



AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

Unaudited Second Quarter Financial Statements and Dividend Announcement for the Period Ended 30 June 2014

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

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding period.

Consolidated Statement of Comprehensive Income

	Note	GROUP					
		2nd Quarter Ended 30 June			Period Ended 30 June		
		2014	2013	Change	2014	2013	Change
		S\$'000	S\$'000	+ / (-) %	S\$'000	S\$'000	+ / (-) %
Revenue		107,850	100,634	7.2	207,833	194,620	6.8
Cost of revenue		(62,281)	(56,391)	10.4	(119,843)	(109,135)	9.8
Gross profit		45,569	44,243	3.0	87,990	85,485	2.9
Other revenue		606	911	(33.5)	1,765	1,558	13.3
Selling and marketing expenses		(19,532)	(18,163)	7.5	(38,458)	(34,577)	11.2
General and administration expenses		(8,312)	(7,604)	9.3	(15,938)	(14,217)	12.1
Other operating expenses		(17,511)	(16,964)	3.2	(34,784)	(33,373)	4.2
Investment related activities		1,547	172	n.m.	1,539	(78)	n.m.
Finance costs		(98)	(106)	(7.5)	(190)	(205)	(7.3)
Share of results of a joint venture company		183	273	(33.0)	244	377	(35.3)
Profit before taxation	1	2,452	2,762	(11.2)	2,168	4,970	(56.4)
Income tax expense	2	(1,312)	(1,182)	11.0	(687)	(1,994)	(65.5)
Profit for the financial period, net of taxation		1,140	1,580	(27.8)	1,481	2,976	(50.2)
Other comprehensive (expense)/income:							
Foreign currency translation							
- Reclassification adjustment for gain on disposal of a foreign operation		(354)	-	n.m.	(354)	-	n.m.
- Gains/(losses) arising during the year		351	(234)	(250.0)	407	4	n.m.
Other comprehensive (expense)/income for the financial period, net of taxation		(3)	(234)	(98.7)	53	4	n.m.
Total comprehensive income for the financial period		1,137	1,346	(15.5)	1,534	2,980	(48.5)
Profit/(loss) attributable to:							
Owners of the Company		1,143	1,883	(39.3)	1,454	3,570	(59.3)
Non-controlling interests		(3)	(303)	(99.0)	27	(594)	n.m.
		1,140	1,580	(27.8)	1,481	2,976	(50.2)
Total comprehensive income/(expense) attributable to:							
Owners of the Company		1,144	1,696	(32.5)	1,506	3,640	(58.6)
Non-controlling interests		(7)	(350)	(98.0)	28	(660)	n.m.
		1,137	1,346	(15.5)	1,534	2,980	(48.5)

n.m. = not meaningful

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

1(a)(ii) Additional information on the Group Statement of Comprehensive Income

	GROUP					
	2nd Quarter Ended 30 June			Period Ended 30 June		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	+/(-)%	S\$'000	S\$'000	+/(-)%
1 Profit before taxation						
Profit before taxation included the following for the financial period ended 30 June:						
Amortisation of intangible assets	(700)	(700)	-	(1,400)	(1,400)	-
Allowance for impairment on trade debtors	(127)	(300)	(57.7)	(109)	(173)	(37.0)
Depreciation of property, plant and equipment	(3,234)	(3,305)	(2.1)	(6,359)	(6,488)	(2.0)
Fair value changes of financial instruments :						
- (Loss)/gain on investment funds at fair value through profit or loss	(164)	55	n.m.	(176)	502	n.m.
- Loss on redeemable preference shares issued by a subsidiary company	-	(85)	n.m.	-	(814)	n.m.
Foreign exchange (loss)/gain	(171)	1,149	n.m.	(265)	1,844	n.m.
Interest income	3	363	(99.2)	7	1,399	(99.5)
Gain on disposal of interest in subsidiary companies	1,734	-	n.m.	1,734	-	n.m.
Net gain/(loss) on disposal of property, plant and equipment	32	(15)	n.m.	53	(27)	n.m.
Property, plant and equipment written off	(30)	(18)	66.7	(168)	(33)	n.m.
Write-back of impairment loss of property, plant and equipment	6	-	n.m.	92	-	n.m.
Stocks written down	(590)	(504)	70.6	(1,171)	(1,022)	14.6
Bad debts recovered	-	-	n.m.	-	1	n.m.
2 Income tax expense						
The charge for income tax expense includes the following:						
(Under)/over provision in respect of prior period	(4)	191	n.m.	1,160	267	n.m.

n.m. = not meaningful

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	GROUP		COMPANY	
	As at 30 June 2014 S\$'000	As at 31 December 2013 S\$'000	As at 30 June 2014 S\$'000	As at 31 December 2013 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	36,029	34,865	272	364
Intangible assets	78,525	79,901	-	-
Investments in subsidiary companies	-	-	95,197	95,197
Investments in an associated company	277	277	-	-
Investment in a joint venture company	2,311	2,067	-	-
Long-term investments	9,741	10,160	-	-
Other debtors	7,536	5,810	-	-
Prepayments and other recoverables	1,595	735	-	-
Deferred tax assets	1,116	1,158	-	-
	137,130	134,973	95,469	95,561
Current assets				
Stocks	49,082	42,318	-	-
Trade debtors	66,310	60,010	-	-
Other debtors	7,330	9,353	302	249
Prepayments and other recoverables	3,891	3,118	81	15
Amounts due from subsidiary companies	-	-	181,433	179,599
Fixed deposits (restricted)	3,809	3,856	-	-
Cash and cash equivalents	40,390	55,867	18,458	24,757
	170,812	174,522	200,274	204,620
Total assets	307,942	309,495	295,743	300,181
EQUITY AND LIABILITIES				
Current liabilities				
Trade creditors	(38,483)	(38,023)	-	-
Other creditors and accruals	(39,353)	(40,509)	(1,462)	(2,290)
Deferred income	(1,081)	(502)	-	-
Provisions	(915)	(1,046)	-	-
Amounts due to subsidiary companies	-	-	(177,214)	(175,764)
Loans and borrowings	(5,630)	(6,534)	-	-
Tax payable	(2,033)	(1,449)	(86)	(218)
	(87,495)	(88,063)	(178,762)	(178,272)
Net current assets	83,317	86,459	21,512	26,348
Non-current liabilities				
Deferred income	(681)	(433)	-	-
Provisions	(4,491)	(4,262)	(100)	(100)
Loans and borrowings	(507)	(333)	-	-
Deferred tax liabilities	(3,626)	(4,202)	(192)	(192)
	(9,305)	(9,230)	(292)	(292)
Total liabilities	(96,800)	(97,293)	(179,054)	(178,564)
Net assets	211,142	212,202	116,689	121,617

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

Statements of Financial Position (continued)

	GROUP		COMPANY	
	As at 30 June 2014 S\$'000	As at 31 December 2013 S\$'000	As at 30 June 2014 S\$'000	As at 31 December 2013 S\$'000
EQUITY AND LIABILITIES (CONT'D)				
Equity attributable to owners of the Company				
Share capital	64,461	64,461	64,461	64,461
Retained earnings	146,478	147,537	43,753	48,681
Other reserves	(684)	(761)	-	-
Merger reserve	-	-	8,475	8,475
	210,255	211,237	116,689	121,617
Non-controlling interests	887	965	-	-
Total equity	211,142	212,202	116,689	121,617
Total equity and liabilities	307,942	309,495	295,743	300,181

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

	Note	GROUP	
		As at 30 June 2014 S\$'000	As at 31 December 2013 S\$'000
Repayable within one year (unsecured)		5,529	6,433
Repayable within one year (secured)	(i)	101	101
Repayable after one year (secured)	(i)	507	333
		6,137	6,867

Note (i)

As at 30 June 2014, the finance lease liability repayable within one year and after one year of \$101,000 (31 December 2013: \$101,000) and \$507,000 (31 December 2013: \$333,000) respectively was secured by the related leased assets.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

Consolidated Statement of Cash Flows

	GROUP			
	2nd Quarter Ended 30 June		Period Ended 30 June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from operating activities				
Profit before taxation	2,452	2,762	2,168	4,970
Adjustments for:				
Interest income	(3)	(363)	(7)	(1,399)
Interest expense	98	106	190	205
Share of results of a joint venture company	(183)	(273)	(244)	(377)
Write-back of impairment on trade debtors	127	300	109	173
Bad debts recovered	-	-	-	(1)
Stocks written down	590	503	1,171	1,022
Amortisation of intangible assets	700	700	1,400	1,400
Depreciation of property, plant and equipment	3,234	3,305	6,359	6,488
Fair value changes of financial instruments:				
- Loss/(gain) on investment funds at fair value through profit or loss	164	(55)	176	(502)
- Loss on redeemable preference shares issued by a subsidiary company	-	85	-	814
Property, plant and equipment written off	30	18	168	33
Write-back of impairment loss on property, plant and equipment	(6)	-	(92)	-
Net (gain)/loss on disposal of property, plant and equipment	(32)	15	(53)	27
Gain on disposal of interests in subsidiary companies	(1,734)	-	(1,734)	-
Translation differences	809	(1,077)	774	(1,245)
Operating cash flows before working capital changes	6,246	6,026	10,385	11,608
<u>Increase in assets:</u>				
Stocks	(4,111)	(5,670)	(7,935)	(3,412)
Trade and other debtors	(5,489)	(8,192)	(7,542)	(5,723)
<u>Increase/(decrease) in liabilities:</u>				
Trade and other creditors	4,101	3,710	359	(199)
Net cash generated from/(used in) operations	747	(4,126)	(4,733)	2,274
Tax paid	(1,069)	(1,233)	(698)	(1,286)
Interest paid	(98)	(106)	(190)	(205)
Interest received	3	1,048	7	3,939
Net cash flows (used in)/generated from operating activities	(417)	(4,417)	(5,614)	4,722
Cash flows from investing activities				
Proceeds from disposal of interests in subsidiary companies	1,255	-	1,255	-
Proceeds from disposal of property, plant and equipment	32	34	55	35
Proceeds from return of capital from investment funds	225	-	225	433
Purchase of property, plant and equipment	(5,018)	(2,789)	(7,613)	(5,241)
Purchase of investment funds	-	-	-	(600)
Proceeds from disposal of redeemable preference shares	-	21,073	-	21,073
Net cash flows (used in)/generated from investing activities	(3,474)	18,318	(6,046)	15,700

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

Consolidated Statement of Cash Flows (continued)

	GROUP			
	2nd Quarter Ended 30 June		Period Ended 30 June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	(23)	(75)	(81)	(75)
Repayment of obligations under finance leases	(33)	(12)	(63)	(28)
Repayment of bank borrowings	(6,700)	(5,872)	(12,982)	(11,863)
Proceeds from bank borrowings	5,481	7,111	12,028	12,493
Repayment of financing for redeemable preference shares	-	(1,966)	-	(4,436)
Increase in fixed deposits pledged with the banks	-	405	-	405
Dividend on ordinary shares	(2,513)	(3,770)	(2,513)	(3,770)
Net cash flows used in financing activities	(3,788)	(4,179)	(3,611)	(7,274)
Net (decrease)/increase in cash and cash equivalents	(7,711)	9,722	(15,303)	13,148
Cash and cash equivalents at beginning of period	48,377	62,288	55,867	58,533
Effect of exchange rate changes on cash and cash equivalent held in foreign currencies	(276)	435	(174)	764
Cash and cash equivalents at end of financial period (Note 1)	40,390	72,445	40,390	72,445

Note 1

Analysis of balances of cash and cash equivalents as shown on the balance sheets:

	GROUP	
	Period Ended 30 June	
	2014 S\$'000	2013 S\$'000
Fixed deposits (restricted)	3,809	4,899
Fixed deposits (current)	4,526	21,275
Cash and bank balances	35,864	51,170
	44,199	77,344
Fixed deposits pledged with the bank [Note (a)]	(3,809)	(4,899)
	40,390	72,445

Note (a)

This relates to:

- (i) S\$2.4 million (2013: S\$2.5 million) was pledged to banks as security for banker's guarantees issued in lieu of rental deposits;
- (ii) S\$1.0 million (2013: S\$2.4 million) banker's guarantee for issuance of utility and rental deposits; and
- (iii) S\$0.4 million (2013: Nil) was pledged to bank as security for overdraft facility.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

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 period.

Statements of changes in equity

Group

	Attributable to owners of the Company								
	Share capital S\$'000	Retained earnings S\$'000	Other reserves, total S\$'000	Foreign currency translation reserve S\$'000	Discount on acquisition of non-controlling interests S\$'000	Gain on purchase of treasury shares by a subsidiary company S\$'000	Total equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2014									
Balance at 1 April 2014	64,461	147,848	(690)	(7,306)	6,098	518	211,619	922	212,541
Profit/(loss) for the financial period	-	1,143	-	-	-	-	1,143	(3)	1,140
<u>Other comprehensive income/(expense)</u>									
Foreign currency translation	-	-	1	1	-	-	1	(4)	(3)
Other comprehensive income/(expense) for the financial period, net of tax	-	-	1	1	-	-	1	(4)	(3)
Total comprehensive income/(expense) for the financial period	-	1,143	1	1	-	-	1,144	(7)	1,137
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	-	(2,513)	-	-	-	-	(2,513)	-	(2,513)
Total contributions by and distributions to owners	-	(2,513)	-	-	-	-	(2,513)	-	(2,513)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	-	-	5	-	5	-	5	(28)	(23)
Total changes in ownership interest in subsidiaries	-	-	5	-	5	-	5	(28)	(23)
Total transactions with owners in their capital as owners	-	(2,513)	5	-	5	-	(2,508)	(28)	(2,536)
Balance at 30 June 2014	64,461	146,478	(684)	(7,305)	6,103	518	210,255	887	211,142
2013									
Balance at 1 April 2013	64,461	174,937	(2,762)	(5,284)	2,004	518	236,636	17,173	253,809
Profit/(loss) for the financial period	-	1,883	-	-	-	-	1,883	(303)	1,580
<u>Other comprehensive expense</u>									
Foreign currency translation	-	-	(187)	(187)	-	-	(187)	(47)	(234)
Other comprehensive expense for the financial period, net of tax	-	-	(187)	(187)	-	-	(187)	(47)	(234)
Total comprehensive income/(expense) for the financial period	-	1,883	(187)	(187)	-	-	1,696	(350)	1,346
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	-	(3,770)	-	-	-	-	(3,770)	-	(3,770)
Total contributions by and distributions to owners	-	(3,770)	-	-	-	-	(3,770)	-	(3,770)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	-	-	(89)	-	(89)	-	(89)	12	(77)
Total changes in ownership interest in subsidiaries	-	-	(89)	-	(89)	-	(89)	12	(77)
Total transactions with owners in their capital as owners	-	(3,770)	(89)	-	(89)	-	(3,859)	12	(3,847)
Balance at 30 June 2013	64,461	173,050	(3,038)	(5,471)	1,915	518	234,473	16,835	251,308

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

Statements of changes in equity (continued)

Company

	Attributable to owners of the Company			
	Share capital S\$'000	Retained earnings* S\$'000	Merger reserve S\$'000	Total equity S\$'000
2014				
Balance at 1 April 2014	64,461	47,840	8,475	120,776
Loss for the financial period	-	(1,574)	-	(1,574)
Total comprehensive expenses for the financial period	-	(1,574)	-	(1,574)
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	-	(2,513)	-	(2,513)
Total contributions by and distributions to owners	-	(2,513)	-	(2,513)
Balance at 30 June 2014	64,461	43,753	8,475	116,689
2013				
Balance at 1 April 2013	64,461	50,633	8,475	123,569
Loss for the financial period	-	(621)	-	(621)
Total comprehensive expenses for the financial period	-	(621)	-	(621)
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	-	(3,770)	-	(3,770)
Total contributions by and distributions to owners	-	(3,770)	-	(3,770)
Balance at 30 June 2013	64,461	46,242	8,475	119,178

* Retained earnings included a non-distributable amount of \$32,617,000 (2013: \$32,617,000) which relates to the gain resulting from an internal restructuring of certain subsidiary companies in 1999.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

- 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 of the issuer, if any, against the total number of issued shares held as treasury shares 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.**

There were no changes in the Company's issued share capital since the end of the previous period reported on.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding financial year.**

There are no treasury shares issued by the Company. Total number of issued shares as at 30 June 2014 and 31 December 2013 was 125,667,324.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at 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 in the announcement 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 accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 31 December 2013.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

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.**

Not applicable.

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			
	2nd Quarter Ended 30 June		Period Ended 30 June	
	2014 cents	2013 cents	2014 cents	2013 cents
(i) Basic EPS based on the weighted average number of ordinary shares on issue	0.91	1.50	1.16	2.84
(ii) Diluted EPS based on weighted average number of ordinary shares	0.91	1.50	1.16	2.84

Note:

Basic and diluted earnings per share were computed on the basis of the weighted average number of ordinary shares issued, which was 125,667,324 (31 December 2013: 125,667,324) during the financial period. There were no outstanding share options during the current reporting period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	GROUP		Company	
	As at 30 June 2014 \$	As at 31 December 2013 \$	As at 30 June 2014 \$	As at 31 December 2013 \$
Net asset value per ordinary share	1.67	1.68	0.93	0.97

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

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.

Review of Income Statement

Revenue

The breakdown of revenue by business segments is shown in the table below.

		Revenue							
Note	2nd Quarter Ended 30 June				Financial Period Ended 30 June				
	2014	2013	Variance	%	2014	2013	Variance	%	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	
<u>Food Group</u>									
Wholesale & distribution	(i)	62,124	55,381	6,743	12.2	118,085	104,862	13,223	12.6
Manufacturing	(ii)	11,646	10,469	1,177	11.2	22,890	20,731	2,159	10.4
<u>Food Retail Group</u>									
Edmonton Group	(iii)	18,477	17,538	939	5.4	36,370	34,379	1,991	5.8
Food Junction Group	(iv)	15,569	16,770	(1,201)	(7.2)	30,450	32,885	(2,435)	(7.4)
Other investments	(v)	34	476	(442)	(92.9)	38	1,763	(1,725)	(97.9)
		107,850	100,634	7,216	7.2	207,833	194,620	13,213	6.8

In Q2 2014, the Group achieved total revenue of S\$107.8 million, an improvement of S\$7.2 million compared to last year. The analysis on the sales performance by business segments is as follows:

- (i) Higher revenue from wholesale & distribution segment was attributed to higher retail sales contributed by key accounts and wholesales, as well as sales growth in Food Service due to new agencies;
- (ii) Manufacturing segment recorded higher revenue in Q2 2014 due to the increase in sales by Sunshine and House Brand under the bread category within the Sunshine Bakeries division. The growth was also contributed by new products launched under the bread category.
- (iii) Higher revenue from Edmonton Group was mainly due to increase in retail sales generated by outlets in Delifrance Singapore and Hong Kong, attributable to better customer awareness created by the increase in promotional activities. The overall growth in sales was partly offset by the decline in retail sales reported by Delifrance Malaysia due to more intense competition;

Offset by:

- (iv) Lower revenue from Food Junction Group segment mainly due to closure of The Boxing Crab, discontinuation of management and operator services of ME@OUE and lower contribution from restaurants; and
- (v) Lower revenue from other investments segment due to the lack of interest income from mezzanine loan after the disposal of the Redeemable Preference Shares in May 2013.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

Review of Income Statement (cont'd)

Profit before taxation

The Group reported a profit before taxation of S\$2.5 million in Q2 2014 as compared to a profit before taxation of S\$2.8 million in the same period last year. The decrease of S\$0.3 million was attributed mainly to:

- (i) Wholesale and distribution segment's operating profit for Q2 2014 was S\$1.1 million lower than the operating profit reported in Q2 2013. The unfavourable variance was attributed to weaker performances in both Malaysia and Singapore. The operations in Malaysia reported a S\$0.9 million lower operating profit due to higher prices of raw materials, as well as higher staff costs and selling & marketing expenses. The operating profit in Singapore was also S\$0.2 million lower than the same quarter in 2013. This was mainly brought about by higher staff costs, and moderately compensated by increase in revenue;
- (ii) Other investments segment's higher operating loss of S\$1.6 million in Q2 2014 was largely brought about by the absence of interest income from mezzanine loan after the disposal of the Redeemable Preference Shares in May 2013;

Offset by:

- (iii) Increase in operating profit from manufacturing segment from S\$2.6 million in Q2 2013 to S\$3.3 million in Q2 2014. The growth in operating profit by S\$0.7 million was largely due to higher gross profit from growth in sales and partially offset by higher sales & marketing expenses; and
- (iv) Edmontor Group reported an operating loss of S\$1.4 million in Q2 2014, down from S\$1.9 million in the same quarter last year. The improved performance was largely contributed by Delifrance Singapore, and offset by weaker performance by Delifrance Malaysia and Delifrance Hong Kong.

The lower operating loss in Delifrance Singapore was due to increased sales, lower factory rental and transportation expenses.

Delifrance Malaysia posted S\$0.1 million more operating loss in Q2 2014 than the year before. Besides the lower sales generated, higher operating expenses was also reported due to the addition of two new outlets.

Despite the higher revenue in Q2 2014, Delifrance Hong Kong reported higher operating losses. This was due to higher food, rental costs and operating expenses.

- (v) Food Junction Group's operating loss in Q2 2014 was marginally lower than the operating loss reported in the corresponding quarter in 2013. This was mainly brought about by lower personnel, depreciation and lease expenses.

The profit before taxation in Q2 2014 included a S\$1.7 million gain from the disposal of Auric Pacific Dairy Group and a write-back of sales tax provision amounting to S\$0.6 million as the tax liability is no longer required.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

Review of Financial Position

As at 30 June 2014, the Group's total equity stood at S\$211.1 million. This was S\$1.1 million lower than the position as at 31 December 2013. The decrease was contributed largely by the dividend payment of S\$2.5 million, partially offset by the year-to-date June 2014 profit generated.

There are no other significant changes to the Statement of Financial Position except for the following:

- (i) Higher property, plant and equipment primarily due to new assets purchased for renovating new and existing restaurants, food courts and cafés in Singapore and Hong Kong, offset by depreciation, disposal and write-off of assets;
- (ii) Higher stocks attributed to inventory stock-up in anticipation of stronger demand during the Ramadan festival;
- (iii) Higher trade debtors that mainly resulted from an increase in sales generated during the Ramadan period;
- (iv) Lower net other debtors (current and non-current) due to a decrease in advertising & promotion expenses claimable from principal, and reduction in management and operator fees receivable following the cessation of the services with effect from 2014;
- (v) Higher prepayment and other recoverables mainly due to an increase in the Group's rental deposits paid for its retail outlets and factory machinery, as well as advance payments made towards its purchases of goods. There was also an increase in renovation costs recoverable from tenants, following the renovation carried out at the Bugis food court; and
- (vi) Higher trade creditors mainly due to increase in purchases, partly offset by settlement.

Cash Flow Review

The Group's cash and cash equivalents decreased by S\$15.5 million from S\$55.9 million as at 31 December 2013 to S\$40.4 million as at 30 June 2014. The net cash decrease was mainly due to cash used in operating activities, dividends paid and capital expenditure, partially offset by the proceeds from disposal of Auric Pacific Dairy Group.

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

No forecast was previously disclosed on the Group's results for Q2 2014.

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.

The Singapore economy grew by 2.1% on a year-on-year basis in the second quarter of 2014, 2.6% slower than the 4.7% growth reported in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.8%, a reversal from the 1.6% growth in the first quarter of 2014.

The Group expects continuing upward pressures on manpower and rental costs. Despite these on-going challenges, the Group remains committed in managing its business risks and cash flow prudently. At the same time, it will continue to take steps to enhance its operational efficiency, re-align its resources and leverage on new business opportunities that will help to grow its business.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

11. 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 Year

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

None

(c) Date payable

None

(d) Books closure date

Not applicable.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), 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.

No IPT mandate has been obtained.

BY ORDER OF THE BOARD

Tan T'eng Ta' Benedict
Company Secretary
8 August 2014

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

CONFIRMATION BY THE BOARD OF DIRECTORS PURSUANT TO RULE 705(5) OF THE SGX-ST LISTING MANUAL

Second Quarter Financial Statement Announcement for the Period Ended 30 June 2014

We, Albert Saychuan Cheok and Saw Phaik Hwa, being two of the directors of Auric Pacific Group Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results of the Company and the Group for the second quarter period ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the board of directors,

Mr. Albert Saychuan Cheok
Non-Executive Chairman

Ms. Saw Phaik Hwa
Group Chief Executive Officer and Executive Director

Singapore
8 August 2014