

FOR IMMEDIATE RELEASE

## Delfi Limited<sup>1</sup> and South Korea's Orion Corporation form alliance for Indonesia

- *The JV will market and distribute joint branded confectionery products in the soft biscuits and cakes category*
- *Delfi and Orion believe the complementary combination of each partner's respective strengths will contribute to the JV's success*

**SINGAPORE - 11 May 2016** - SGX-Mainboard listed Delfi Limited<sup>1</sup> (“**Delfi**”), formerly known as Petra Foods Limited, and South Korea's Orion Corporation (“**Orion**”) today announced the signing of a Joint Venture Agreement (the “**Agreement**”) that will see the formation of a Joint Venture company (“**JV**”), Delfi-Orion Pte Ltd, to develop, market and sell a range of joint branded confectionery products in Indonesia. Both partners will have equal stakes in the JV with a total initial capital commitment of US\$3.0 million.

Delfi and Orion believe that the synergistic and complementary combination of each partner's respective strengths will contribute to the success of the JV over the longer term. Delfi brings strong sales, marketing and distribution capabilities together with extensive market knowledge; its expertise is not only limited to the chocolate confectionery category but spans a broad range of other FMCG categories. Through these, the Group has successfully built a dominant portfolio of chocolate confectionery brands which currently commands more than 50% market share of Indonesia's retail chocolate market.

Orion is one of South Korea's biggest snack and confectionery companies, exporting to more than 75 countries worldwide. Over the years, Orion has grown to be a global powerhouse with market capitalization of around US\$6 billion. Orion will contribute product knowledge and manufacturing expertise; and the experience of having successfully grown their business globally, especially in China and Vietnam. Orion's most famous product is its “Choco Pie”, which is a chocolate-covered soft biscuit with marshmallow filling inside.

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<sup>1</sup> Formerly known as Petra Foods Limited

Targeting to serve the Indonesian market, the JV's main products will be the choco pie and a soft cupcake product. The two partners believe the growth potential of these products will be driven by Indonesia's relatively young and growing population, increased urbanisation and by the growing demand for convenience products.

The partners believe that the alliance will minimise the risks while maximising the value brought by both companies. The JV will appoint Delfi's local distribution arm as its exclusive distributor while appointing Orion as manufacturer for its products.

**Mr. John Chuang, Delfi Limited's<sup>1</sup> Chief Executive Officer**, said: *"We are very excited about this alliance with Orion. It will allow us to extend our portfolio into the soft biscuit and cake category that has been developed and perfected by Orion over the years. With this synergistic Delfi-Orion partnership, which combines the respective strengths of both Partners, we believe this collaboration will allow the Joint Venture to capitalize on the growth opportunities presented."*

*He further added, "I am pleased to be working with Vice Chairman Hur and his talented team. I think a key advantage that the JV already has is that both Partners are aligned in the vision of creating a successful venture. This combined with the expertise and infrastructure that the JV can tap on right from the beginning gives me confidence in the long term potential of the business. Through this relationship, we believe there is always the potential of both Partners working together in other areas."*

**Mr. Hur Innchul, Orion's Vice-Chairman**, said: *"This is Orion's first-ever overseas joint venture partnership. We are very pleased to team up with the top confectionery company in Indonesia. It gives Orion a great opportunity to develop this fast growing market."*

*"For me personally, I was deeply impressed by Delfi's corporate culture of being humble and ethical. I'd like to express a special respect to Mr. Chuang and his brothers for their achievements and am thankful to their team for their year-long effort to make the partnership a reality. I will put in my best effort to grow the revenue and profit of the JV business. And we will not stop in Indonesia and continue to develop other opportunities."*

The launch of the JV is subject to the customary approvals, including regulatory approvals.

The transaction is not expected to have any material impact on the earnings of Delfi Limited<sup>1</sup> for the financial year ending 31 December 2016. None of the directors and substantial shareholders of Delfi Limited<sup>1</sup> have any interest, direct or indirect, in the aforesaid transaction.

Delfi and Orion would like to thank DBS Bank for identifying and connecting both parties in the formation of the JV.

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### **ABOUT DELFI LIMITED<sup>1</sup>**

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Delfi Limited<sup>1</sup> and its subsidiaries (the "Group") manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China.

Formerly called Petra Foods Limited until an official name change that took effect on 9 May 2016, Delfi Limited<sup>1</sup> has an established portfolio of chocolate confectionery brands which are household names in Indonesia. Its flagship brands in Indonesia include "SilverQueen" and "Ceres" that were introduced in the 1950s and "Delfi" in the 1980s. In addition, the Group also distributes a portfolio of well-known agency brands in Indonesia, Malaysia and the Philippines.

The Group was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003 and was recognised as the "Best Newly Listed Singapore Company in 2004" in AsiaMoney's Best Managed Companies Poll 2004. It was named the "Enterprise of the Year 2004" by the 20th Singapore Business Awards on 30 March 2005 and was named one of "Singapore's 15 Most Valuable Brands" in November 2005 by IE Singapore.

Over the years, Delfi Limited has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the "Best Annual Report/Newly Listed Company" category in 2006. In April 2009, it clinched a Gold award in the "Best Annual Report/Companies with \$300 million to less than \$1 billion in market capitalisation" category. In May 2010, it bagged two Silver awards for "Best Managed Board" and "Best Investor Relations" under the "companies with \$300 million to less than \$1 billion in market capitalisation" category. In 2015, the Group begged a Bronze award for "Best Managed Board" under the "companies with S\$1 billion and above in market capitalisation" category.

Delfi Limited's Chief Executive Officer, Mr John Chuang, was also recognised for his leadership and management of the Group. He was named "Best Chief Executive Officer" at the 2011 Singapore Corporate Awards, "Businessman of the Year" at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

## **ABOUT ORION CORPORATION**

Founded more than 50 years ago, Orion is one of the oldest South Korean companies. It is a leading world-class confectionery company, with a portfolio of more than 100 brands in such categories as biscuits, caramel, chewing gum and snacks.

Orion's most popular brand is Choco Pie, which it developed in 1974. The company's main production facilities are based in Russia, China, Vietnam and Korea. Orion's confectionery and snacks are exported to more than 75 countries worldwide.



Besides confectionery and snacks, Orion also has investments in restaurants and entertainment industry in South Korea, including 'Showbox', No.1 film distributor, premium family restaurant 'Market O' and a professional basketball team.

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***Issued by August Consulting on behalf of Delfi Limited<sup>1</sup>***

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