

**Delfi Limited (formerly known as Petra Foods Limited)**  
**Unaudited Financial Statements and Dividend Announcement**  
**For the 1<sup>st</sup> Quarter Ended 31 March 2016**

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 HALF YEAR AND FULL YEAR RESULTS**

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**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                                         | <u>Notes</u> | Group               |                     |          |
|-------------------------------------------------------------------------|--------------|---------------------|---------------------|----------|
|                                                                         |              | 1Q ended 31 March   |                     |          |
|                                                                         |              | 2016                | 2015                | Change   |
|                                                                         |              | <u>US\$'000</u>     | <u>US\$'000</u>     | <u>%</u> |
| Revenue                                                                 | 1            | 103,555             | 106,236             | (2.5)    |
| Cost of Sales                                                           |              | <u>(70,501)</u>     | <u>(74,027)</u>     | (4.8)    |
| <b>Gross Profit</b>                                                     |              | <b>33,054</b>       | 32,209              | 2.6      |
| Other operating income                                                  |              | <b>1,100</b>        | 904                 | 21.7     |
| <u>Expenses</u>                                                         |              |                     |                     |          |
| Selling and distribution costs                                          |              | <b>(17,148)</b>     | (15,430)            | 11.1     |
| Administrative expenses                                                 |              | <b>(4,104)</b>      | (4,697)             | (12.6)   |
| Finance costs                                                           |              | <b>(1,083)</b>      | (1,023)             | 5.9      |
| Other operating expenses                                                |              | <b>(130)</b>        | (692)               | (81.2)   |
| Exceptional Items                                                       |              | -                   | (94)                | NM       |
| Share of profit/(loss) of associated companies                          |              | <u>219</u>          | <u>(7)</u>          | NM       |
| <b>Profit before income tax</b>                                         |              | <b>11,908</b>       | 11,170              | 6.6      |
| Income tax expense                                                      |              | <u>(3,464)</u>      | <u>(3,445)</u>      | 0.6      |
| <b>Total profit</b>                                                     | 2            | <u><b>8,444</b></u> | <u>7,725</u>        | 9.3      |
| <b>Profit/(Loss) attributable to:</b>                                   |              |                     |                     |          |
| Equity holders of the Company                                           |              | <b>8,445</b>        | 7,740               | 9.1      |
| Non-controlling interest                                                |              | <u>(1)</u>          | <u>(15)</u>         | (93.3)   |
|                                                                         |              | <u><b>8,444</b></u> | <u>7,725</u>        | 9.3      |
| EBITDA                                                                  |              | <b>14,321</b>       | 13,762              | 4.1      |
| Earnings per ordinary share (US cents) - Basic and Diluted <sup>a</sup> |              |                     |                     |          |
| - Include Exceptional Items                                             |              | <b>1.38</b>         | 1.27                | 9.1      |
| - Exclude Exceptional Items                                             |              | <b>1.38</b>         | 1.28                | 7.8      |
| Return on equity                                                        |              |                     |                     |          |
| - Include Exceptional Items                                             |              | <b>13.6%</b>        | (1.8%) <sup>b</sup> | 15.4% pt |
| - Exclude Exceptional Items                                             |              | <b>13.6%</b>        | 5.7% <sup>b</sup>   | 7.9% pt  |

Notes

- As there are no potentially dilutive ordinary shares, diluted Earnings per Share (EPS) is the same as basic Earnings per Share. EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000.
- Relates to FY2015 audited figures.

## **Explanatory Notes on Income Statement**

### **Note 1 - Revenue**

(a) Information is based on the location of the markets in which the Group operates.

|                  | <b>1Q ended 31 March</b> |                        |                 |
|------------------|--------------------------|------------------------|-----------------|
|                  | <b>2016</b>              | <b>2015</b>            | <b>Change</b>   |
|                  | <u><b>US\$'000</b></u>   | <u><b>US\$'000</b></u> | <u><b>%</b></u> |
| Indonesia        | <b>75,854</b>            | 73,513                 | 3.2             |
| Regional Markets | <b>27,701</b>            | 32,723                 | (15.3)          |
|                  | <b>103,555</b>           | 106,236                | (2.5)           |

(b) Breakdown of Sales

|               | <b>1Q ended 31 March</b> |                        |                 |
|---------------|--------------------------|------------------------|-----------------|
|               | <b>2016</b>              | <b>2015</b>            | <b>Change</b>   |
|               | <u><b>US\$'000</b></u>   | <u><b>US\$'000</b></u> | <u><b>%</b></u> |
| Own Brands    | <b>69,513</b>            | 67,244                 | 3.4             |
| Agency Brands | <b>34,042</b>            | 38,992                 | (12.7)          |
|               | <b>103,555</b>           | 106,236                | (2.5)           |

### **Note 2 - Net Profit**

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

|                                                          | <b>1Q ended 31 March</b> |                        |                 |
|----------------------------------------------------------|--------------------------|------------------------|-----------------|
|                                                          | <b>2016</b>              | <b>2015</b>            | <b>Change</b>   |
|                                                          | <u><b>US\$'000</b></u>   | <u><b>US\$'000</b></u> | <u><b>%</b></u> |
| Depreciation of property, plant and equipment            | <b>(1,796)</b>           | (2,015)                | (10.9)          |
| Amortisation of intangible assets                        | <b>(37)</b>              | (31)                   | 19.4            |
| Net foreign exchange gain/(loss)                         | <b>372</b>               | (501)                  | NM              |
| Group under provision of tax in prior years              | <b>(126)</b>             | (6)                    | NM              |
| (Loss)/Gain on disposal of property, plant and equipment | <b>(46)</b>              | 17                     | NM              |
| (Impairment loss)/Write-back on trade receivables        | <b>(103)</b>             | 54                     | NM              |
| Inventories written-off                                  | <b>(380)</b>             | (43)                   | 783.7           |
| Allowance made for inventory obsolescence                | <b>(512)</b>             | (184)                  | 178.3           |

**1(b) 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.**

|                                                                                         |   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-----------------------------------------------------------------------------------------|---|------------------|------------------|------------------|------------------|
|                                                                                         |   | <b>31-Mar-16</b> | <b>31-Dec-15</b> | <b>31-Mar-16</b> | <b>31-Dec-15</b> |
| <b>Notes</b>                                                                            |   | <b>US\$'000</b>  | <b>US\$'000</b>  | <b>US\$'000</b>  | <b>US\$'000</b>  |
| <b>ASSETS</b>                                                                           |   |                  |                  |                  |                  |
| <b>Current assets</b>                                                                   |   |                  |                  |                  |                  |
|                                                                                         |   |                  |                  |                  |                  |
| Cash and cash equivalents                                                               |   | 122,484          | 119,547          | 112,439          | 111,654          |
| Trade receivables                                                                       |   | 64,162           | 56,280           | 1,232            | 1,254            |
| Inventories                                                                             |   | 57,907           | 59,592           | -                | -                |
| Tax recoverable                                                                         |   | 11,003           | 9,830            | -                | -                |
| Other current assets                                                                    |   | 14,268           | 13,437           | 2,043            | 3,088            |
|                                                                                         |   | <b>269,824</b>   | <b>258,686</b>   | <b>115,714</b>   | <b>115,996</b>   |
| <b>Non-current assets</b>                                                               |   |                  |                  |                  |                  |
|                                                                                         |   |                  |                  |                  |                  |
| Investments in subsidiaries                                                             |   | -                | -                | 35,935           | 35,935           |
| Investments in associated companies and joint venture                                   |   | 3,307            | 2,947            | 3,000            | 3,000            |
| Loans to associated company and joint venture                                           |   | 1,429            | 1,382            | -                | -                |
| Property, plant and equipment                                                           | 1 | 121,240          | 116,604          | 857              | 728              |
| Intangibles assets                                                                      |   | 4,894            | 4,810            | 4,604            | 4,613            |
| Deferred income tax assets                                                              |   | 523              | 342              | -                | -                |
| Other non-current assets                                                                |   | 2,927            | 2,822            | -                | -                |
|                                                                                         |   | <b>134,320</b>   | <b>128,907</b>   | <b>44,396</b>    | <b>44,276</b>    |
| <b>Total Assets</b>                                                                     |   | <b>404,144</b>   | <b>387,593</b>   | <b>160,110</b>   | <b>160,272</b>   |
| <b>LIABILITIES</b>                                                                      |   |                  |                  |                  |                  |
| <b>Current liabilities</b>                                                              |   |                  |                  |                  |                  |
|                                                                                         |   |                  |                  |                  |                  |
| Trade payables                                                                          |   | 28,804           | 25,925           | 522              | 800              |
| Other payables                                                                          |   | 29,906           | 30,205           | 2,179            | 2,741            |
| Current income tax liabilities                                                          |   | 1,867            | 489              | 129              | 129              |
| Derivative liabilities                                                                  |   | 85               | 24               | -                | -                |
| Borrowings                                                                              | 2 | 58,421           | 59,453           | 78               | 90               |
|                                                                                         |   | <b>119,083</b>   | <b>116,096</b>   | <b>2,908</b>     | <b>3,760</b>     |
| <b>Non-current liabilities</b>                                                          |   |                  |                  |                  |                  |
|                                                                                         |   |                  |                  |                  |                  |
| Borrowings                                                                              | 2 | 14,093           | 15,199           | 182              | 246              |
| Deferred income tax liabilities                                                         |   | 4,467            | 4,447            | -                | -                |
| Provisions for other liabilities and charges                                            |   | 10,284           | 9,697            | -                | -                |
|                                                                                         |   | <b>28,844</b>    | <b>29,343</b>    | <b>182</b>       | <b>246</b>       |
| <b>Total liabilities</b>                                                                |   | <b>147,927</b>   | <b>145,439</b>   | <b>3,090</b>     | <b>4,006</b>     |
| <b>NET ASSETS</b>                                                                       |   | <b>256,217</b>   | <b>242,154</b>   | <b>157,020</b>   | <b>156,266</b>   |
| <b>Capital and reserves attributable to the Company's equity holders of the Company</b> |   |                  |                  |                  |                  |
|                                                                                         |   |                  |                  |                  |                  |
| Share capital                                                                           | 4 | 155,951          | 155,951          | 155,951          | 155,951          |
| Foreign currency translation reserve                                                    | 3 | (56,460)         | (62,066)         | -                | -                |
| Other reserves                                                                          |   | 2,253            | 2,245            | -                | -                |
| Retained earnings                                                                       |   | 154,349          | 145,904          | 1,069            | 315              |
|                                                                                         |   | <b>256,093</b>   | <b>242,034</b>   | <b>157,020</b>   | <b>156,266</b>   |
| <b>Non-controlling interest</b>                                                         |   | <b>124</b>       | <b>120</b>       | <b>-</b>         | <b>-</b>         |
| <b>Total equity</b>                                                                     |   | <b>256,217</b>   | <b>242,154</b>   | <b>157,020</b>   | <b>156,266</b>   |

## **Explanatory Notes on Statement of Financial Position**

### **Note 1 - Capital Expenditure on Property, Plant and Equipment**

Capital expenditure for 1Q 2016 was lower Y-o-Y by US\$5.0 million or 70.8% as the Group reduced its spending in light of the uncertainty in Indonesia. The capital expenditure, focusing on the most critical and immediately income generating projects, was funded by the Group's operating cash flow. The allocation of this capital expenditure by geographical region is as follows:

|                  | <b>Group</b>           |                        |
|------------------|------------------------|------------------------|
|                  | <b>1Q 2016</b>         | <b>1Q 2015</b>         |
|                  | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> |
| Indonesia        | 1,663                  | 6,900                  |
| Regional Markets | 381                    | 106                    |
|                  | <b>2,044</b>           | <b>7,006</b>           |

### **Note 2 - Borrowings**

|                                       | <b>Group</b>           |                        | <b>Company</b>         |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                       | <b>31-Mar-16</b>       | <b>31-Dec-15</b>       | <b>31-Mar-16</b>       | <b>31-Dec-15</b>       |
|                                       | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> |
| Bank overdraft                        | 24,276                 | 18,997                 | -                      | -                      |
| Bank borrowings                       | 37,552                 | 45,893                 | -                      | -                      |
| Finance lease liabilities             | 2,955                  | 3,962                  | 260                    | 336                    |
| Trade finance and short term advances | 7,731                  | 5,800                  | -                      | -                      |
|                                       | <b>72,514</b>          | <b>74,652</b>          | <b>260</b>             | <b>336</b>             |
| Breakdown of borrowings:              |                        |                        |                        |                        |
| Current                               | 58,421                 | 59,453                 | 78                     | 90                     |
| Non-current                           | 14,093                 | 15,199                 | 182                    | 246                    |
|                                       | <b>72,514</b>          | <b>74,652</b>          | <b>260</b>             | <b>336</b>             |

During the quarter under review, the Group reduced its borrowings by US\$2.1 million.

### **Note 3 - Foreign Currency Translation Reserve**

Compared to end 2015, the regional currencies in the period under review strengthened against the US Dollar ("USD"), as shown below. This resulted in a US\$5.6 million gain in the Group's foreign currency translation reserve. As a result, the foreign currency translation loss was reduced from US\$62.1 million as at 31 December 2015 to US\$56.5 million as at 31 March 2016.

| <b>Closing FX Rate USD 1 to</b>       | <b>IDR</b>  | <b>MYR</b>  | <b>SGD</b>  | <b>PHP</b>  |
|---------------------------------------|-------------|-------------|-------------|-------------|
| 31 March 2016                         | 13,276      | 3.9145      | 1.3486      | 46.1080     |
| 31 December 2015                      | 13,795      | 4.2915      | 1.4136      | 47.1660     |
| <i>Strengthened (31Mar vs 31 Dec)</i> | <i>3.8%</i> | <i>8.8%</i> | <i>4.6%</i> | <i>2.2%</i> |

#### Note 4 - Share Capital and Capital Reduction

At the Extraordinary General Meeting held on 26 April 2016, the Company's Shareholders approved the proposed Capital Reduction and Cash Distribution which will involve a capital return to Shareholders of 9.82 US cents for each Share held, making an aggregate capital return of approximately US\$60.0 million. The Capital Reduction is now subject to the approval of the High Court of Singapore.

The Capital Reduction will have no impact on the number of shares held by Shareholders. The pro-forma effect of the Capital Reduction and Cash Distribution will be a reduction of the paid-up share capital from US\$155,951,000 to US\$95,935,382.

#### Note 5 - Key Ratios

|                         | 31-Mar-16 | 31-Dec-15 |
|-------------------------|-----------|-----------|
| Current ratio           | 2.27      | 2.23      |
| Average Inventory Days  | 76        | 85        |
| Average Receivable Days | 53        | 62        |
| Average Payable Days    | 35        | 37        |
| Return on Equity        | 13.6%     | 5.7%      |

The Group's inventory level at end-March 2016 was lower by US\$1.7 million on higher sales and tighter inventory management. As a result, Average Inventory Days improved by 9 days.

Accounts receivable was higher by US\$7.9 million mainly on seasonal sales in the run up to the Muslim Lebaran festivities in Indonesia. Average Receivable Days improved by 9 days due to an increase in the proportion of Indonesia sales (in relation to the total) which have shorter trading terms and tighter credit control. Of the Group's total sales, Indonesia contributed 73.2% in 1Q 2016 versus 70.2% in FY2015.

#### 1(c) Aggregate amount of the Group's borrowings and debt securities

|                                                    | Group     |           | Company   |           |
|----------------------------------------------------|-----------|-----------|-----------|-----------|
|                                                    | 31-Mar-16 | 31-Dec-15 | 31-Mar-16 | 31-Dec-15 |
|                                                    | US\$'000  | US\$'000  | US\$'000  | US\$'000  |
| Amount repayable in one year or less, or on demand |           |           |           |           |
| - Secured                                          | 14,832    | 13,250    | 78        | 90        |
| - Unsecured                                        | 43,589    | 46,203    | -         | -         |
|                                                    | 58,421    | 59,453    | 78        | 90        |
| Amount repayable after one year                    |           |           |           |           |
| - Secured                                          | 907       | 1,240     | 182       | 246       |
| - Unsecured                                        | 13,186    | 13,959    | -         | -         |
|                                                    | 14,093    | 15,199    | 182       | 246       |

#### Details of collateral

Of the Group's total bank borrowings as at 31 March 2016, US\$15.7 million (vs US\$14.5 million at end-2015) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

**1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                              | Period ended    |                 |
|--------------------------------------------------------------|-----------------|-----------------|
|                                                              | 31-Mar-16       | 31-Mar-15       |
|                                                              | <u>US\$'000</u> | <u>US\$'000</u> |
| <b>Cash flows from operating activities</b>                  |                 |                 |
| Total profit                                                 | 8,444           | 7,725           |
| Adjustments:                                                 |                 |                 |
| Income tax expense                                           | 3,464           | 3,445           |
| Depreciation and amortisation                                | 1,833           | 2,046           |
| Loss/(Gain) on disposal of property, plant and equipment     | 46              | (17)            |
| Interest income                                              | (503)           | (571)           |
| Interest expense                                             | 1,083           | 1,023           |
| Fair value loss/(gain) on derivatives                        | 61              | (56)            |
| Share of (profits)/loss from associated companies            | (219)           | 7               |
| Operating cash flow before working capital changes           | 14,209          | 13,602          |
| Change in working capital                                    |                 |                 |
| Inventories                                                  | 1,685           | 1,270           |
| Trade and other receivables                                  | (8,819)         | 15,841          |
| Trade and other payables                                     | 6,295           | (9,499)         |
| Cash generated from operations                               | 13,370          | 21,214          |
| Interest received                                            | 503             | 571             |
| Income tax paid                                              | (3,403)         | (3,221)         |
| <b>Net cash provided by operating activities</b>             | <b>10,470</b>   | <b>18,564</b>   |
| <b>Cash flows from investing activities</b>                  |                 |                 |
| Purchases of property, plant and equipment                   | (2,019)         | (7,006)         |
| Payments for patents and trademarks                          | (42)            | (28)            |
| Proceeds from disposal of property, plant and equipment      | 99              | 17              |
| <b>Net cash used in investing activities</b>                 | <b>(1,962)</b>  | <b>(7,017)</b>  |
| <b>Cash flows from financing activities</b>                  |                 |                 |
| Proceeds from bank borrowings                                | 217             | -               |
| Proceeds from/(repayment of) trade finance                   | 1,931           | (2,230)         |
| Repayment of bank borrowings                                 | (10,152)        | (4,203)         |
| Repayment of lease liabilities                               | (1,053)         | (1,402)         |
| Interest paid                                                | (1,097)         | (1,038)         |
| <b>Net cash used in financing activities</b>                 | <b>(10,154)</b> | <b>(8,873)</b>  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>  | <b>(1,646)</b>  | <b>2,674</b>    |
| <b>Cash and cash equivalents</b>                             |                 |                 |
| Beginning of financial year                                  | 100,550         | 149,212         |
| Effects of currency translation on cash and cash equivalents | (696)           | 1,353           |
| <b>End of financial year</b>                                 | <b>98,208</b>   | <b>153,239</b>  |

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

|                        | Period ended    |                 |
|------------------------|-----------------|-----------------|
|                        | 31-Mar-16       | 31-Mar-15       |
|                        | <u>US\$'000</u> | <u>US\$'000</u> |
| Cash and bank balances | 15,969          | 54,114          |
| Short term deposits    | 106,515         | 122,910         |
| Less: Bank overdrafts  | (24,276)        | (23,785)        |
|                        | <u>98,208</u>   | <u>153,239</u>  |

## Consolidated Statement of Comprehensive Income

|                                                               | 1Q ended 31 March    |                   |
|---------------------------------------------------------------|----------------------|-------------------|
|                                                               | 2016                 | 2015              |
|                                                               | <u>US\$'000</u>      | <u>US\$'000</u>   |
| <b>Profit for the period</b>                                  | <b>8,444</b>         | <b>7,725</b>      |
| <b>Other comprehensive income/(loss):</b>                     |                      |                   |
| Items that may be reclassified to profit or loss:             |                      |                   |
| Foreign currency translation reserve                          |                      |                   |
| - Currency translation differences arising from consolidation | 5,611                | (7,387)           |
| Items that will not be reclassified to profit or loss:        |                      |                   |
| Defined pension benefits obligation                           |                      |                   |
| - Share of other comprehensive income of associated companies | 8                    | -                 |
| Other comprehensive income/(loss), net of tax                 | <u>5,619</u>         | <u>(7,387)</u>    |
| <b>Total comprehensive income for the year</b>                | <b><u>14,063</u></b> | <b><u>338</u></b> |
| <b>Total comprehensive income/(loss) attributable to:</b>     |                      |                   |
| Equity holders of the Company                                 | 14,059               | 359               |
| Non-controlling interest                                      | 4                    | (21)              |
|                                                               | <u>14,063</u>        | <u>338</u>        |

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

|                                           | Attributable to equity holders of the Company |                                             |                        |                                            |                          |                 |                                 |                     |
|-------------------------------------------|-----------------------------------------------|---------------------------------------------|------------------------|--------------------------------------------|--------------------------|-----------------|---------------------------------|---------------------|
|                                           | <u>Share capital</u>                          | <u>Foreign currency translation reserve</u> | <u>General reserve</u> | <u>Defined pension benefits obligation</u> | <u>Retained earnings</u> | <u>Total</u>    | <u>Non-controlling interest</u> | <u>Total equity</u> |
|                                           | <u>US\$'000</u>                               | <u>US\$'000</u>                             | <u>US\$'000</u>        | <u>US\$'000</u>                            | <u>US\$'000</u>          | <u>US\$'000</u> | <u>US\$'000</u>                 | <u>US\$'000</u>     |
| <b><u>The Group</u></b>                   |                                               |                                             |                        |                                            |                          |                 |                                 |                     |
| <b><u>1Q 2016</u></b>                     |                                               |                                             |                        |                                            |                          |                 |                                 |                     |
| <b>Balance at 1 January 2016</b>          | 155,951                                       | (62,066)                                    | 2,147                  | 98                                         | 145,904                  | 242,034         | 120                             | 242,154             |
| Profit/(loss) for the period              | -                                             | -                                           | -                      | -                                          | 8,445                    | 8,445           | (1)                             | 8,444               |
| Other comprehensive income for the period | -                                             | 5,606                                       | -                      | 8                                          | -                        | 5,614           | 5                               | 5,619               |
| <b>Balance at 31 March 2016</b>           | 155,951                                       | (56,460)                                    | 2,147                  | 106                                        | 154,349                  | 256,093         | 124                             | 256,217             |
|                                           |                                               |                                             |                        |                                            |                          |                 |                                 |                     |
| <b><u>The Group</u></b>                   |                                               |                                             |                        |                                            |                          |                 |                                 |                     |
| <b><u>1Q 2015</u></b>                     |                                               |                                             |                        |                                            |                          |                 |                                 |                     |
| <b>Balance at 1 January 2015</b>          | 155,951                                       | (45,677)                                    | 2,072                  | (70)                                       | 184,907                  | 297,183         | 143                             | 297,326             |
| Profit/(loss) for the period              | -                                             | -                                           | -                      | -                                          | 7,741                    | 7,741           | (16)                            | 7,725               |
| Other comprehensive loss for the period   | -                                             | (7,382)                                     | -                      | -                                          | -                        | (7,382)         | (5)                             | (7,387)             |
| <b>Balance at 31 March 2015</b>           | 155,951                                       | (53,059)                                    | 2,072                  | (70)                                       | 192,648                  | 297,542         | 122                             | 297,664             |

## Statement of Changes in Equity for the Company

|                                  | <u>Attributable to equity holders of the Company</u> |                              |                         |
|----------------------------------|------------------------------------------------------|------------------------------|-------------------------|
|                                  | <u>Share<br/>capital</u>                             | <u>Retained<br/>earnings</u> | <u>Total<br/>equity</u> |
|                                  | <u>US\$'000</u>                                      | <u>US\$'000</u>              | <u>US\$'000</u>         |
| <b><u>The Company</u></b>        |                                                      |                              |                         |
| <b><u>1Q 2016</u></b>            |                                                      |                              |                         |
| <b>Balance at 1 January 2016</b> | 155,951                                              | 315                          | 156,266                 |
| Profit for the period            | -                                                    | 754                          | 754                     |
| <b>Balance at 31 March 2016</b>  | <u>155,951</u>                                       | <u>1,069</u>                 | <u>157,020</u>          |
| <br><b><u>The Company</u></b>    |                                                      |                              |                         |
| <b><u>1Q 2015</u></b>            |                                                      |                              |                         |
| <b>Balance at 1 January 2015</b> | 155,951                                              | 33,640                       | 189,591                 |
| Profit for the period            | -                                                    | 7,744                        | 7,744                   |
| <b>Balance at 31 March 2015</b>  | <u>155,951</u>                                       | <u>41,384</u>                | <u>197,335</u>          |

- 1(f) 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

For 1Q ended 31 March 2016, there was no change in the Company's issued and paid up share capital.

The Company's proposed capital reduction and cash distribution of approximately US\$60.0 million is now pending High Court of Singapore approval (see paragraph 1(b) Note 4 on page 6).

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Whether the figures have been audited or reviewed, the auditors' report (including 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 Company and the Group have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2015, except for the adoption of Financial Reporting Standards (FRS) and INT FRS that are mandatory for financial years beginning on or after 1 January 2016 and which the Group has not early adopted. The following are the new or amended FRS that are relevant to the Group.

|                       |                                                                                          |
|-----------------------|------------------------------------------------------------------------------------------|
| Amendments to FRS 111 | Joint Arrangements: Accounting for Acquisition of Interests in Joint Operations          |
| Amendments to FRS 110 | Consolidated Financial Statements and FRS28 Investments in associates and joint ventures |
| Amendments to FRS 1   | Presentation of Financial Statements: Disclosure initiatives                             |

The adoption of the above amended FRS does not have any significant impact on the financial statements of the Group and of the Company.

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

Please refer to paragraph 4.

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

|      |                                                                           | <b>1Q ended 31 March</b> |             |
|------|---------------------------------------------------------------------------|--------------------------|-------------|
|      |                                                                           | <b>2016</b>              | <b>2015</b> |
| (i)  | Based on weighted average number of ordinary shares in issue - (US cents) |                          |             |
|      | - Include Exceptional Items                                               | <b>1.38</b>              | 1.27        |
|      | - Exclude Exceptional Items                                               | <b>1.38</b>              | 1.28        |
| (ii) | On a fully diluted basis - (US cents)                                     |                          |             |
|      | - Include Exceptional Items                                               | <b>1.38</b>              | 1.27        |
|      | - Exclude Exceptional Items                                               | <b>1.38</b>              | 1.28        |

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 31 March 2016 and 31 March 2015 respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

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

|                                                                               | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                               | <b>31-Mar-16</b> | <b>31-Dec-15</b> | <b>31-Mar-16</b> | <b>31-Dec-15</b> |
| Net asset value per ordinary share based on issued share capital - (US cents) | <b>41.9</b>      | 39.6             | <b>25.7</b>      | 25.6             |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Key Figures for the Group (unaudited)**

|                                            | 1Q ended 31 March |                |                          |                                        |
|--------------------------------------------|-------------------|----------------|--------------------------|----------------------------------------|
|                                            | 2016              | 2015           | % change                 |                                        |
|                                            | US\$'000          | US\$'000       | In USD term <sup>1</sup> | In constant exchange rate <sup>2</sup> |
| Indonesia                                  | 75,854            | 73,513         | 3.2                      | 11.7                                   |
| Regional Markets                           | 27,701            | 32,723         | (15.3)                   | (5.0)                                  |
| <b>REVENUE</b>                             | <b>103,555</b>    | <b>106,236</b> | <b>(2.5)</b>             | <b>6.5</b>                             |
| Indonesia                                  | 14,436            | 13,303         | 8.5                      | 18.2                                   |
| Regional Markets                           | (115)             | 459            | NM                       | NM                                     |
| <b>EBITDA</b>                              | <b>14,321</b>     | <b>13,762</b>  | <b>4.1</b>               | <b>14.2</b>                            |
| Profit before tax before exceptional items | 11,908            | 11,264         | 5.7                      | 16.1                                   |
| Exceptional items                          | -                 | (94)           | NM                       | NM                                     |
| Profit before tax after exceptional items  | 11,908            | 11,170         | 6.6                      | 17.0                                   |
| Net profit attributable to shareholders    | 8,445             | 7,740          | 9.1                      | 20.4                                   |

**Key performance indicators**

|                     | 1Q ended 31 March |       |         |
|---------------------|-------------------|-------|---------|
|                     | 2016              | 2015  | %       |
| Gross profit margin | 31.9%             | 30.3% | 1.6% pt |

**Notes:**

- 1 The Group's income statement used the following average exchange rate(s) in translating the results of its subsidiaries into USD term.

| Average FX Rate USD 1 to | Indonesian Rupiah (IDR) | Malaysian Ringgit (MYR) | Singapore Dollar (SGD) | Philippines Peso (PHP) |
|--------------------------|-------------------------|-------------------------|------------------------|------------------------|
| 1Q 2016                  | 13,679                  | 4.2118                  | 1.4141                 | 47.5163                |
| 1Q 2015                  | 12,641                  | 3.5766                  | 1.3431                 | 44.2787                |
| (Weakened) Y-o-Y         | (8.2%)                  | (17.8%)                 | (5.3%)                 | (7.3%)                 |

- 2 For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2015 in translating the Group's 1Q 2016 results.

## Review of the Group's 1Q 2016 Financial Performance

**Figure 1 - Key Financial Highlights**

| (In US\$ Million)                        | 1Q 2016      | 1Q 2015      | % chg<br>Y-o-Y | % chg Y-o-Y in<br>Constant Exch<br>Rates * |
|------------------------------------------|--------------|--------------|----------------|--------------------------------------------|
| Indonesia                                | 75.9         | 73.5         | 3.2%           | 11.7%                                      |
| The Regional Markets                     | 27.7         | 32.7         | (15.3%)        | (5.0%)                                     |
| <b>Total Revenue</b>                     | <b>103.6</b> | <b>106.2</b> | <b>(2.5%)</b>  | <b>6.5%</b>                                |
| Gross Profit Margin (%)                  | 31.9%        | 30.3%        | 1.6% pt        | 1.6% pt                                    |
| <b>EBITDA</b>                            | <b>14.3</b>  | <b>13.8</b>  | <b>4.1%</b>    | <b>14.2%</b>                               |
| <b>PATMI (exclude Exceptional Items)</b> | <b>8.4</b>   | <b>7.8</b>   | <b>7.8%</b>    | <b>18.9%</b>                               |
| <b>PATMI (include Exceptional Items)</b> | <b>8.4</b>   | <b>7.7</b>   | <b>9.1%</b>    | <b>20.4%</b>                               |

Note: \* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2015 in translating 1Q 2016 results.

In the 1<sup>st</sup> Quarter ("1Q") 2016, the Group achieved revenue of US\$103.6 million and PATMI of US\$8.4 million. With the weakness in the regional currencies (especially the Indonesian Rupiah which was weaker Y-o-Y against the USD by an average of 8.2% in 1Q 2016), foreign exchange translation into the Group's USD reporting currency resulted in revenue lower by 2.5% Y-o-Y while PATMI grew 9.1% Y-o-Y. Although in local currency terms, Y-o-Y revenue and PATMI growth of 6.5% and 20.4% respectively were achieved.

The 1Q 2016 growth achieved can be attributed mainly to the encouraging start achieved by our business in Indonesia resulting in Y-o-Y sales growth of 11.7% (in local currency terms). This growth was achieved despite the still prevalent macroeconomic uncertainties in Indonesia, i.e. slowing economic growth and currency volatility. Although consumer sentiment remained weak as a result, we believe that it has not worsened compared to last year.

For the Regional markets, the weaker Y-o-Y sales performance can be attributed mainly to the cessation of our Singapore distribution business on 31 August 2015.

The Group's profit growth was driven by a combination of the sales growth and the higher Gross Profit Margin ("GP") achieved. The improvement in our GP margin of 1.6% point can be attributed to the higher Own Brands sales achieved, the benefit of the price increases implemented in 3Q 2015 and through our on-going cost containment initiatives.

Excluding Exceptional Items, the Group's 1Q 2016 PATMI increased by 7.8% Y-o-Y (18.9% in local currency terms).

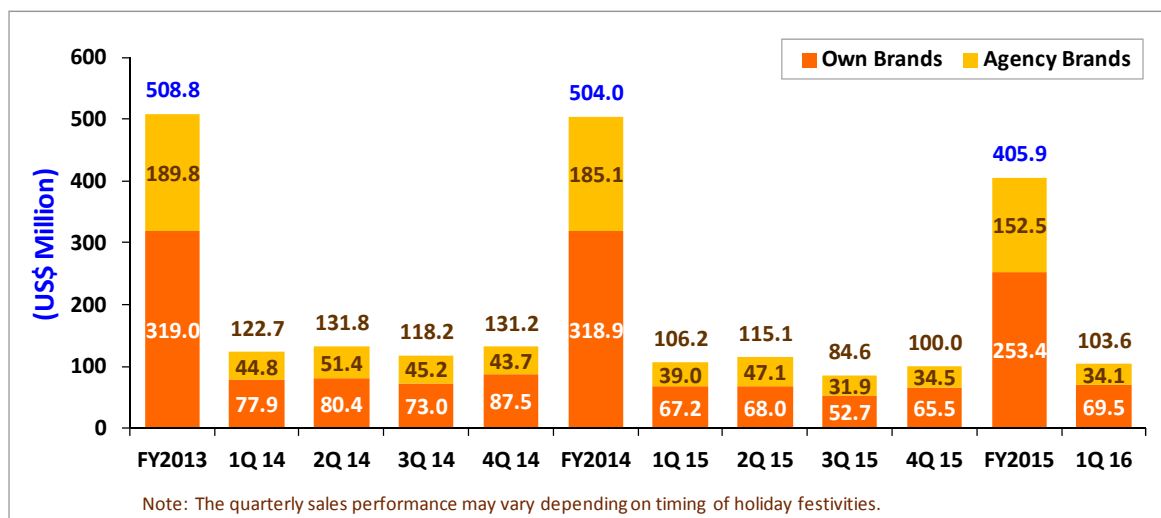
For 1Q 2016, the Group generated Free Cash Flow of US\$6.7 million through tighter working capital management and focusing our capital expenditure on the most critical and immediately income generating projects.

## **Performance review of Own Brands and Agency Brands**

For 1Q 2016, Own Brands sales continued to be a major contributor to the Group's business, forming more than 60% of the Group's revenue. Over the years, our portfolio of Own Brands has progressively expanded and today extends into the categories of chocolate confectionery, biscuits and wafers, breakfast, baking and beverages.

In local currency terms, our total Own Brands achieved Y-o-Y growth of 11.7% in 1Q 2016 with Own Brand sales in Indonesia the main growth driver.

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



For Agency Brands, sales were lower by 2.4% Y-o-Y in local currency terms as a result of the cessation of the Group's distribution business in Singapore on 31 August 2015.

To better illustrate the Group's fundamental underlying revenue performance, if the results were adjusted (i) for the translational impact by using 1Q 2015's exchange rates; and (ii) to exclude the cessation of the Singapore business, our underlying 1Q 2016 revenue growth would have been as follows:

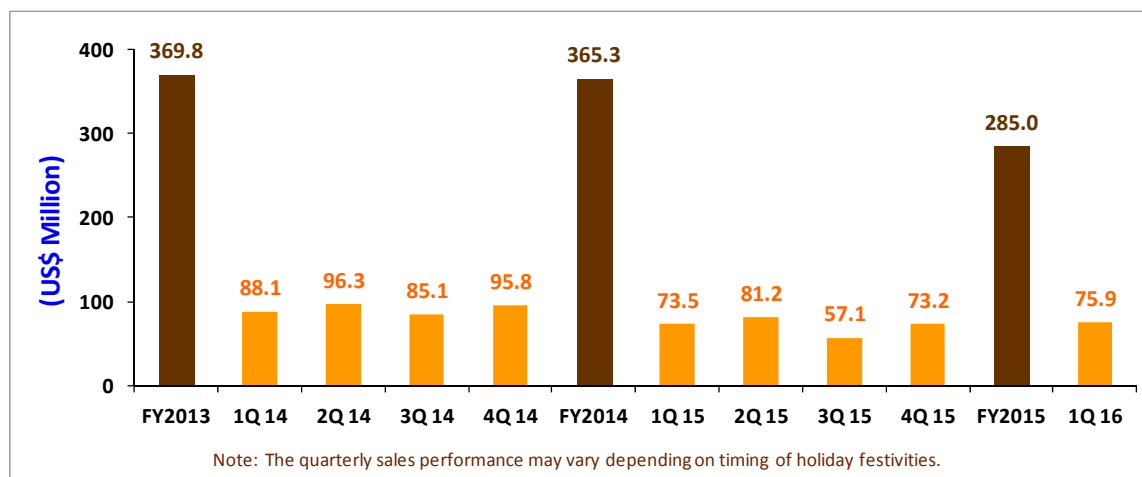
1. For the business in Regional Markets, revenue would have increased 6.5% (instead of the reported decline of 15.3%); and
2. The Group's overall revenue growth would have been 10.2% (instead of the reported decline of 2.5%).

## **Performance Review by Markets**

### **Indonesia**

The 1Q 2016 sales generated by our business in Indonesia was higher Y-o-Y by 3.2% in the Group's USD reporting currency. From a local currency perspective, which is more representative of the business' fundamental underlying performance, overall sales were higher Y-o-Y by 11.7%.

**Figure 3 - Indonesia's Revenue Performance (Quarterly and Full Year)**



The growth achieved can be attributed mainly to higher Own Brands sales in 1Q 2016 as a result of:

- (i) Our trade customers, at the start of 2016, undertaking a programme to replenish their supply chain. In 2015, they had reduced their orders and inventory levels in reaction to the weakening consumption; and
- (ii) Seasonal sales in the run up to the upcoming Muslim Lebaran festivities.

Despite the challenging environment and intensifying competition in Indonesia, our market share remained above 50%. We continued to make targeted and disciplined investments in our brands and this meant increasing our spending to build our core brands and focusing on where we believe the strongest growth opportunities were. To cater to the different customer groups, we have chocolate confectionery products that dominate across multiple price points and across many product categories.

In addition, to position our business for long term success, we continued investing in our sales force and in our route-to-market capabilities to develop a more agile, flexible and faster distribution network to respond to the constantly evolving retail landscape in Indonesia and our Regional Markets.

### **The Regional Markets**

For our Regional Markets, 1Q 2016 revenues were lower Y-o-Y by 15.3% in the Group's USD reporting currency. However, in local currency terms and excluding the cessation of the Singapore distribution business, Y-o-Y growth of 6.5% was achieved.

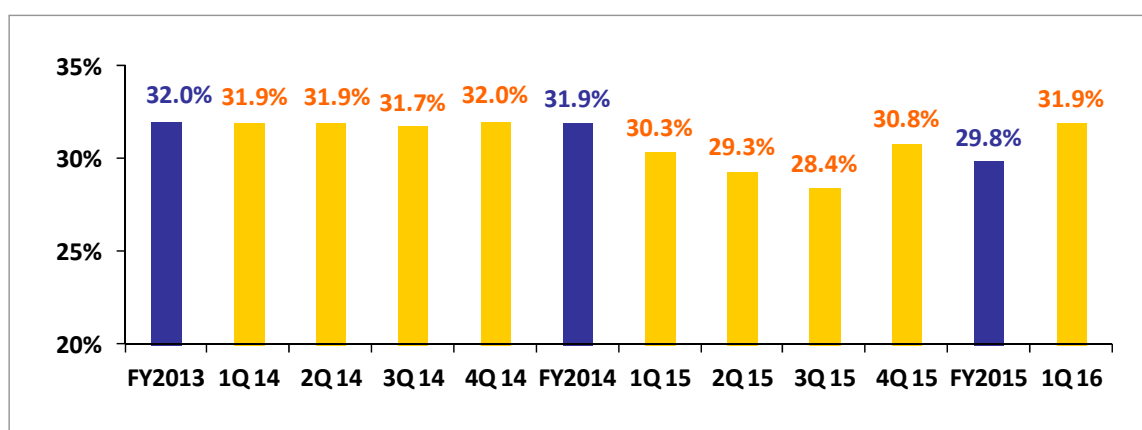
In the Philippines, our team implemented a programme to discontinue some slow moving SKUs in 1Q 2016. This programme is part of our on-going initiatives to streamline our product portfolio of the SKU's that have only marginal contribution to the business.

### **Review of Profitability**

On the back of the revenue of US\$103.6 million in 1Q 2016, the Group generated EBITDA of US\$14.3 million (higher Y-o-Y by 4.1%) and PATMI of US\$8.4 million in the Group's USD reporting currency.

The higher 1Q 2016 profitability from operations can be attributed mainly to the higher sales and GP margin in Indonesia. The GP margin of 31.9% for 1Q 2016 (higher Y-o-Y by 1.6% points) reflected the higher sales achieved, the benefit of the pricing adjustment and product resizing for selected products in Indonesia in 3Q 2015, and our on-going cost containment initiatives.

**Figure 4 - Gross Profit Margin (Quarterly and Full Year)**



Note: \* It should be highlighted that quarterly margins achieved may vary depending on composition of sales mix, both within Own Brands and mix of Own Brands and Agency Brands.

For Own Brands, our ongoing strategy to tackle higher input costs includes a combination of the following: proactive price adjustments and product right-sizing, launching of higher margined new products and cost containment initiatives. Furthermore, the strategy of buying forward our main raw material requirements in a timely manner serves to lock-in forward costs to a major extent thus providing greater cost visibility and margin stability. We will also continue to drive higher sales volume and increase efficiency and reduce costs in the supply chain.

For 1Q 2016, selling and distribution costs remained high (as a percentage of the Group's sales) as a result of continued investments in our brand building initiatives and as we strengthened our route-to-market capabilities. We believe the latter is necessary as we continue to strengthen our infrastructure to support the Group's long term growth.

Despite the higher selling and distribution costs, the Group achieved a 1Q 2016 EBITDA margin of 13.8% (higher Y-o-Y by 0.8% point).

## **Review of Financial Position and Cash Flow**

| <b>Balance Sheet as at</b>           | <b>31-Mar-16</b>       | <b>31-Dec-15</b>       | <b>Change</b>          |
|--------------------------------------|------------------------|------------------------|------------------------|
|                                      | <u><b>US\$'000</b></u> | <u><b>US\$'000</b></u> | <u><b>US\$'000</b></u> |
| Cash and cash equivalent             | <b>122,484</b>         | 119,547                | 2,937                  |
| Total Assets                         | <b>404,144</b>         | 387,593                | 16,551                 |
| Borrowings                           | <b>72,514</b>          | 74,652                 | (2,138)                |
| Foreign currency translation reserve | <b>(56,460)</b>        | (62,066)               | 5,606                  |
| Shareholders' Equity                 | <b>256,093</b>         | 242,034                | 14,059                 |
| Current ratio                        | <b>2.27</b>            | 2.23                   |                        |

As at 31 March 2016, the Group increased its cash balance by US\$2.9 million on the higher profitability achieved which translated into an operating cash flow of US\$14.2 million (see paragraph 1(d) on page 7). The positive operating cash flow enabled the Group to generate a free cash flow of US\$6.7 million and reduce its borrowings by US\$2.1 million (see paragraph 1(b) Note 2 on page 5).

Shareholders equity and total assets were higher by US\$14.1 million and US\$16.6 million respectively on 1Q 2016's higher Net Profit and a US\$5.6 million gain on foreign currency translation reserve. The strengthening of all regional currencies against the USD (see paragraph 1(b) Note 3 on page 5) also increased the Group's property, plant equipment by US\$4.6 million although only US\$2.0 million was invested during the quarter under review. The Group reduced its capital spending in light of uncertain economic condition, focusing on the most critical and immediately income-generating projects (see paragraph 1(b) Note 1 on page 5).

Compared to the balances at end-2015, trade receivables were higher by US\$7.9 million mainly on seasonal sales in the run-up to the Muslim Lebaran festivities which was partially offset by lower inventories of US\$1.7 million. With a tighter working capital management, the Group improved its cash conversion cycle<sup>1</sup> by 16 days (see paragraph 1(b) Note 5 on page 6).

### **Update on Proposed Capital Reduction and Cash Distribution**

The shareholders, on 26 April 2016, approved the Company's proposed Capital Reduction and Cash Distribution will involve a return of approximately US\$60.0 million cash to the shareholders (see paragraph 1(b) Note 4 on page 6).

The Capital Reduction is now subject to approval of the High Court of Singapore. The capital reduction, when completed, will enable the Group to achieve a more efficient capital structure. After the cash distribution, the Company's remaining cash balances resources will be sufficient to support its foreseeable near term investment needs. Pending distribution, the cash is in deposits with two financial institutions in Singapore.

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

The Group's results for 1Q 2016 are in line with the commentary made on February 2016 in paragraph 10 of the Group's "4Q and FY2015 Unaudited Financial Statement and Dividend Announcement".

<sup>1</sup> Cash conversion cycle is calculated by adding the inventory days to receivables days subtracting the payable days.

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

It is unclear at this stage how prolonged the present economic and currency volatility in our core markets will be. As a result, we believe consumers in our markets will continue to face tough conditions with economic uncertainty likely to weigh on consumer confidence.

The Group's focus is to work closely with our trade customers and partners to deliver sustainable growth by ensuring that our brands are always available, properly displayed and at the right price points. We will continue to accelerate innovation for Own Brands as this remains a key priority for us with our objective to reach many more consumers by developing innovative products that will address different consumer needs at different price points.

In addition to growing our sales, we will focus on driving cost efficiencies through our organization. Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's financial performance in FY2016 to be better than FY2015. We will further strengthen the Group's cash flow generation through tighter working capital management and focused capital expenditures.

We never rest in our relentless pursuit to build a stronger business, strengthen our brand portfolio and find new paths to grow. To sustain profitable growth over the longer term, we are taking actions to further strengthen our business to capture the significant growth opportunities. These include ensuring our organization is efficiently aligned to our growth plans; investing to grow our key brands in our markets; and taking measured steps to strengthen our distribution infrastructure. We will prudently invest to build capacity and capabilities where there are clear expansion opportunities and we will also increase our productivity and efficiency targets in our manufacturing and distribution infrastructure.

Despite the current headwinds in our markets, we believe our geographic and product portfolio position us well for future growth. Over the long term, the consumption environment in our regional markets will continue to be supported by the robust economies and the fast growing middle income classes. Our success in our core markets is rooted in our undertaking that our organization must always be ready to adapt to changing times and nimble to cope with the fast moving world. To add further value over the longer term to our quality earnings, we will continue to explore opportunities to enter new markets and to extend to new categories if these opportunities meet our investment criteria.

**11. Dividend**

**a. Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

**b. Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the preceding financial period reported on? No

**c. Date payable**

Not applicable.

**d. Books closure date**

Not applicable.

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

No interim dividend for 1Q ended 31 March 2016 has been recommended.

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

The Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 26 April 2016 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

|                                | <sup>1</sup> Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                                | 1Q 2016                                                                                                                                 |
|                                | <u>US\$'000</u>                                                                                                                         |
| <b>PT Freyabadi Indotama</b>   |                                                                                                                                         |
| - Sales of goods               | 117                                                                                                                                     |
| - Purchase of products         | 3,896                                                                                                                                   |
|                                | <b>4,013</b>                                                                                                                            |
| <b>PT Fajar Mataram Sedayu</b> |                                                                                                                                         |
| - Purchase of goods            | 117                                                                                                                                     |
| <b>PT Sederhana Djaja</b>      |                                                                                                                                         |
| - Lease of properties          | 9                                                                                                                                       |
|                                | <b>4,139</b>                                                                                                                            |

**14. Negative confirmation pursuant to Rule 705(5).**

On behalf of the Board, we, directors of the Company, Mr Chuang Tiong Choon and Mr Chuang Tiong Kie, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Group for the 1<sup>st</sup> Quarter ended 31 March 2016 to be false or misleading.

**15. Confirmation that the 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 confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei/Evelyn Chuang  
Company Secretaries

11 May 2016