

Delfi Limited (formerly known as Petra Foods Limited)
Unaudited Financial Statements and Dividend Announcement
For the 4th Quarter and Full Year Ended 31 December 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.

	Notes	Group			Group		
		4Q ended 31 December			FY ended 31 December		
		2016	2015	Change	2016	2015	Change
		<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue	1	105,587	100,004	5.6	402,083	405,862	(0.9)
Cost of Sales		(65,008)	(69,188)	(6.0)	(262,352)	(285,052)	(8.0)
Gross Profit		40,579	30,816	31.7	139,731	120,810	15.7
Other operating income	2	140	610	(77.0)	4,549	4,906	(7.3)
<u>Expenses</u>							
Selling and distribution costs		(25,414)	(22,567)	12.6	(78,756)	(72,641)	8.4
Administrative expenses		(5,425)	(4,688)	15.7	(19,462)	(19,330)	0.7
Finance costs		(1,013)	(1,219)	(16.9)	(4,088)	(4,219)	(3.1)
Other operating expenses		(359)	(74)	385.1	(473)	(2,138)	(77.9)
Exceptional items	3	(2,000)	(35)	NM	(2,000)	(20,066)	(90.0)
Share of results of associated companies		(90)	(244)	(63.1)	(266)	64	NM
Profit before income tax		6,418	2,599	146.9	39,235	7,386	431.2
Income tax expense	4	(2,765)	(1,798)	53.8	(13,082)	(12,126)	7.9
Total Profit/(Loss)	5	3,653	801	356.1	26,153	(4,740)	NM
Profit/(Loss) attributable to:							
Equity holders of the Company		3,654	800	356.8	26,156	(4,726)	NM
Non-controlling interest		(1)	1	NM	(3)	(14)	(78.6)
		3,653	801	356.1	26,153	(4,740)	NM
EBITDA		12,513	5,474	128.6	50,582	37,467	35.0
Earnings/(Losses) per ordinary share (US cents) - Basic and Diluted^a							
- Include Exceptional Items		0.60	0.13	356.8	4.28	(0.77)	NM
- Exclude Exceptional Items		0.93	0.14	577.1	4.61	2.51	83.5
Return on equity							
- Include Exceptional Items					11.8%	(1.8%)	13.6% pt
- Exclude Exceptional Items					12.6%	5.7%	6.9% pt

Notes

- a. 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.

Explanatory notes on income statement

Note 1 - Revenue

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

	4Q ended 31 December			FY ended 31 December		
	2016	2015	Change	2016	2015	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	76,444	73,171	4.5	290,934	284,988	2.1
Regional Markets	29,143	26,833	8.6	111,149	120,874	(8.0)
	<u>105,587</u>	<u>100,004</u>	5.6	<u>402,083</u>	<u>405,862</u>	(0.9)

(b) Breakdown of Sales

	4Q ended 31 December			FY ended 31 December		
	2016	2015	Change	2016	2015	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Own Brands	71,409	65,440	9.1	262,358	253,330	3.6
Agency Brands	34,178	34,564	(1.1)	139,725	152,532	(8.4)
	<u>105,587</u>	<u>100,004</u>	5.6	<u>402,083</u>	<u>405,862</u>	(0.9)

Note 2 - Other Operating Income

Included in FY2016's Other Operating Income was interest income of US\$2.6 million (IDR 34.5 billion) received by PT General Foods Industries ("GFI"), a wholly owned subsidiary of the Company from Indonesia's Director General of Taxation ("DGT"). This related to rulings in 2012 and 2014 by the Indonesian Tax court and Supreme Court in favour of GFI in its appeal against the DGT's imposition of an additional tax assessment in 2009 amounting to IDR 72.5 billion (US\$7.2 million) pertaining to the issue of transfer pricing. In 2012, DGT refunded the IDR 72.5 billion to GFI but based on Indonesian tax regulation, the DGT must in addition pay interest for the period the amount was withheld.

In FY2015, other operating income included a gain on disposal of property, plant and equipment of US\$1.5 million and a custom duty refund of US\$0.5 million.

Note 3 - Exceptional Charge

In 4Q and FY2016, the Group recognized an exceptional charge of US\$2.0 million pertaining to ongoing claims associated with the disposal of Delfi Cacau Brasil Ltda ("DCBR") - see section titled "Update on Claims Associated with the Disposal of Delfi Cacau Brasil Ltda" on page 21.

In FY2015, the Group recognised a one-time exceptional charge of US\$19.4 million from the full and final settlement reached with Barry Callebaut and professional fees incurred by the Company pertaining to the resolution of the dispute and on-going Brazil claims.

Note 4 - Income Tax Expense

In 4Q 2016 and FY2016, one of the Group's Indonesian subsidiaries obtained a tax benefit of US\$2.5 million through a new regulation (effective from 20 October 2015), regarding fixed assets revaluation for 2015 and 2016 tax submissions. The new regulation was issued as part of the Indonesian Government's fifth stimulus package. The tax benefit obtained partially offset the effects of withholding taxes paid on dividend and royalty income received from the overseas subsidiaries of the Group of US\$3.0 million (FY2015: US\$4.0 million) and prior year tax charges of US\$0.75 million (FY2015: US\$0.3 million).

The Group's effective tax rate for 2016 and 2015 were affected by exceptional charges as they are not deductible for tax purposes. The Group also did not recognize any deferred tax credit on operating losses or restructuring costs incurred as a result of the cessation of its Singapore distribution business in August 2015.

Note 5 - Net Profit

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

		4Q ended 31 December			FY ended 31 December		
		2016	2015	Change	2016	2015	Change
	Notes	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Depreciation of property, plant and equipment	a	(3,277)	(1,768)	85.4	(9,014)	(7,424)	21.4
Amortisation and impairment of intangible assets		(44)	(308)	(85.7)	(163)	(425)	(61.6)
Net foreign exchange (loss)/gain		(342)	352	NM	(124)	(1,051)	(88.2)
Group under provision of tax in prior years		(811)	(519)	56.3	(754)	(316)	138.6
Gain on disposal of property, plant and equipment		61	35	74.3	104	1,470	(92.9)
Impairment loss on trade receivables		(27)	(113)	(76.1)	(77)	(152)	(49.3)
Inventories written-off	b	(1,389)	(522)	166.1	(3,051)	(1,907)	60.0
Allowance made for inventory obsolescence	b	(127)	(473)	(73.2)	(1,915)	(1,418)	35.0

- In August 2016, the Group completed the construction of a new factory building in Indonesia and began depreciating the building over an estimated useful life of 20 years.
- Higher inventories written-off and allowance for inventory obsolescence during the year resulting from the Group's initiative to trim underperforming SKUs in Indonesia and the Philippines.

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

		Group		Company	
		31-Dec-16	31-Dec-15* (Restated)	31-Dec-16	31-Dec-15
	Notes	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	67,737	119,547	60,030	111,654
Derivative assets		4	-	-	-
Trade receivables		61,756	56,280	1,337	1,254
Loans to subsidiary		-	-	700	-
Inventories		54,685	59,592	-	-
Tax recoverable		5,792	7,631	-	-
Other current assets		12,697	13,437	888	3,088
		202,671	256,487	62,955	115,996
Non-current assets					
Investments in subsidiaries		-	-	35,935	35,935
Investments in associated companies and joint venture	2	2,769	2,947	3,000	3,000
Loans to associated company and joint venture		932	1,382	-	-
Property, plant and equipment	3	126,768	116,604	905	728
Intangible assets		5,243	4,810	5,167	4,613
Deferred income tax assets		775	342	-	-
Other non-current assets		3,173	5,021	-	-
		139,660	131,106	45,007	44,276
Total Assets		342,331	387,593	107,962	160,272
LIABILITIES					
Current liabilities					
Trade payables		34,689	25,925	332	800
Other payables		37,820	30,205	4,086	2,741
Current income tax liabilities		1,382	489	-	129
Derivative liabilities		91	24	91	-
Borrowings	4	44,197	59,453	95	90
		118,179	116,096	4,604	3,760
Non-current liabilities					
Borrowings	4	9,578	15,199	190	246
Deferred income tax liabilities	5	1,628	4,447	-	-
Provisions for other liabilities and charges		11,654	9,697	-	-
		22,860	29,343	190	246
Total liabilities		141,039	145,439	4,794	4,006
NET ASSETS		201,292	242,154	103,168	156,266
Capital and reserves attributable to the equity holders of the Company					
Share capital	1	95,936	155,951	95,936	155,951
Foreign currency translation reserve	6	(60,228)	(62,066)	-	-
Other reserves		1,760	2,245	-	-
Retained earnings		163,710	145,904	7,232	315
		201,178	242,034	103,168	156,266
Non controlling interest		114	120	-	-
Total equity		201,292	242,154	103,168	156,266

* Certain comparative figures for tax-related balances of US\$2.2 million were reclassified from current tax recoverable to non-current within other non-current assets, in order to conform to current year's presentation. The reclassification does not have a material impact on the financial position of the Group and the Company for the year ended 31 December 2015.

Explanatory Notes on Statement of Financial Position

Note 1 - Capital Reduction and Cash and Cash Equivalents

As announced on 14 June 2016, the Company's proposed capital reduction exercise (the "**Capital Reduction**") pursuant to Section 78G of the Companies Act (Chapter 50 of Singapore) was approved by the High Court of Singapore in June 2016. Pursuant to the Capital Reduction, the Company made a cash distribution of 9.82 US cents (or 13.321 Singapore cents based on applicable exchange rate of US\$1: S\$1.3565) for each issued and fully paid up ordinary share held by a shareholder on 23 June 2016.

The Group's cash balance and issued share capital at 31 December 2016 was reduced by US\$51.8 million and US\$60.0 million respectively compared to balances at end 2015, primarily as a result of the Capital Reduction as set out above.

Together with special dividends of US\$15.0 million paid in 2014 and US\$14.8 million paid in 2015, the Company distributed a total of US\$89.8 million from its proceeds from the sale of its Cocoa Ingredients business.

Note 2 - Investment in Joint Venture

On 11 May 2016, the Company announced its joint venture ("**JV**") with South Korea's Orion Corporation ("**Orion**"). As part of the JV, the Company and Orion have established Delfi-Orion Pte. Ltd. ("**Delfi-Orion**"), a company incorporated in Singapore with an issued and paid-up capital of US\$2/- of 2 ordinary shares where the Company and Orion shall each hold 1 ordinary share ("**Initial Subscription**"). The transaction had no material impact on the net tangible assets and earnings per share of the Company for FY2016.

Delfi-Orion will develop, market and sell a range of joint branded confectionery products in Indonesia. The Initial Subscription by the Company in Delfi-Orion was paid in cash and funded through the Company's internal resources. Both partners will have equal stakes in the JV which is expected to have a total initial capital commitment of up to US\$3.0 million.

Note 3 - Capital Expenditure on Property, Plant and Equipment

Capital expenditure for FY2016 was lower Y-o-Y by US\$7.6 million as the Group reduced its spending in light of the uncertainties in Indonesia. The capital expenditure incurred was mainly for the completion of a new factory building in Indonesia and focused on the most critical and immediately income generating projects. Funded by the Group's operating cash flow, the allocation of this capital expenditure by geographical region is as follows:

	4Q 2016	4Q 2015	FY2016	FY2015
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	4,249	5,813	15,635	23,397
Regional Markets	101	311	1,186	1,041
	<u>4,350</u>	<u>6,124</u>	<u>16,821</u>	<u>24,438</u>

Note 4 - Borrowings

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank overdraft	22,502	18,997	-	-
Bank borrowings	24,088	45,894	-	-
Finance lease liabilities	1,271	3,961	285	336
Trade finance	5,914	5,800	-	-
	53,775	74,652	285	336
Breakdown of borrowings:				
Current	44,197	59,453	95	90
Non current	9,578	15,199	190	246
	53,775	74,652	285	336

In FY2016, the Group used part of its operating cash flow to reduce its borrowings by US\$20.9 million.

Note 5 - Deferred Income Tax Liabilities

For FY2016, Deferred Income Tax Liabilities reduced mainly as a result of the fixed assets revaluation tax benefit obtained by one of the Group's subsidiaries in Indonesia as disclosed in Para 1(a) Note 4 on page 4.

Note 6 - Foreign Currency Translation Reserve

Compared to end 2015, the regional currencies (with the exception of the Indonesian Rupiah) weakened against US Dollar ("USD") for the year under review, as shown below. This resulted in a US\$1.8 million gain in the Group's foreign currency translation reserve, as most of the Group's net assets are denominated in Indonesian Rupiah. On the back of this, the foreign currency translation loss in the Group's balance sheet reduced from US\$62.1 million as at 31 December 2015 to US\$60.2 million as at 31 December 2016.

Closing FX Rate USD 1 to	IDR	MYR	SGD	PHP
31 December 2016	13,436	4.4864	1.4458	49.8130
31 December 2015	13,795	4.2915	1.4136	47.1660
<i>Strengthened/(Weakened) (end 2016 vs end 2015)</i>	2.60	(4.54)	(2.28)	(5.61)

Note 7 - Key Ratios

	31-Dec-16	31-Dec-15
Current ratio	1.70	2.23
Average Inventory Days	79	85
Average Receivable Days	54	62
Average Payable Days	42	37
Return on Equity (excluding Exceptional Items)	12.6%	5.7%

The Group's inventory level at end-December 2016 was lower by US\$4.9 million on tighter inventory management and ongoing product rationalization initiatives. As a result, Average Inventory Days improved by 6 days.

Accounts receivable was higher by US\$5.5 million on higher festive sales in December 2016 to cater for the early Chinese New Year and upcoming Valentine season in 2017. The improvement in Average Receivable Days by 8 days is due to an increase in the proportion of Indonesia sales (in relation to the total) which have shorter trading terms and are subjected to tighter credit control. Of the Group's total sales, Indonesia contributed 72.4% in FY2016 versus 70.2% in FY2015.

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

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Amount repayable in one year or less, or on demand				
- Secured	10,762	13,250	95	90
- Unsecured	33,435	46,203	-	-
	44,197	59,453	95	90
Amount repayable after one year				
- Secured	458	1,240	190	246
- Unsecured	9,120	13,959	-	-
	9,578	15,199	190	246

Details of collateral

Of the Group's total bank borrowings as at 31 December 2016, US\$11.2 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(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Full Year ended	
		31-Dec-16	31-Dec-15
		US\$'000	US\$'000
Cash flows from operating activities			
Total profit/(loss)		26,153	(4,740)
Adjustments:			
Income tax expense		13,082	12,126
Depreciation and amortisation		9,177	7,584
Property, plant and equipment written off		73	124
Impairment loss on brands		-	265
Gain on disposal of property, plant and equipment		(104)	(1,470)
Exceptional items	Para 1(a) Note 3 on page 3	2,000	20,066
Interest income		(3,918)	(2,053)
Interest expense		4,088	4,219
Fair value loss on derivatives		63	64
Share of results of associated companies		266	(64)
Operating cash flow before working capital changes		50,880	36,121
Changes in working capital			
Inventories		4,907	13,158
Trade and other receivables		(2,889)	27,893
Trade and other payables		16,293	(16,246)
Cash generated from operations		69,191	60,926
Interest received	Para 1(a) Note 2 on page 3	3,918	2,053
Income tax paid		(13,454)	(19,731)
Net cash provided by operating activities		59,655	43,248
Cash flows from investing activities			
Purchases of property, plant and equipment	1	(16,674)	(23,479)
Payments for patents and trademarks		(691)	(341)
Payments for full and final settlement of dispute		-	(38,800)
Proceeds from disposal of property, plant and equipment		315	1,530
Net cash used in investing activities		(17,050)	(61,090)
Cash flows from financing activities			
Capital reduction	Para 1(b) Note 1 on page 6	(60,015)	-
Proceeds from bank borrowings		-	22,836
Proceeds from /(Repayment of) trade finance		114	(4,613)
Repayment of bank borrowings		(22,044)	(7,113)
Repayment of lease liabilities		(2,802)	(5,200)
Interest paid		(4,088)	(4,232)
Dividends paid to equity holders of the Company	2	(8,275)	(34,202)
Net cash used in financing activities		(97,110)	(32,524)
Net decrease in cash and cash equivalents		(54,505)	(50,366)
Cash and cash equivalents			
Beginning of financial year		100,550	149,212
Effects of currency translation on cash and cash equivalents		(810)	1,704
End of financial year		45,235	100,550

Note

1. In FY2016, the amount excludes additions to property, plant and equipment of US\$0.15 million (FY2015: US\$1.0 million) which were financed by lease liabilities.
2. Included in 2015 was US\$14.8 million of special dividends paid to shareholders.

Reconciliation of liabilities arising from financing activities

	2015	Cash Flows	Non-Cash Changes		2016
			Addition	Foreign Exchange Movement	
Bank borrowings	45,894	(22,044)	-	238	24,088
Lease liabilities	3,961	(2,802)	148	(36)	1,271

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

	31-Dec-16	31-Dec-15
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	10,329	10,900
Short term deposits	57,408	108,647
	<u>67,737</u>	<u>119,547</u>
Less: Bank overdrafts	(22,502)	(18,997)
	<u>45,235</u>	<u>100,550</u>

Consolidated Statement of Comprehensive Income

	4Q ended 31 December		FY ended 31 December	
	2016	2015	2016	2015
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Profit/(loss) for the period	3,653	801	26,153	(4,740)
Other comprehensive (loss)/income:				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from consolidation	(5,434)	6,963	1,834	(16,398)
Items that will not be reclassified to profit or loss:				
Defined pension benefits obligation				
- Re-measurements of defined pension benefits obligation	(753)	160	(753)	160
- Tax on re-measurements	185	(43)	185	(43)
- Share of other comprehensive loss of associated companies	-	(1)	8	51
	(568)	116	(560)	168
Other comprehensive (loss)/income, net of tax	(6,002)	7,079	1,274	(16,230)
Total comprehensive (loss)/income for the year	(2,349)	7,880	27,427	(20,970)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(2,342)	7,879	27,433	(20,947)
Non-controlling interest	(7)	1	(6)	(23)
	(2,349)	7,880	27,427	(20,970)

1(d)(i) 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>
<u>The Group</u>								
<u>9M 2016</u>								
Balance at 1 January 2016	155,951	(62,066)	2,147	98	145,904	242,034	120	242,154
Profit/(loss) for the period	-	-	-	-	22,503	22,503	(2)	22,501
Other comprehensive income for the period	-	7,265	-	8	-	7,273	3	7,276
Capital reduction	(60,015)	-	-	-	-	(60,015)	-	(60,015)
Interim dividend relating to 2016	-	-	-	-	(8,275)	(8,275)	-	(8,275)
Balance at 30 September 2016	95,936	(54,801)	2,147	106	160,132	203,520	121	203,641
<u>4Q 2016</u>								
Balance at 1 October 2016	95,936	(54,801)	2,147	106	160,132	203,520	121	203,641
Profit for the period	-	-	-	-	3,653	3,653	-	3,653
Other comprehensive loss for the period	-	(5,427)	-	(568)	-	(5,995)	(7)	(6,002)
Transfer to general reserve	-	-	75	-	(75)	-	-	-
Balance at 31 December 2016	95,936	(60,228)	2,222	(462)	163,710	201,178	114	201,292

1(d)(i) 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. (cont'd)

	<u>Attributable to equity holders of the Company</u>						
	<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>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>
The Group							
9M 2015							
Balance at 1 January 2015	155,951	(45,677)	2,072	(70)	184,907	297,183	143
Loss for the period	-	-	-	-	(5,526)	(5,526)	(15)
Other comprehensive income for the period	-	(23,352)	-	52	-	(23,300)	(9)
Final and special dividend relating to 2014	-	-	-	-	(21,757)	(21,757)	-
Interim and special dividend relating to 2015	-	-	-	-	(12,445)	(12,445)	-
Balance at 30 September 2015	155,951	(69,029)	2,072	(18)	145,179	234,155	119
4Q 2015							
Balance at 1 October 2015	155,951	(69,029)	2,072	(18)	145,179	234,155	119
Profit for the period	-	-	-	-	800	800	1
Other comprehensive income for the period	-	6,963	-	116	-	7,079	-
Transfer to general reserve	-	-	75	-	(75)	-	-
Balance at 31 December 2015	155,951	(62,066)	2,147	98	145,904	242,034	120

Statement of Changes in Equity for the Company

	<u>Attributable to equity holders of the Company</u>		
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>The Company</u>			
<u>9M 2016</u>			
Balance at 1 January 2016	155,951	315	156,266
Profit for the period	-	10,812	10,812
Capital reduction	(60,015)	-	(60,015)
Interim dividend relating to 2016	-	(8,275)	(8,275)
Balance at 30 September 2016	<u>95,936</u>	<u>2,852</u>	<u>98,788</u>
<u>4Q 2016</u>			
Balance at 1 October 2016	95,936	2,852	98,788
Profit for the period	-	4,380	4,380
Balance at 31 December 2016	<u>95,936</u>	<u>7,232</u>	<u>103,168</u>

	<u>Attributable to equity holders of the Company</u>		
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>The Company</u>			
<u>9M 2015</u>			
Balance at 1 January 2015	155,951	33,640	189,591
Profit for the period	-	1,437	1,437
Final and special dividend relating to 2014	-	(21,757)	(21,757)
Interim and special dividend relating to 2015	-	(12,445)	(12,445)
Balance at 30 September 2015	<u>155,951</u>	<u>875</u>	<u>156,826</u>
<u>4Q 2015</u>			
Balance at 1 October 2015	155,951	875	156,826
Loss for the period	-	(560)	(560)
Balance at 31 December 2015	<u>155,951</u>	<u>315</u>	<u>156,266</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous 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.**

On 23 June 2016, the Company's issued and paid up share capital reduced by US\$60.0 million from US\$155,951,000 to US\$95,936,000 pursuant to its Capital Reduction and cash distribution exercise as disclosed in paragraph 1(b) Note 1 on page 6.

The Capital Reduction exercise had no impact on the number of ordinary shares held by Shareholders.

- 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.

In addition, the Group has early adopted the Amendments to FRS 7 Statement of Cash Flows (Disclosure Initiative) on 1 January 2016 although the amendment is only mandatory for the Group on 1 January 2017 (see para 1(c) page 10). The Group has included the additional required disclosures in the consolidated statement of cash flows.

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.**

	4Q ended 31 December		Full Year ended 31 December	
	2016	2015	2016	2015
(i) Based on weighted average number of ordinary shares in issue - (US cents)				
- Include Exceptional Items	0.60	0.13	4.28	(0.77)
- Exclude Exceptional Items	0.93	0.14	4.61	2.51
(ii) On a fully diluted basis - (US cents)				
- Include Exceptional Items	0.60	0.13	4.28	(0.77)
- Exclude Exceptional Items	0.93	0.14	4.61	2.51

Notes

- Basic Earnings per Share is computed based on 611,157,000 shares.
- There are no potentially dilutive ordinary shares as at 31 December 2016 and 31 December 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.**

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share based on issued share capital - (US cents)	32.9	39.6	16.9	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)

	4Q ended 31 December				FY ended 31 December			
	2016	2015	% Change		2016	2015	% Change	
	US\$'000	US\$'000	In USD terms	At constant exchange rate	US\$'000	US\$'000	In USD terms	At constant exchange rate
Indonesia	76,444	73,171	4.5	(1.8)	290,934	284,988	2.1	2.2
Regional Markets	29,143	26,833	8.6	9.5	111,149	120,874	(8.0)	(3.1)
REVENUE	105,587	100,004	5.6	1.2	402,083	405,862	(0.9)	0.6
Indonesia	12,879	5,898	118.4	102.4	51,603	37,789	36.6	36.7
Regional Markets	(366)	(424)	(13.7)	(13.6)	(1,021)	(322)	217.1	159.3
EBITDA	12,513	5,474	128.6	111.4	50,582	37,467	35.0	35.7
Profit before tax before exceptional items	8,418	2,634	219.6	187.4	41,235	27,452	50.2	50.8
Exceptional items	(2,000)	(35)	NM	NM	(2,000)	(20,066)	(90.0)	(90.0)
Profit before tax after exceptional items	6,418	2,599	146.9	121.3	39,235	7,386	431.2	433.6
Net profit/(loss) attributable to shareholders	3,654	800	356.8	275.0	26,156	(4,726)	NM	NM

Key performance indicator

	4Q ended 31 December			FY ended 31 December		
	2016	2015	Change	2016	2015	Change
Gross profit margin	38.4%	30.8%	+7.6%pt	34.8%	29.8%	+5.0%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.

For 4Q 2016

Average FX Rate USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
4Q 2016	13,204	4.2674	1.3938	48.8497
4Q 2015	14,045	4.3181	1.4118	46.9617
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>6.0%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>(4.0%)</i>

For FY2016

Average FX Rate USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
FY2016	13,360	4.1259	1.3792	47.4388
FY2015	13,344	3.8669	1.3703	45.4117
<i>(Weakened) Y-o-Y</i>	<i>(0.1%)</i>	<i>(6.7%)</i>	<i>(0.6%)</i>	<i>(4.5%)</i>

Review of the Group's 4Q and FY2016 Financial Performance

Figure 1 - Key Financial Highlights

(In US\$ Million)	4Q 2016	4Q 2015	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *	FY2016	FY2015	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	76.4	73.2	4.5%	(1.8%)	290.9	285.0	2.1%	2.2%
The Regional Markets	29.2	26.8	8.6%	9.5%	111.2	120.9	(8.0%)	(3.1%)
Total Revenue	105.6	100.0	5.6%	1.2%	402.1	405.9	(0.9%)	0.6%
Gross Profit Margin (%)	38.4%	30.8%	7.6% pt	7.6% pt	34.8%	29.8%	5.0% pt	5.0% pt
EBITDA	12.5	5.5	128.6%	111.4%	50.6	37.5	35.0%	35.7%
EBITDA Margin (%)	11.9%	5.5%	6.4% pt	6.4% pt	12.6%	9.2%	3.4% pt	3.4% pt
PATMI (exclude Exceptional Items)	5.7	0.8	577.1%	498.8%	28.2	15.3	83.5%	84.3%
PATMI (include Exceptional Items)	3.7	0.8	356.8%	275.0%	26.2	(4.7)	NM	NM

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 4Q 2015 and FY2015 in translating 4Q 2016 and FY2016 results.

The Group's 4Q 2016 revenue of US\$105.6 million culminated in FY2016 revenue of US\$402.1 million which generated PATMI of US\$5.7 million and US\$28.2 million for 4Q and FY2016 respectively. Including the 2016 Exceptional Items, PATMI was US\$3.7 million and US\$26.2 million. The loss for the Group in FY2015 was due to the one-time exceptional charge of US\$19.4 million resulting from the settlement of the dispute with Barry Callebaut in August 2015.

The Group's revenue growth achieved in 4Q and FY2016 can be attributed mainly to our business in Indonesia (driven by Own Brands sales) which achieved Y-o-Y sales growth of 4.5% and 2.1% respectively on the back of increased consumer spending. This growth was achieved despite the increasingly challenging environment in Indonesia amidst macroeconomic uncertainties i.e. slowing economic growth and currency volatility. Although these uncertainties continue to weigh on consumer sentiment, we believe there is an improvement compared to 2015.

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

In order to better illustrate the Group's fundamental underlying revenue performance for the periods under review, if the results were adjusted (i) for the translational impact by using 4Q and FY2015's exchange rates; and (ii) cessation of the Singapore distribution business, our underlying 4Q and FY2016 revenue performance would have been as follows:

1. The Group's overall revenue growth would have been 6.9% (instead of the reported growth of 5.6%) for 4Q 2016 and 5.5% (instead of the reported decline of 0.9%) for FY2016; and
2. For the business in Regional Markets, revenue would have increased 17.5% (instead of the reported increase of 8.6%) for 4Q 2016 and 6.6% (instead of the reported decline of 8.0%) for FY2016.

More significantly, the Group's 4Q and FY2016 Y-o-Y PATMI growth was mainly driven by the higher margins achieved (at the Gross Profit and EBITDA level), as illustrated in Figure 1 above.

The Gross Profit Margin of 38.4% achieved in 4Q 2016 is a record for the Group which culminated to Gross Profit Margin of 34.8% for FY2016. The improvement can be attributed to (i) higher sales of premium Own Brands products achieved; (ii) the benefit of price increases and product resizing implemented in 3Q 2015 and 2Q 2016 for selected products; and (iii) through our on-going cost-containment initiatives.

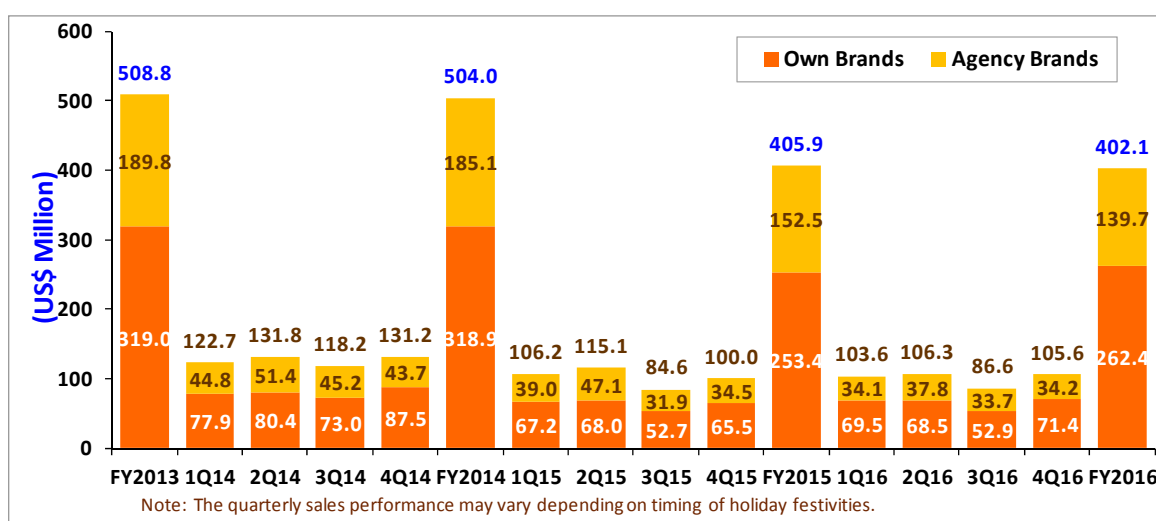
For FY2016, the Group generated strong Free Cash Flow of US\$37.7 million through the higher profitability achieved, tighter working capital management and lower capital expenditure. In addition, the Group's cash balance of US\$67.7 million at 31 December 2016 is adequate to support the Group's foreseeable near term business and investment needs.

Performance review of Own Brands and Agency Brands

For 4Q and FY2016, Own Brands sales continued to be the major contributor to the Group's business, forming more than 60% of the Group's revenue. Our total Own Brands sales achieved Y-o-Y growth of 9.1% and 3.6% in 4Q and FY2016 with Own Brands sales in Indonesia the main growth driver.

The Own Brands growth achieved was driven primarily by higher sales of premium products (especially under our core brands of "Silver Queen" and "Selamat") as we focused on driving growth of our core brands.

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



For Agency Brands, sales in local currency terms were lower by 5.0% and 5.6% for 4Q 2016 and FY2016 as a result of (i) the cessation of the Group's distribution business in Singapore on 31 August 2015, and (ii) lower Agency Brands sales achieved in Indonesia. Excluding the cessation of the Singapore distribution business, the Group's Agency Brands sales were lower Y-o-Y 0.5% for 4Q 2016 although higher by 0.6% for FY2016.

The lower Agency Brands sales in Indonesia can be attributed to the increase in customs duties for imported products from non-ASEAN countries in 2015, and changes in regulatory standards (e.g. more stringent labeling and food law regulations), which disrupted sales in FY2016. Throughout 2016, our team has been working together with our Agency Brands principals to

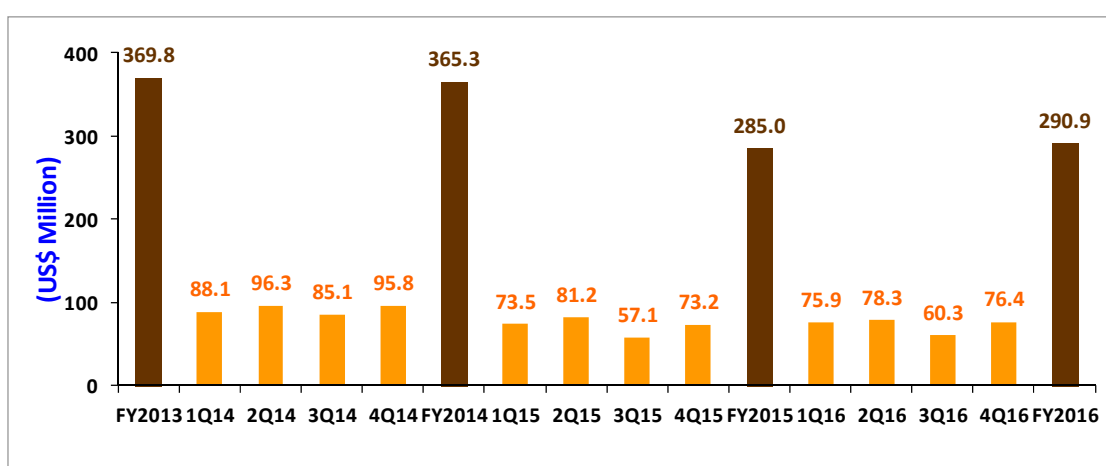
progressively resolve these issues. In addition, 4Q 2016 Agency Brands sales in Indonesia were affected by higher trade discounts implemented.

Performance Review by Markets

Indonesia

The 4Q and FY2016 sales generated by our business in Indonesia was higher Y-o-Y by 4.5% and 2.1% respectively in the Group's USD reporting currency, despite the challenging environment and intensifying competition in Indonesia.

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



The growth achieved in FY2016 can be attributed mainly to higher sales of premium Own Brands products as a result of: (i) our trade customers undertaking a programme to replenish their supply chain at the beginning of the year; and (ii) increased consumer spending experienced through the year.

To position our business for long term success, we increased our spending to build our core brands and focused on where we believe the strongest growth opportunities are. To cater to the different consumer groups, we have chocolate confectionery products that spans across multiple price points and across many product categories.

In addition, we continued investing in our sales force and in our routes-to-market capabilities to develop a more agile, flexible and faster distribution network to respond to the constantly evolving retail landscape both in Indonesia and our Regional Markets.

The Regional Markets

For our Regional Markets, revenues were higher Y-o-Y by 8.6% in 4Q 2016 and lower 8.0% for FY2016 in the Group's USD reporting currency. However, in local currency terms and excluding the cessation of the Singapore distribution business, 4Q and FY2016 revenue growth of 17.5% and 6.6% was achieved.

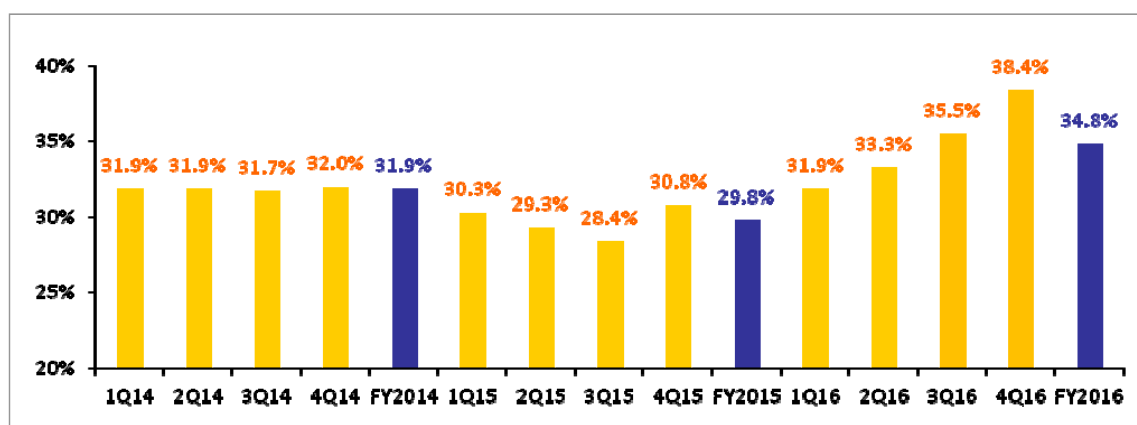
Review of Profitability

On the back of the revenue of US\$105.6 million in 4Q 2016, the Group generated EBITDA of US\$12.5 million (higher Y-o-Y by 128.6%) and PATMI of US\$3.7 million (compared to US\$0.8 million in 4Q 2015) in the Group's USD reporting currency. These culminated in FY2016 revenue of US\$402.1 million, EBITDA of US\$50.6 million (higher Y-o-Y by 35.0%) and PATMI of US\$26.2 million (compared to the loss of US\$4.7 million for FY2015).

The strong profit growth for 4Q and FY2016 can be attributed to the higher sales and margins achieved. At the Gross Profit level, 4Q margin of 38.4% (higher 7.6% points Y-o-Y) and FY2016 margin of 34.8% (higher 5.0% points Y-o-Y) achieved can be attributed to:

- i. The higher Own Brands sales achieved;
- ii. The benefit of the pricing adjustment and trimming of portion sizes for selected products in Indonesia in 3Q 2015 and 2Q 2016; and
- iii. 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 to achieve higher sales volume and increase efficiency and reduce costs in the supply chain.

For 4Q and FY2016, 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, which we believe is necessary as we continue to strengthen our infrastructure to support the Group's long term growth. The higher costs also reflected our investments to grow our shelf space presence across all retail channels for our strategic brands and in-store promotions to generate consumer sales in Indonesia.

Despite the higher selling and distribution costs, the Group achieved a 4Q and FY2016 EBITDA margin of 11.9% (higher Y-o-Y by 6.4% points) and 12.6% (higher Y-o-Y by 3.4% points) respectively.

Update on Claims Associated with the Disposal of Delfi Cacau Brasil Ltda.

We refer to the announcements made on 21 October 2013, 17 December 2013, 24 February 2015 and 28 August 2015 on disputes that had earlier arisen between the Company and Barry Callebaut.

On 28 August 2015, the Company announced that it had entered into a Settlement Agreement with Barry Callebaut as regards the disputes and the resulting arbitration that had been commenced by the Company against Barry Callebaut in relation to adjustments to the closing price that had been paid by Barry Callebaut to the Company. The Company had also announced that as part of the settlement, the parties had mutually agreed to terminate the SPA dated 28 August 2015 although the parties agreed that certain environmental, tax and other warranties would continue (of which the environmental and tax warranties are time-limited).

On 28 August 2015, the Company also announced that the Brazilian tax claims (which were previously announced on 24 February 2015) would continue to be contested. On 24 February 2015, the Company had announced that Barry Callebaut had notified the Company of various claims from the Brazil tax authorities against the former Delfi Cacau Brasil Ltda (“DCBR”), which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business. In the Company’s announcement made on 28 August 2015, the Company also pointed out that although the settlement agreement fully settled the dispute over the closing price adjustments, Barry Callebaut remained entitled to bring any further claims that may arise under the continuing warranties.

The Company wishes to add that on 20 December 2016, it received notifications (in Portuguese) of new Brazilian tax claims (‘the Notifications’) which were sent to the Company by Barry Callebaut, which are as follows:

1. A new claim of BRL 12,751,426/- in connection with tax assessment of the “Social Integration Program / Public Employee Savings Program (PIS)” and the “Contribution for the Financing of Social Security (COFINS)”;
2. 2 separate new claims of BRL 29,177,666/- and BRL 1,270,319/- respectively for allegedly unpaid tax duties arising from the import of cocoa beans; and
3. 2 new claims of BRL 297,830/- and BRL 155,334/- respectively, for allegedly incorrect or ‘over stating’ credits due arising from tax assessments from prior years.

Through its advisors and consultants, the Company has checked the Notifications. The Company has requested Barry Callebaut to defend these new tax claims, as Management believes that there are grounds to resist these claims.

The Company also wishes to highlight that the existing tax claims previously announced or disclosed, have been revised by the local authorities or that these have progressed as follows:

1. The claim of BRL 18,588,594/- in connection with a tax assessment of the PIS/COFINS, has been revised to BRL 23,063,648/-;

2. The claim of BRL 227,440/- for unpaid import tax arising from the import of a bean roaster, has been revised to BRL 953,992/-;
3. The claim of BRL 15,643,285/- for the restitution of taxes and import duties arising from the import of cocoa beans, has been revised to BRL 19,331,972/-; and
4. The unquantified claim based on a Labour complaint on account of DCBR having “outsourced” work it allegedly should not have outsourced to ‘contract workers’, has been referred on appeal to the 2nd level judicial court.

Taking into account the revisions made to the quantum of the tax claims, the existing claims which amounted to BRL 34,459,319/-, have been revised to BRL 43,349,612/- (equivalent to US\$13,441,740/-). Taking into account all new claims and existing claims, the Company's total exposure in respect of tax and labour claims in Brazil amount to BRL 87,002,187/- (equivalent to US\$26,728,784/-).

The Company will keep the shareholders updated of material developments in relation to the existing and new Brazilian claims.

While reserving its rights in relation to the Notifications, the Company has requested Barry Callebaut to defend these claims. There are grounds to resist these claims.

In assessing the relevant liabilities, management has considered among other factors industry developments in the current financial year and the legal environment in Brazil, and assessed that the amounts recognized in respect of these claims are adequate as at 31 December 2016. As management considers the disclosure of further details of these claims can be expected to prejudice seriously the Group's position in relation to the claims, further information has not been disclosed in the Group's financial statements.

Review of Financial Position and Cash Flow

Balance Sheet as at	31-Dec-16	31-Dec-15	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash and cash equivalents	67,737	119,547	(51,810)
Total Assets	342,331	387,593	(45,262)
Borrowings	53,775	74,652	(20,877)
Foreign currency translation reserve	(60,228)	(62,066)	1,838
Shareholders' Equity	201,178	242,034	(40,856)
Current ratio	1.71	2.23	

In FY2016, the Company returned a total of US\$68.3 million to its shareholders in a Capital Reduction scheme (see paragraph 1(b) Note 1 on page 6) and an interim dividend for 1H 2016 (see paragraph 1(d) on page 11). After the cash distributions, the Company's cash balance of US\$67.7 million as of balance date will be sufficient to support its foreseeable near term business and investment needs together with any contingent liabilities.

At 31 December 2016 the Company's shareholders' equity and total assets reduced by US\$40.9 million and US\$45.3 million respectively compared to 31 December 2015 as a result of the completion of the Capital Reduction exercise. The Group reduced its capital expenditure in light

of the uncertain economic conditions, focusing on the most critical and immediately income-generating projects (see paragraph 1(b) Note 3 on page 6).

For FY2016, the Group generated an operating cash flow of US\$59.7 million (see paragraph 1(c) on page 9). The positive operating cash flow enabled the Group to generate a free cash flow of US\$37.7 million and reduce its borrowings by US\$20.9 million (see paragraph 1(b) Note 4 on page 7).

Compared to the balances at end-2015, trade receivables edged up by US\$5.5 million on seasonal sales. The higher debtors balance was partially offset by lower inventories of US\$4.9 million. With a tighter working capital management, the Group improved its cash conversion cycle¹ by 19 days (see paragraph 1(b) Note 7 on page 7).

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 4Q and FY2016 are in line with the commentary made on 9 November 2016 in paragraph 10 of the Group's "3Q and 9M 2016 Unaudited Financial Statement and Dividend Announcement".

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 and retailers in our markets will continue to face tough conditions with economic uncertainty likely to weigh on consumer confidence.

The Group's focus is to continuously 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. Furthermore, we will continue to invest in innovation for our 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 throughout our organization and our supply chain. Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's financial performance in FY2017 to be better than FY2016. We will further strengthen the Group's cash flow generation through tighter working capital management and focused capital expenditure.

To sustain profitable growth over the longer term, we are continuously taking actions to further strengthen our business to capture the significant growth opportunities and find new paths to grow. These include:

- i. Ensuring our organization is well aligned to our growth plans;
- ii. Making targeted and disciplined investments to grow our key brands in our markets. Innovation remains a key part of this strategy, whether it is through product innovation in

¹ Cash conversion cycle is calculated by adding the inventory days to receivable days and subtracting the payable days.

order to provide us the competitive edge or through continuous reinvention to stay relevant by creating excitement at the shelf space in order to further reinforce the position of our core brands;

- iii. Implementing a multi-channel strategy to adapt to the continuously evolving retail landscape where our objectives are to further broaden and deepen our routes-to-market in order to capture the growth opportunities; and
- iv. Prudently invest to build capacity and capabilities where there are clear expansion opportunities and increase our productivity and efficiency targets in our production and distribution infrastructure.

Despite the current uncertainties in our markets, we believe our geographic and product portfolio positions 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?

Name of Dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	1.83 cents per ordinary share	1.35 cents per ordinary share

The interim dividend was paid on 8 September 2016.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? Yes

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	1.75 cents per ordinary share	1.11 cents per ordinary share

c. Date payable

The directors are proposing a final dividend of 0.95 US cents or 1.35 Singapore cents per share based on the 611,157,000 ordinary shares in issue for the approval of shareholders at the Annual General Meeting on 26 April 2017.

The final dividends, if approved by the shareholders, will be payable on 19 May 2017.

Together with the interim dividend of 1.36 US cents or 1.83 Singapore cents per share paid on 8 September 2017, total 2016 dividends is 2.31 US cents or 3.18 Singapore cents. This represents a Y-o-Y increase of 1.43 Singapore cents or 84.8% excluding special dividend.

d. Books closure date

Subject to approval of the shareholders to the final dividend at the Annual General Meeting of the Company, the Transfer Books and the Register of Members of the Company will be closed at 5.00 pm on 9 May 2017 (Books Closure Date) for the preparation of dividend warrants.

Duly completed transfers of ordinary shares received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 before 5.00 pm on the Books Closure Date will be registered to determine shareholders' entitlements to the final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (CDP), the final dividend will be paid by the Company to CDP which will, in turn, distribute the final dividend entitlements to the CDP account holders in accordance with its normal practice.

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 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:

	¹ Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	4Q 2016	FY 2016
	<u>US\$'000</u>	<u>US\$'000</u>
PT Freyabadi Indotama		
- Sales of goods	115	558
- Purchase of products	4,018	15,651
	4,133	16,209
PT Fajar Mataram Sedayu		
- Purchase of goods	210	652
PT Sederhana Djaja		
- Lease of properties	9	36
	4,352	16,897

14. Negative confirmation pursuant to Rule 705(5)

Not applicable as the Company is announcing its Full Year Financial Statements for FY2016.

15. Confirmation pursuant to Rule 720(1)

The Group has procured undertakings from all its directors and executive officers.

16. Segmental revenue and results

The Group engages in the manufacture and marketing of chocolate confectionery products under a variety of brands and distribution of a wide range of food and other consumer products, including agency brands.

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Executive Committee comprises the Executive Directors. The Executive Committee manages and monitors the business based on its two geographical segments, namely Indonesia and Regional Markets (which comprise the Philippines, Malaysia and Singapore).

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2016 is as follows:

	Indonesia	Regional Markets	Group
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Year ended 31 December 2016			
Sales:			
- Total segment sales	300,402	111,184	411,586
- Inter-segment sales	(9,468)	(35)	(9,503)
Sales to external parties	290,934	111,149	402,083
 EBITDA	51,603	(1,021)	50,582
 Interest income			3,918
Finance costs			(4,088)
Share of results of associated companies			(266)
Income tax expense			(13,082)
 Other segment information			
Depreciation and amortisation	(8,350)	(827)	(9,177)
Capital expenditure on property, plant and equipment	15,635	1,186	16,821
 Sales are analysed as:			
- Own Brands	217,256	45,102	262,358
- Agency Brands	73,678	66,047	139,725
Total	290,934	111,149	402,083

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2015 is as follows:

	Indonesia	Regional Markets	Group
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Year ended 31 December 2015			
Sales:			
- Total segment sales	294,209	120,962	415,171
- Inter-segment sales	(9,221)	(88)	(9,309)
Sales to external parties	284,988	120,874	405,862
EBITDA	37,789	(322)	37,467
Interest income			2,053
Finance costs			(4,219)
Share of results of associated companies			64
Income tax expense			(12,126)
Other segment information			
Depreciation and amortisation	6,482	1,102	7,584
Capital expenditure on property, plant and equipment	23,397	1,041	24,438
Sales are analysed as:			
- Own Brands	205,397	47,933	253,330
- Agency Brands	79,591	72,941	152,532
Total	284,988	120,874	405,862

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Committee is measured in a manner consistent with that in the consolidated income statement.

(a) Reconciliation of Segment Profits

The Executive Committee assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("EBITDA") for its operations. This measurement basis excludes the effect of expenditure from the operating segments that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group. A reconciliation of EBITDA to profit before tax is set out below:

	Full Year ended 31 December	
	2016	2015
	<u>US\$'000</u>	<u>US\$'000</u>
EBITDA	50,582	37,467
Adjustments for:		
Interest expense	(4,088)	(4,219)
Interest income	3,918	2,053
Depreciation of property, plant and equipment	(9,014)	(7,424)
Amortisation and impairment of intangible assets	(163)	(425)
Exceptional items	(2,000)	(20,066)
Profit before tax	39,235	7,386

(b) Geographical Information

Sales are based on the country in which the customer is located. Non-current assets are shown by the country where the assets are located.

For year ended 31 December	Revenue		Non Current Assets	
	2016	2015	2016	2015 (Restated)
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	290,934	284,992	122,338	113,779
Regional Markets:				
Philippines	49,283	52,136	7,893	9,500
Malaysia	56,956	56,890	464	461
Singapore	584	8,006	8,190	7,024
Other countries in Asia	4,326	3,838	-	-
	<u>402,083</u>	<u>405,862</u>	<u>138,885</u>	<u>130,764</u>

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to paragraph 8.

18. Breakdown of Sales

	FY2016	FY2015	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
(a) Sales reported for first half year	209,934	221,286	(5.1%)
(b) Operating profit after tax before deducting minority interest reported for the first half year	16,570	15,171	9.2%
(a) Sales reported for second half year	192,149	184,576	4.1%
(b) Operating profit/(loss) after tax before deducting minority interest reported for the second half year	9,586	(19,897)	NM

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

	FY2016	FY2015
	<u>US\$'000</u>	<u>US\$'000</u>
Ordinary		
- Interim	8,275	7,615
- Proposed Final	5,801	-
Special Dividend	-	4,830
Total	<u>14,076</u>	<u>12,445</u>

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

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder		Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chuang Tiong Choon	68	(i)	Husband to Madam Lim Mee Len (Substantial Shareholder)	Executive Director/Chief Executive Officer/Managing Director 1989/2004	N.A.
		(ii)	Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Brother to Mr Chuang Tiong Kie (Executive Director)		
Chuang Tiong Liep	65	(i)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Executive Director 1999	N.A.
		(ii)	Brother to Mr Chuang Tiong Kie (Executive Director)		
		(iii)	Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)		
Chuang Tiong Kie	58	(i)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Executive Director 2001	N.A.
		(ii)	Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)		
Chuang Yok Hoa	67	(i)	Sister to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Company Secretary 1984	N.A.
		(ii)	Sister to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Sister to Mr Chuang Tiong Kie (Executive Director)		
		(iv)	Sister-in-law to Madam Lim Mee Len (Substantial Shareholder)		

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei/Evelyn Chuang
Secretaries

22 February 2017