041)	-	-
Other payables	(2,601)	(2,951)	-	-
Amounts due to subsidiaries (non-trade)	-	-	(20)	(37)
Amounts due to related parties (non-trade)	(573)	(397)	-	-
Amount due to an associate (non-trade)	(186)	(167)	-	-
Amounts due to associates (trade)	(161)	(374)	-	-
Provision for taxation	(432)	(1,662)	(7)	(5)
	(53,998)	(60,910)	(148)	(794)
Net Current Assets	81,319	78,761	8,732	11,672
Non-Current Liabilities				
Finance lease creditors	(36)	(17)	-	-
Interest-bearing loans and borrowings	(13,230)	(16,291)	-	-
Other payables	(533)	(5)	-	-
Deferred tax liabilities	(1,466)	(2,592)	-	-
	(15,265)	(18,905)	-	-
Net Assets	175,453	167,430	53,367	56,208
Equity				
Share capital	41,202	41,093	41,202	41,093
Treasury shares	(317)	(317)	(317)	(317)
Reserves	135,389	127,117	12,482	15,432
	176,274	167,893	53,367	56,208
Non-controlling interest	(821)	(463)	-	-
Total Equity	175,453	167,430	53,367	56,208

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

Amount repayable in one year or less, or on demand

	As at 31 Dec 2018		As at 31 Dec 2017	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(39)	-	(31)	-
Interest-bearing loans and borrowings	(9,991)	(10,284)	(5,630)	(14,411)
Total	(10,030)	(10,284)	(5,661)	(14,411)

Amount repayable after one year

	As at 31 Dec 2018		As at 31 Dec 2017	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(36)	-	(17)	-
Interest-bearing loans and borrowings	(3,569)	(9,661)	(8,559)	(7,732)
Total	(3,605)	(9,661)	(8,576)	(7,732)

Details of any collateral

As at 31 December 2017 and 31 December 2018, the finance lease liabilities were secured by charge over the related lease vehicles held by subsidiaries of the Group.

As at 31 December 2017 and 31 December 2018, the secured interest bearing loans and borrowings were secured by mortgages over the related freehold and leasehold properties and fixed charges over stock, receivables, plant & machinery owned by subsidiaries of the Group.

As at 31 December 2017 and 31 December 2018, the unsecured interest bearing loans and borrowings of subsidiaries were covered by corporate guarantees given by the Company.

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.

	Group		Group	
	4Q 18	4Q 17	12M 18	12M 17
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit/(loss) from operations before taxation	1,503	(3,684)	19,900	17,958
Adjustments for :				
Depreciation of property, plant and equipment	1,458	1,347	5,670	5,299
Depreciation of investment properties	41	42	169	163
Loss on disposal of an associate	-	-	67	-
Loss on disposal of a subsidiary	-	-	-	25
Loss on disposal of property, plant and equipment	19	93	46	69
Gain on disposal of asset classified as held for sale	-	-	(408)	-
Interest income	(70)	(163)	(506)	(329)
Interest expenses	324	302	1,297	1,229
Exchange realignment	202	(239)	1,745	(178)
Share of (profit)/loss of associates	(232)	3,805	(505)	4,489
Allowance/(writeback) of allowance for doubtful receivables	3,235	(89)	2,956	99
Impairment of loan to associates	13	3,600	172	3,600
Inventories written down	601	359	880	728
Write back of impairment on property, plant and equipment	-	(98)	-	-
Value of employee services received for issue of share options	162	30	613	184
Net fair value loss on derivatives	-	42	-	-
Impairment of an associate	-	4,281	-	4,281
Impairment of goodwill	-	99	-	99
Bad debts written off	14	7	14	7
Operating cash flows before changes in working capital	7,270	9,734	32,110	37,723
Changes in working capital				
Decrease/(increase) in trade and other receivables	8,882	1,872	1,210	(5,533)
Decrease/(increase) in inventories	5,353	1,898	(7,723)	(4,650)
(Decrease)/increase in trade and other payables	(10,872)	(1,767)	(5,341)	6,048
Cash flows from operations	10,633	11,737	20,256	33,588
Income taxes paid	(1,351)	(917)	(4,585)	(3,740)
Net cash flows from operating activities	9,282	10,820	15,671	29,848
Cash flows from investing activities				
Interest income received	70	163	506	329
Purchase of property, plant and equipment	(3,748)	(2,874)	(10,834)	(5,977)
Subsequent expenditure on investment property	-	(71)	-	(79)
Proceeds from disposal of property, plant and equipment	27	13	217	53
Capital injection in an associate	-	(2,966)	-	(2,966)
Net cash inflow on disposal of a subsidiary	-	-	-	75
Net cash inflow on acquisition of a subsidiary	-	8	-	8
Loan to associates	-	-	-	(1,107)
Proceeds from disposal of asset classified as held for sale	-	-	1,052	-
Net cash flows used in investing activities	(3,651)	(5,727)	(9,059)	(9,664)
Cash flows from financing activities				
Interest expenses paid	(324)	(302)	(1,297)	(1,229)
Dividends paid to shareholders of the Company	-	-	(2,396)	(2,312)
Repayment of interest-bearing loans and borrowings	(14,800)	(14,714)	(57,980)	(61,713)
Proceeds from interest-bearing loans and borrowings	14,621	13,777	55,271	58,676
Repayment of obligation under finance leases	(13)	(8)	(40)	(36)
Proceeds from obligation under finance leases	40	-	66	-
Proceeds from issuance of shares	11	13	83	192
Acquisition of non-controlling interest in a subsidiary	-	-	-	(139)
Net cash flows used in financing activities	(465)	(1,234)	(6,293)	(6,561)
Net increase in cash and cash equivalents	5,166	3,859	319	13,623
Effect of exchange rate changes on cash and cash equivalents	27	113	(936)	638
Cash and cash equivalents at beginning of the period/year	37,025	38,863	42,835	28,574
Cash and cash equivalents at end of the period/year	42,218	42,835	42,218	42,835

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

The Group FY2018

	Attributable to equity shareholders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	
Balance as at 1 January 2018 (FRS Framework)	41,093	(317)	(11,209)	2,126	136,200	167,893	(463)	167,430
Cumulative effects of adopting SFRS(I)	-	-	11,209	-	(11,209)	-	-	-
Balance as at 1 January 2018 (SFRS(I) Framework)	41,093	(317)	-	2,126	124,991	167,893	(463)	167,430
Profit/(loss) for the period	-	-	-	-	15,377	15,377	(258)	15,119
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(4,871)	-	-	(4,871)	-	(4,871)
Share of other comprehensive income of associates	-	-	(1,075)	-	-	(1,075)	-	(1,075)
Exchange differences realised on disposal of an associate	-	-	8	-	-	8	-	8
Total comprehensive income for the period	-	-	(5,938)	-	15,377	9,439	(258)	9,181
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	451	-	451	-	451
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)	-	(2,396)
Issuance of new shares	72	-	-	-	-	72	-	72
Exercise of share options	22	-	-	(22)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	94	-	-	429	(2,396)	(1,873)	-	(1,873)
Balance as at 30 September 2018	41,187	(317)	(5,938)	2,555	137,972	175,459	(721)	174,738

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 October 2018	41,187	(317)	(5,938)	2,555	137,972	175,459	(721)	174,738
Profit/(loss) for the period	-	-	-	-	2,715	2,715	(103)	2,612
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(1,555)	-	-	(1,555)	-	(1,555)
Share of other comprehensive income of associates	-	-	(518)	-	-	(518)	3	(515)
Total comprehensive income for the period	-	-	(2,073)	-	2,715	642	(100)	542
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	162	-	162	-	162
Issuance of new shares	11	-	-	-	-	11	-	11
Exercise of share options	4	-	-	(4)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	15	-	-	158	-	173	-	173
Balance as at 31 December 2018	41,202	(317)	(8,011)	2,713	140,687	176,274	(821)	175,453

The Group – FY2017

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 January 2017	40,846	(317)	(13,436)	1,997	124,647	153,737	119	153,856
Profit/(loss) for the period	-	-	-	-	16,887	16,887	(285)	16,602
<u>Other comprehensive income</u>								
Foreign currency translation gain	-	-	1,773	-	-	1,773	-	1,773
Share of other comprehensive income of associates	-	-	379	-	-	379	-	379
Exchange differences realised on disposal of a subsidiary	-	-	92	-	-	92	-	92
Total comprehensive income for the period	-	-	2,244	-	16,887	19,131	(285)	18,846
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	154	-	154	-	154
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,312)	(2,312)	-	(2,312)
Issuance of new shares	179	-	-	-	-	179	-	179
Exercise of share options	52	-	-	(52)	-	-	-	-
Total contributions by and distributions to owners	231	-	-	102	(2,312)	(1,979)	-	(1,979)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of non-controlling interest without a change in control, representing total changes in ownership interest in subsidiaries	-	-	-	-	(272)	(272)	133	(139)
Total transactions with owners in their capacity as owners	231	-	-	102	(2,584)	(2,251)	133	(2,118)
Balance as at 30 September 2017	41,077	(317)	(11,192)	2,099	138,950	170,617	(33)	170,584

	Attributable to equity shareholders of the Company							
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance as at 1 October 2017	41,077	(317)	(11,192)	2,099	138,950	170,617	(33)	170,584
Loss for the period	-	-	-	-	(2,750)	(2,750)	(553)	(3,303)
<u>Other comprehensive income</u>								
Foreign currency translation loss	-	-	(191)	-	-	(191)	-	(191)
Share of other comprehensive income of associates	-	-	174	-	-	174	-	174
Total comprehensive income for the period	-	-	(17)	-	(2,750)	(2,767)	(553)	(3,320)
<u>Contributions by and distributions to owners</u>								
Value of employee services received for issue of share options	-	-	-	30	-	30	-	30
Issuance of new shares	13	-	-	-	-	13	-	13
Exercise of share options	3	-	-	(3)	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	123	123
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	16	-	-	27	-	43	123	166
Balance as at 31 December 2017	41,093	(317)	(11,209)	2,126	136,200	167,893	(463)	167,430

The Company – FY2018

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total equity US\$'000
Balance as at 1 January 2018 (FRS Framework)	41,093	(317)	3,634	2,126	9,672	56,208
Cumulative effects of adopting SFRS(I)	-	-	(3,634)	-	3,634	-
Balance as at 1 January 2018 (SFRS(I) Framework)	41,093	(317)	-	2,126	13,306	56,208
Loss for the period	-	-	-	-	(1,054)	(1,054)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(188)	-	-	(188)
Total comprehensive income for the period	-	-	(188)	-	(1,054)	(1,242)
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	451	-	451
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,396)	(2,396)
Issuance of new shares	72	-	-	-	-	72
Exercise of share options	22	-	-	(22)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	94	-	-	429	(2,396)	(1,873)
Balance as at 30 September 2018	41,187	(317)	(188)	2,555	9,856	53,093
Balance as at 1 October 2018	41,187	(317)	(188)	2,555	9,856	53,093
Profit for the period	-	-	-	-	130	130
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(29)	-	-	(29)
Total comprehensive income for the period	-	-	(29)	-	130	101
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	162	-	162
Issuance of new shares	11	-	-	-	-	11
Exercise of share options	4	-	-	(4)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	15	-	-	158	-	173
Balance as at 31 December 2018	41,202	(317)	(217)	2,713	9,986	53,367

The Company – FY2017

	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated profits US\$'000	Total equity US\$'000
Balance as at 1 January 2017	40,846	(317)	2,820	1,997	7,844	53,190
Profit for the period	-	-	-	-	4,149	4,149
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	640	-	-	640
Total comprehensive income for the period	-	-	640	-	4,149	4,789
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	154	-	154
Dividends paid to equity shareholders of the Company	-	-	-	-	(2,312)	(2,312)
Issuance of new shares	179	-	-	-	-	179
Exercise of share options	52	-	-	(52)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	231	-	-	102	(2,312)	(1,979)
Balance as at 30 September 2017	41,077	(317)	3,460	2,099	9,681	56,000
Balance as at 1 October 2017	41,077	(317)	3,460	2,099	9,681	56,000
Loss for the period	-	-	-	-	(9)	(9)
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	174	-	-	174
Total comprehensive income for the period	-	-	174	-	(9)	165
<u>Contributions by and distributions to owners</u>						
Value of employee services received for issue of share options	-	-	-	30	-	30
Issuance of new shares	13	-	-	-	-	13
Exercise of share options	3	-	-	(3)	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	16	-	-	27	-	43
Balance as at 31 December 2017	41,093	(317)	3,634	2,126	9,672	56,208

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, 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, if any, and the percentage of the aggregate number of treasury shares and 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.

Details of movement in the number of issued ordinary shares (excluding treasury shares), treasury shares and share options are as follows: -

	FY 2018	FY 2017
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan (including treasury shares)	534,809,999	534,171,999
Ordinary shares held as treasury shares	(1,001,000)	(1,001,000)
Issued for cash under employee share option scheme:		
- at the exercise price of S\$0.315 each	-	100,000
- at the exercise price of S\$0.505 each	-	130,000
- at the exercise price of S\$0.335 each	100,000	-
Balance of issued ordinary shares as at 31 Mar (excluding treasury shares)	533,908,999	533,400,999
- at the exercise price of S\$0.315 each	44,000	78,000
- at the exercise price of S\$0.505 each	-	100,000
- at the exercise price of S\$0.669 each	-	50,000
- at the exercise price of S\$0.308 each	68,000	-
Balance of issued ordinary shares as at 30 Jun (excluding treasury shares)	534,020,999	533,628,999
- at the exercise price of S\$0.308 each	90,000	140,000
Balance of issued ordinary shares as at 30 Sep (excluding treasury shares)	534,110,999	533,768,999
- at the exercise price of S\$0.315 each	-	20,000
- at the exercise price of S\$0.308 each	51,000	-
- at the exercise price of S\$0.505 each	-	20,000
Balance of issued ordinary shares as at 31 Dec (excluding treasury shares)	534,161,999	533,808,999
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan	2,610,000	2,610,000
Options exercised during the period	(100,000)	-
Balance as at 31 Mar and 30 Jun and 30 Sep and 31 Dec	2,510,000	2,610,000
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan	3,080,000	3,330,000
Options exercised during the period	-	(130,000)
Balance as at 31 Mar	3,080,000	3,200,000
Options exercised during the period	-	(100,000)
Balance as at 30 Jun	3,080,000	3,100,000
Options exercised during the period	-	(20,000)
Balance as at 30 Sep and 31 Dec	3,080,000	3,080,000

	FY 2018	FY 2017
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan	2,774,000	2,972,000
Options exercised during the period	-	(100,000)
Balance as at 31 Mar	2,774,000	2,872,000
Options exercised during the period	(44,000)	(78,000)
Balance as at 30 Jun	2,730,000	2,794,000
Options exercised during the period	-	(20,000)
Balance as at 30 Sep and 31 Dec	2,730,000	2,774,000
<u>Share Option - exercise price of S\$0.669</u>		
Balance as at 1 Jan	4,280,000	4,630,000
Options lapsed during the period	(300,000)	-
Balance as at 31 Mar	3,980,000	4,630,000
Options exercised during the period	-	(50,000)
Balance as at 30 Jun and 30 Sep	3,980,000	4,580,000
Options lapsed during the period	-	(300,000)
Balance as at 31 Dec	3,980,000	4,280,000
<u>Share Option - exercise price of S\$0.308</u>		
Balance as at 1 Jan and 31 Mar	4,880,000	5,170,000
Options exercised during the period	(68,000)	-
Balance as at 30 Jun	4,812,000	5,170,000
Options exercised during the period	(90,000)	(140,000)
Balance as at 30 Sep	4,722,000	5,030,000
Options lapsed during the period	-	(150,000)
Options exercised during the period	(51,000)	-
Balance as at 31 Dec	4,671,000	4,880,000
<u>Share Option - exercise price of S\$0.693</u>		
Balance as at 1 Jan and 31 Mar	650,000	-
Granted to eligible participants on 23 May 2017	-	650,000
Balance as at 30 Jun and 30 Sep	650,000	650,000
Options lapsed during the period	(100,000)	-
Balance as at 31 Dec	550,000	650,000
<u>Share Option - exercise price of S\$0.679</u>		
Balance as at 1 Jan	-	-
Granted to eligible participants on 16 Mar 2018	4,750,000	-
Balance as at 31 Mar and 30 Jun and 30 Sep and 31 Dec	4,750,000	-

Out of the 22,271,000 outstanding share options on 31 December 2018 (31 December 2017: 18,274,000), 15,685,000 (31 December 2017: 14,612,000) share options are exercisable.

Treasury Shares

As at 31 December 2018, the total number of treasury shares held was 1,001,000 (31 December 2017: 1,001,000).

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.

The total number of issued ordinary shares excluding treasury shares is as follows: -

	Group	
	<u>As at 31 Dec 2018</u>	<u>As at 31 Dec 2017</u>
Issued ordinary shares	534,161,999	533,808,999

1(d)(iv) 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 during the current financial period reported on.

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

Not applicable.

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 by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2017, except for the adoption of new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") which came into effect on 1 January 2018.

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 adoption of new and revised SFRS (I) and INT SFRS(I) as highlighted in paragraph 4 does not have a material impact on the financial statements for the period under review.

- 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.**

	Group		Group	
	4Q 18	4Q 17	12M 18	12M 17
Profit/(loss) per share				
Based on existing issued share capital (USD cents)	0.51	(0.52)	3.39	2.65
On a fully diluted basis (USD cents)	0.50	(0.51)	3.36	2.62
	Group		Group	
	4Q 18	4Q 17	12M 18	12M 17
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	534,134,282	533,786,391	534,019,288	533,576,342
Weighted average number of shares for calculation of diluted EPS	538,485,225	539,693,875	538,402,010	539,622,796

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	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value per ordinary share (USD cents)	33.00	31.45	9.99	10.53

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.

Revenue for the financial year ended 31 December 2018 ("FY2018") was US\$284.3 million, a year-on year ("yoy") increase of 5.5% compared with the US\$269.5 million revenue recorded in FY2017. The Group's net profit after tax increased 33.3% to US\$17.7 million for FY2018 as compared to US\$13.3 million in FY2017.

On a quarterly basis, revenue for the fourth quarter ended 31 December 2018 ("4Q2018") decreased 5.6% from US\$74.1 million to US\$70.0 million. Net profit after tax for the quarter was US\$2.6 million as compared to a net loss after tax of US\$3.3 million for 4Q2017.

Revenue by Markets (US\$'000)

	Group			Group		
	4Q 18 US\$'000	4Q 17 US\$'000	Increase/ (Decrease) %	12M 18 US\$'000	12M 17 US\$'000	Increase/ (Decrease) %
Russia	27,122	28,979	(6.4)	113,305	116,702	(2.9)
Ukraine	7,727	6,229	24.0	25,684	21,844	17.6
Kazakhstan and CIS markets	9,271	11,474	(19.2)	37,104	35,067	5.8
Indochina	10,841	10,842	(0.0)	50,384	37,898	32.9
Other markets	15,012	16,576	(9.4)	57,853	57,939	(0.1)
Total	69,973	74,100	(5.6)	284,330	269,450	5.5

In FY2018, sales in the Group's largest market, Russia, increased by volume but revenue decreased by 2.9% to US\$113.3 million as compared to US\$116.7 million in FY2017 due to further depreciation of the Russian Ruble against the US dollar. In the Group's Ukraine market, sales increased by 17.6% from US\$21.8 million in FY2017 to US\$25.7 million in FY2018 due to restructuring in the Group's distributorship and higher sales volume. In the Group's Kazakhstan and CIS markets, sales increased by 5.8% from US\$35.1 million in FY2017 to US\$37.1 million in FY2018 mainly due to higher sales volume. In the Group's Indochina market, sales increased by 32.9% from US\$37.9 million in FY2017 to US\$50.4 million in FY2018 due to higher sales volume.

On a quarterly basis, the Group's revenue in 4Q2018 was US\$70.0 million, a decrease of 5.6% compared to 4Q2017. Sales in the Group's Kazakhstan and CIS markets decreased by 19.2% mainly due to lower translated revenue in view of the depreciation of the Kazakhstan Tenge against the US dollar. Sales in the Group's Russia market decreased by 6.4% from US\$29.0 million in 4Q2017 to US\$27.1 million in 4Q2018 due to depreciation of the Russian Ruble against the US dollar.

Profitability

For FY2018, the Group's net profit after tax increased by 33.3% to US\$17.7 million mainly due to higher sales and margin coupled with the absence of impairment of investment, loan and share of losses by its Korean associate, Caffebene, partly offset by higher advertising and promotion expenses, manpower cost, foreign exchange losses and higher allowance for doubtful debts.

For 4Q2018, the Group's net profit after tax was US\$2.6 million as compared to a net loss after tax of US\$3.3 million for 4Q2017. This was mainly due to the absence of impairment of investment, loan and share of higher losses by its Korean associate, Caffebene partly offset by lower sales and margin coupled with higher allowance for doubtful debts and foreign exchange losses.

For FY2018, selling and distribution expenses increased by US\$8.3 million from US\$39.5 million in FY2017 to US\$47.8 million. The increase was attributed to higher advertising and promotion expenses and manpower costs. For 4Q2018, selling and distribution expenses remain relatively stable at US\$11.5 million.

For FY2018, general and administrative expenses increased by US\$6.7 million from US\$34.7 million in FY2017 to US\$41.4 million. For 4Q2018, general and administrative expenses increased by US\$4.2 million from US\$9.2 million in 4Q2017 to US\$13.4 million. The increase was mainly attributed to higher allowance for doubtful debts, higher manpower and transportation costs.

The Group recorded a foreign exchange loss of US\$3.5 million in FY2018 as compared to a foreign exchange gain of US\$1.1 million in FY2017. For FY2018, the Ukrainian Hryvnia strengthened from 28.1 Hryvnia per US dollar on 31 December 2017 to 27.7 Hryvnia per US dollar on 31 December 2018. Over the same period, the Russian Ruble weakened to 69.5 Ruble per US dollar on 31 December 2018, compared with 57.6 Ruble per US dollar on 31 December 2017. As the Group is economically exposed to both markets, it was affected by the revaluation of its outstanding trade receivables denominated in currencies other than the US dollar.

Balance Sheet & Cashflow

Trade receivables decreased US\$7.1 million to US\$32.6 million as at 31 December 2018 mainly due to lower receivables from the Group's Malaysia Klang, Kazakhstan and Ukraine operations coupled with higher allowance for doubtful debts.

Trade payables and accruals decreased US\$5.6 million to US\$29.7 million as at 31 December 2018 mainly due to lower procurement.

Property, plant and equipment increased US\$4.3 million to US\$68.9 million as at 31 December 2018 mainly due to the Group's subsidiary, Indus Coffee's expansion of its manufacturing facility in India.

The Group's net operating cash inflow position decreased, with a net operating cash flow of US\$15.7 million in FY2018 compared to US\$29.8 million in FY2017 mainly due to higher working capital requirements. The Group's cash and cash equivalents was US\$42.2 million as at 31 December 2018, compared to US\$42.8 million as at 31 December 2017.

The Group's net assets as at 31 December 2018 were US\$175.5 million. The net asset value per ordinary share (excluding non-controlling interests) as at 31 December 2018 was 33.00 US cents as compared to 31.45 US cents as at 31 December 2017.

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 period and the next 12 months.

Global macroeconomic uncertainties and heightened trade tensions have resulted in currency fluctuations in the Group's key markets of Russia, Ukraine, Kazakhstan and CIS countries. Accordingly, these have impacted the Group's financial results although performance in local currency terms remains strong. We expect to see continued growth across our core markets.

For the upcoming period, the Group will continue to focus on strengthening its presence in core markets as well as to develop new products and markets with the objective of generating sustainable future growth through diversification. The Group is also working on the construction of its second India coffee plant to ensure it meets the delivery milestones.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	0.68 Singapore cents per ordinary share
Tax Rate	Tax exempted (One-Tier)

The proposed first and final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 24 April 2019.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	0.60 Singapore cents per ordinary share
Tax Rate	Tax exempted (One-Tier)

(c) Date payable

The proposed first and final dividend, if approved by the shareholders at the forthcoming Annual General Meeting scheduled for 24 April 2019, will be paid on 17 May 2019.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 3 May 2019. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m. on 2 May 2019 will be registered to determine shareholders' entitlement to the proposed first and final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 2 May 2019 will be entitled to the proposed first and final dividend.

12. If no dividend have been declared/recommended, a statement to that effect.

Not applicable.

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

The Group does not have a general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Geographical Segment	Russia		Ukraine		Kazakhstan and CIS Markets		Indo China		Other Markets		Elimination		Per consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000		US\$'000	
Revenue														
Sales to external customers	113,305	116,702	25,684	21,844	37,104	35,067	50,384	37,898	57,853	57,939	-	-	284,330	269,450
Inter-segment sales	777	791	-	-	-	-	-	-	85,526	84,087	(86,303)	(84,878)	-	-
Total Revenue	114,082	117,493	25,684	21,844	37,104	35,067	50,384	37,898	143,379	142,026	(86,303)	(84,878)	284,330	269,450
Results :														
Segment results	17,502	21,428	4,113	1,593	5,347	3,653	(1,167)	741	21,777	23,738	(16,915)	(13,195)	30,657	37,958
Interest income													506	329
Interest expenses													(1,297)	(1,229)
Share of profit/(loss) of associates													505	(4,489)
Income tax expenses													(2,169)	(4,659)
Non-controlling interest													361	838
Depreciation for property, plant and equipment													(5,670)	(5,299)
Depreciation for investment properties													(169)	(163)
Impairment of goodwill													-	(99)
Impairment of loan to associates													(172)	(3,600)
Impairment of an associate													-	(4,281)
Other non-cash expenses													(4,460)	(1,169)
Profit attributable to equity shareholders of the Company													18,092	14,137
Assets and liabilities														
Segment assets	52,319	54,891	12,920	13,473	6,160	7,152	12,953	14,076	160,364	157,653	-	-	244,716	247,245
Investment in associates	8,735	9,744	-	-	-	-	-	-	2,657	2,850	-	-	11,392	12,594
Additions to non-current assets	1,735	499	212	130	39	48	1,058	314	7,790	5,065	-	-	10,834	6,056
Segment liabilities	(9,613)	(12,700)	(1,798)	(1,218)	(382)	(824)	(6,118)	(4,634)	(51,352)	(60,439)	-	-	(69,263)	(79,815)

Information by products

Segment revenue information from external customers based on the different product	Group	
	2018	2017
	(US\$'000)	(US\$'000)
Beverages	246,701	233,269
Others	18,486	17,176
Ingredients	19,143	19,005
	284,330	269,450

15. Confirmation by the Company in compliance with Rule 720(1) of the SGX-ST Listing Manual

The Company has procured the undertakings (in the format set out in Appendix 7.7) from all its Directors and Executive Officers.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

	Group		Increase/ (Decrease) %
	31-Dec-18 US\$'000	31-Dec-17 US\$'000	
Revenue reported for first half year	141,459	125,248	12.9%
Operating profit after tax before deducting minority interests reported for first half financial year	9,358	9,313	0.5%
Revenue reported for second half year	142,871	144,202	-0.9%
Operating profit after tax before deducting minority interests reported for second half financial year	8,373	3,986	110.1%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (US\$'000) FY2018*	Previous Full Year (US\$'000) FY2017
Ordinary	2,651	2,396
Special	-	-
Total:	2,651	2,396

*Amounts are translated into United States Dollars ("US\$") at the exchange rate of S\$1.3702 to US\$1.00

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
28 February 2019