Delfi Limited (formerly known as Petra Foods Limited)
Unaudited Financial Statements and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 2016

TABLE OF CONTENTS

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

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.

		Group			Group		
		2Q ended 30 June			1H ended 30 June		
		2016	2015	Change	**2016**	2015	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Revenue	1	**106,379**	115,050	(7.5)	**209,934**	221,286	(5.1)
Cost of Sales		**(71,007)**	(81,286)	(12.6)	**(141,508)**	(155,313)	(8.9)
Gross Profit		**35,372**	33,764	4.8	**68,426**	65,973	3.7
Other operating income		**604**	1,847	(67.3)	**1,704**	2,751	(38.1)
Expenses							
Selling and distribution costs		**(17,816)**	(17,091)	4.2	**(34,964)**	(32,521)	7.5
Administrative expenses		**(5,169)**	(5,378)	(3.9)	**(9,273)**	(10,075)	(8.0)
Finance costs		**(1,012)**	(1,117)	(9.4)	**(2,095)**	(2,140)	(2.1)
Other operating expenses		**(61)**	(901)	(93.2)	**(191)**	(1,593)	(88.0)
Exceptional Items		**-**	(462)	NM	**-**	(556)	NM
Share of (loss)/profit of associated companies		**(78)**	349	NM	**141**	342	(58.8)
Profit before income tax		**11,840**	11,011	7.5	**23,748**	22,181	7.1
Income tax expense		**(3,716)**	(3,582)	3.7	**(7,180)**	(7,027)	2.2
Total profit	2	**8,124**	7,429	9.4	**16,568**	15,154	9.3
Profit/(Loss) attributable to:							
Equity holders of the Company		**8,125**	7,431	9.3	**16,570**	15,171	9.2
Non-controlling interest		**(1)**	(2)	NM	**(2)**	(17)	(94.1)
		8,124	7,429	9.4	**16,568**	15,154	9.3
EBITDA		**14,320**	13,950	2.7	**28,641**	27,712	3.4
Earnings per ordinary share (US cents) - Basic and Diluted[a]							
- Include Exceptional Items		**1.33**	1.22	9.3	**2.71**	2.48	9.2
- Exclude Exceptional Items		**1.33**	1.29	2.9	**2.71**	2.57	5.4
Return on equity							
- Include Exceptional Items					**14.8%**	(1.8%)[b]	16.6% pt
- Exclude Exceptional Items					**14.8%**	5.7%[b]	9.1% 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.

b. 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.

	2Q ended 30 June			1H ended 30 June		
	2016	2015	Change	**2016**	2015	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Indonesia	**78,336**	81,212	(3.5)	**154,190**	154,725	(0.3)
Regional Markets	**28,043**	33,838	(17.1)	**55,744**	66,561	(16.3)
	106,379	115,050	(7.5)	**209,934**	221,286	(5.1)

(b) Breakdown of Sales

	2Q ended 30 June			1H ended 30 June		
	2016	2015	Change	**2016**	2015	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Own Brands	**68,579**	67,990	0.9	**138,092**	135,234	2.1
Agency Brands	**37,800**	47,060	(19.7)	**71,842**	86,052	(16.5)
	106,379	115,050	(7.5)	**209,934**	221,286	(5.1)

Note 2 - Net Profit

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

	2Q ended 30 June			1H ended 30 June		
	2016	2015	Change	**2016**	2015	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment	**(1,816)**	(1,856)	(2.2)	**(3,612)**	(3,871)	(6.7)
Amortisation of intangible assets	**(41)**	(44)	(6.8)	**(78)**	(75)	4.0
Net foreign exchange (loss)/gain	**(15)**	(248)	(94.0)	**357**	(749)	NM
Group over/(under) provision of tax in prior years	**177**	(5)	NM	**51**	(11)	NM
Gain on disposal of property, plant and equipment	**60**	1,257	(95.2)	**14**	1,274	(98.9)
Writeback/(Impairment loss) on trade receivables	**17**	(50)	NM	**(86)**	4	NM
Inventories written off	**(844)**	(398)	112.1	**(1,224)**	(441)	177.6
Allowance made for inventory obsolescence	**(530)**	(404)	31.2	**(1,042)**	(588)	77.2

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.

		Group		Company	
		30-Jun-16	31-Dec-15	**30-Jun-16**	31-Dec-15
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	**63,219**	119,547	**58,317**	111,654
Trade receivables	6	**71,353**	56,280	**507**	1,254
Inventories	6	**53,531**	59,592	**-**	-
Tax recoverable		**11,086**	9,830	**-**	-
Other current assets		**12,318**	13,437	**5,347**	3,088
		211,507	258,686	**64,171**	115,996
Non-current assets					
Investments in subsidiaries		**-**	-	**35,935**	35,935
Investments in associated companies and joint venture	2	**3,236**	2,947	**3,000**	3,000
Loans to associated company and joint venture		**1,416**	1,382	**-**	-
Property, plant and equipment	3	**124,347**	116,604	**1,062**	728
Intangibles assets		**4,947**	4,810	**4,721**	4,613
Deferred income tax assets		**1,145**	342	**85**	-
Other non-current assets		**2,991**	2,822	**-**	-
		138,082	128,907	**44,803**	44,276
Total Assets		**349,589**	387,593	**108,974**	160,272
LIABILITIES					
Current liabilities					
Trade payables		**24,470**	25,925	**91**	800
Other payables		**29,284**	30,205	**3,201**	2,741
Current income tax liabilities		**3,074**	489	**-**	129
Derivative liabilities		**59**	24	**4**	-
Borrowings	4	**60,050**	59,453	**98**	90
		116,937	116,096	**3,394**	3,760
Non-current liabilities					
Borrowings	4	**12,766**	15,199	**246**	246
Deferred income tax liabilities		**4,438**	4,447	**-**	-
Provisions for other liabilities and charges		**10,697**	9,697	**-**	-
		27,901	29,343	**246**	246
Total liabilities		**144,838**	145,439	**3,640**	4,006
NET ASSETS		**204,751**	242,154	**105,334**	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	5	**(56,035)**	(62,066)	**-**	-
Other reserves		**2,253**	2,245	**-**	-
Retained earnings		**162,474**	145,904	**9,398**	315
		204,628	242,034	**105,334**	156,266
Non-controlling interest		**123**	120	**-**	-
Total equity		**204,751**	242,154	**105,334**	156,266

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.

Following the completion of the Capital Reduction exercise, the Group's cash balance and issued capital at 30 June 2016 reduced by US$56.3 million and US$60.0 million respectively compared to balances at end 2015.

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**).

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 2Q and 1H 2016 were lower Y-o-Y by US$1.3 million and US$6.2 million respectively 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 focusing on the most critical and immediately income generating projects. Allocation of this capital expenditure by geographical region, which was funded by the Group's operating cash flow, is as follows:

	2Q ended 30 June		**1H ended 30 June**	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**3,769**	5,109	**5,432**	12,009
Regional Markets	**481**	409	**862**	515
	4,250	5,518	**6,294**	12,524

Note 4 - Borrowings

	Group		Company	
	30-Jun-16	31-Dec-15	**30-Jun-16**	31-Dec-15
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**24,188**	18,997	**-**	-
Bank borrowings	**39,571**	45,893	**-**	-
Finance lease liabilities	**2,418**	3,962	**344**	336
Trade finance	**6,639**	5,800	**-**	-
	72,816	74,652	**344**	336
Breakdown of borrowings:				
Current	**60,050**	59,453	**98**	90
Non current	**12,766**	15,199	**246**	246
	72,816	74,652	**344**	336

During 1H 2016, the Group reduced its borrowings by US$1.8 million from the borrowing levels at end 2015.

Note 5 - Foreign Currency Translation Reserve

Compared to end 2015, the regional currencies at 30 June 2016 strengthened against the US Dollar ("USD"), as shown below. This resulted in a US$6.0 million gain in the Group's foreign currency translation reserve. As a result, the foreign currency translation loss in the Group's balance sheet reduced from US$62.1 million as at 31 December 2015 to US$56.0 million as at 30 June 2016.

Closing FX Rate USD 1 to	**IDR**	**MYR**	**SGD**	**PHP**
30 June 2016	13,180	4.0239	1.3499	46.9600
31 December 2015	13,795	4.2915	1.4136	47.1660
Strengthened (30 Jun vs 31 Dec)	*4.4%*	*6.2%*	*4.5%*	*0.4%*

Note 6 - Key Ratios

	30-Jun-16	31-Dec-15
Current Ratio	**1.81**	2.23
Average Inventory Days	**73**	85
Average Receivable Days	**55**	62
Average Payable Days	**32**	37
Return on Equity	**14.8%**	5.7%

The Group's inventory level at end-June 2016 was lower by US$6.1 million on tighter inventory management. As a result, Average Inventory Days improved by 12 days.

Accounts receivable was higher by US$15.1 million with collection from trade customers towards end June 2016 affected by the Muslim Lebaran/Hari Raya festivities in Indonesia and Malaysia. Average Receivable Days improved by 7 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 73.4% in 1H 2016 versus 70.2% in FY2015.

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

	Group		Company	
	30-Jun-16	31-Dec-15	**30-Jun-16**	31-Dec-15
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**15,123**	13,250	**98**	90
- Unsecured	**44,927**	46,203	**-**	-
	60,050	59,453	**98**	90
Amount repayable after one year				
- Secured	**812**	1,240	**246**	246
- Unsecured	**11,954**	13,959	**-**	-
	12,766	15,199	**246**	246

Details of collateral

Of the Group's total bank borrowings as at 30 June 2016, US$15.9 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.

	Notes	1H ended 30-Jun-16 US$'000	1H ended 30-Jun-15 US$'000
Cash flows from operating activities			
Total profit		**16,568**	15,154
Adjustments:			
Income tax expense		**7,180**	7,027
Depreciation and amortisation		**3,690**	3,946
Property, plant and equipment written-off		**73**	-
Gain on disposal of property, plant and equipment		**(14)**	(1,274)
Interest (income)		**(892)**	(1,111)
Interest expense		**2,095**	2,140
Fair value gain on derivatives		**35**	24
Share of profits from associated companies		**(141)**	(342)
Operating cash flow before working capital changes		**28,594**	25,564
Change in working capital			
Inventories		**6,061**	6,490
Trade and other receivables		**(14,125)**	4,605
Trade and other payables		**1,928**	(8,517)
Cash generated from operations		**22,458**	28,142
Interest received		**892**	1,111
Income tax paid		**(6,701)**	(8,142)
Net cash provided by operating activities		**16,649**	21,111
Cash flows from investing activities			
Purchases of property, plant and equipment	1	**(6,152)**	(12,524)
Payments for patents and trademarks		**(184)**	(169)
Proceeds from disposal of property, plant and equipment		**205**	1,330
Net cash used in investing activities		**(6,131)**	(11,363)
Cash flows from financing activities			
Capital reduction	para 1(b) Note 1 on page 5	**(60,015)**	-
Proceeds from bank borrowings		**2,129**	-
Proceeds from/(Repayment of) trade finance		**838**	(2,358)
Repayment of bank borrowings		**(10,070)**	(5,133)
Repayment of lease liabilities		**(1,717)**	(2,717)
Interest paid		**(2,108)**	(2,154)
Dividends paid to equity holders of company		**-**	(21,757)
Net cash used in financing activities		**(70,943)**	(34,119)
Net decrease in cash and cash equivalents		**(60,425)**	(24,371)
Cash and cash equivalents			
Beginning of financial year		**100,550**	149,212
Effects of currency translation on cash and cash equivalents		**(1,094)**	1,831
End of financial year		**39,031**	126,672

Note
1. In 1H 2016, the amount excludes addition of property, plant and equipment of US$0.1 million (1H 2015: Nil) that were financed by lease liabilities

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

	Period ended	
	30-Jun-16	30-Jun-15
	US$'000	US$'000
Cash and bank balances	**11,737**	31,254
Short term deposits	**51,482**	120,129
Less: Bank overdrafts	**(24,188)**	(24,711)
	39,031	126,672

Consolidated Statement of Comprehensive Income

	2Q ended 30 June		1H ended 30 June	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Profit for the period	**8,124**	7,429	**16,568**	15,154
Other comprehensive income/(loss):				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from consolidation	**425**	(2,715)	**6,036**	(10,102)
Items that will not be reclassified to profit or loss:				
Defined pension benefits obligation				
- Share of other comprehensive income of associated companies	**-**	53	**8**	53
Other comprehensive income/(loss), net of tax	**425**	(2,662)	**6,044**	(10,049)
Total comprehensive income for the year	**8,549**	4,767	**22,612**	5,105
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**8,550**	4,766	**22,609**	5,125
Non-controlling interest	**(1)**	1	**3**	(20)
	8,549	4,767	**22,612**	5,105

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							
	Share capital	Foreign currency translation reserve	General reserve	Defined pension benefits obligation	Retained earnings	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1Q 2016								
Balance at 1 January 2016	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
Balance at 31 March 2016	155,951	(56,460)	2,147	106	154,349	256,093	124	256,217
2Q 2016								
Balance at 1 April 2016	155,951	(56,460)	2,147	106	154,349	256,093	124	256,217
Profit/(loss) for the period	-	-	-	-	8,125	8,125	(1)	8,124
Other comprehensive income for the period	-	425	-	-	-	425	-	425
Capital reduction	(60,015)	-	-	-	-	(60,015)	-	(60,015)
Balance at 30 June 2016	95,936	(56,035)	2,147	106	162,474	204,628	123	204,751
The Group								
1Q 2015								
Balance at 1 January 2015	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
Total comprehensive loss for the period	-	(7,382)	-	-	-	(7,382)	(5)	(7,387)
Balance at 31 March 2015	155,951	(53,059)	2,072	(70)	192,648	297,542	122	297,664
2Q 2015								
Balance at 1 April 2015	155,951	(53,059)	2,072	(70)	192,648	297,542	122	297,664
Profit/(loss) for the period	-	-	-	-	7,430	7,430	(1)	7,429
Total comprehensive (loss)/income for the period	-	(2,717)	-	53	-	(2,664)	2	(2,662)
Final and special dividend relating to 2014	-	-	-	-	(21,757)	(21,757)	-	(21,757)
Balance at 30 June 2015	155,951	(55,776)	2,072	(17)	178,321	280,551	123	280,674

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company		
	Share capital	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000
The Company			
1Q 2016			
Balance at 1 January 2016	155,951	315	156,266
Profit for the period	-	754	754
Balance at 31 March 2016	155,951	1,069	157,020
2Q 2016			
Balance at 1 April 2016	155,951	1,069	157,020
Profit for the period	-	8,329	8,329
Capital reduction	(60,015)	-	(60,015)
Balance at 30 June 2016	95,936	9,398	105,334
The Company			
1Q 2015			
Balance at 1 January 2015	155,951	33,640	189,591
Profit for the period	-	7,744	7,744
Balance at 31 March 2015	155,951	41,384	197,335
2Q 2015			
Balance at 1 April 2015	155,951	41,384	197,335
Profit for the period	-	(1,899)	(1,899)
Final and special dividend relating to 2014	-	(21,757)	(21,757)
Balance at 30 June 2015	155,951	17,728	173,679

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.

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 5.

The Capital Reduction exercise will have no impact on the number of 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 if the figures have been audited or reviewed, the auditors' report includes any 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.

		2Q ended 30 June		Half Year ended 30 June	
		2016	2015	**2016**	2015
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Include Exceptional Items	**1.33**	1.22	**2.71**	2.48
	- Exclude Exceptional Items	**1.33**	1.29	**2.71**	2.57
(ii)	On a fully diluted basis - (US cents)				
	- Include Exceptional Items	**1.33**	1.22	**2.71**	2.48
	- Exclude Exceptional Items	**1.33**	1.29	**2.71**	2.57

<u>Notes</u>

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 30 June 2016 and 30 June 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	
	30-Jun-16	31-Dec-15	**30-Jun-16**	31-Dec-15
Net asset value per ordinary share based on issued share capital - (US cents)	**33.5**	39.6	**17.2**	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)

	2Q ended 30 June				1H ended 30 June			
	2016	2015	%	%	**2016**	2015	%	%
	US$'000	US$'000	In USD term[1]	In constant exchange rate[2]	**US$'000**	US$'000	In USD term[1]	In constant exchange rate[2]
Indonesia	**78,336**	81,212	(3.5)	(1.4)	**154,190**	154,725	(0.3)	4.8
Regional Markets	**28,043**	33,838	(17.1)	(11.4)	**55,744**	66,561	(16.3)	(8.2)
REVENUE	**106,379**	115,050	(7.5)	(4.4)	**209,934**	221,286	(5.1)	0.9
Indonesia	**15,006**	13,836	8.5	11.3	**29,442**	27,139	8.5	14.7
Regional Markets	**(686)**	114	NM	NM	**(801)**	573	NM	NM
EBITDA	**14,320**	13,950	2.7	5.9	**28,641**	27,712	3.4	10.0
Profit before tax before Exceptional Items	**11,840**	11,473	3.2	6.5	**23,748**	22,737	4.4	11.2
Exceptional Items	**-**	(462)	NM	NM	**-**	(556)	NM	NM
Profit before tax after Exceptional Items	**11,840**	11,011	7.5	11.0	**23,748**	22,181	7.1	14.0
Net profit attributable to shareholders	**8,125**	7,431	9.3	13.3	**16,570**	15,171	9.2	16.9

Key performance indicators

	2Q ended 30 June			1H ended 30 June		
	2016	2015	%	**2016**	2015	%
Gross profit margin	**33.3%**	29.3%	4.0 pt	**32.6%**	29.8%	2.8 pt
EBITDA margin	**13.5%**	12.1%	1.4 pt	**13.6%**	12.5%	1.1 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)
1H 2016	13,522	4.0989	1.3858	47.0342
1H 2015	12,859	3.6084	1.3460	44.4220
(Weakened) Y-o-Y	*(5.2%)*	*(13.6%)*	*(3.0%)*	*(5.9%)*

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

Review of the Group's 2Q and 1H 2016 Financial Performance

Figure 1 - Key Financial Highlights

(In US$ Million)	2Q 2016	2Q 2015	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *	1H 2016	1H 2015	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	78.3	81.2	(3.5%)	(1.4%)	154.2	154.7	(0.3%)	4.8%
The Regional Markets	28.0	33.9	(17.1%)	(11.4%)	55.7	66.6	(16.3%)	(8.2%)
Total Revenue	**106.3**	**115.1**	**(7.5%)**	**(4.4%)**	**209.9**	**221.3**	**(5.1%)**	**0.9%**
Gross Profit Margin (%)	33.3%	29.3%	4.0% pt	4.0% pt	32.6%	29.8%	2.8% pt	2.8% pt
EBITDA	**14.3**	**14.0**	**2.7%**	**5.9%**	**28.6**	**27.7**	**3.4%**	**10.0%**
PATMI (exclude Exceptional Items)	**8.1**	**7.9**	**3.0%**	**6.7%**	**16.6**	**15.7**	**5.4%**	**12.8%**
PATMI (include Exceptional Items)	**8.1**	**7.4**	**9.3%**	**13.3%**	**16.6**	**15.2**	**9.2%**	**16.9%**

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 2Q 2015 and 1H 2015 in translating 2Q 2016 and 1H 2016 results.

The Group's 2Q 2016 revenue of US$106.3 million culminated in 1H 2016 revenue of US$209.9 million which resulted in PATMI of US$8.1 million and US$16.6 million for 2Q and 1H 2016 respectively. For 1H 2016, with the continued weakness in the regional currencies (especially the Indonesian Rupiah, which was weaker Y-o-Y against the USD by an average of 5.2% in 1H 2016), foreign exchange translation of the underlying businesses into the Group's USD reporting currency resulted in Y-o-Y PATMI growth of 9.2% on lower revenue of 5.1% Y-o-Y. However when expressed in local currency terms, 1H 2016 PATMI growth of 16.9% and revenue growth of 0.9% respectively were achieved.

The growth in 1H 2016 can be attributed mainly to our business in Indonesia which achieved Y-o-Y sales growth of 4.8% (in local currency terms) on the back of increased consumer spending. This growth was achieved despite the still prevalent macroeconomic uncertainties in Indonesia, i.e. slowing economic growth and currency volatility. Although these uncertainties continue to weigh on consumer sentiment, we believe there is a slight 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.

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

1. For the business in Regional Markets, revenue would have increased 2.9% (instead of the reported decline of 16.3%); and

2. The Group's overall revenue growth would have been 4.3% (instead of the reported decline of 5.1%).

The Group's key profit driver were the higher margins achieved, with Gross Profit margin higher by 4.0% points and 2.8% points for 2Q and 1H 2016 respectively. The improvement (both Y-o-Y and Q-o-Q) can be attributed to (i) higher sales of premium Own Brands products achieved; (ii) the benefit of price increases and product resizing implemented for selected products; (iii) the benefit from rationalizing underperforming products from our portfolio; and (iv) through our on-going cost-containment initiatives.

Excluding the Exceptional Items in 2015, the Group's 2Q and 1H 2016 PATMI increased by 3.0% and 5.4% Y-o-Y (in local currency terms by 6.7% and 12.8%).

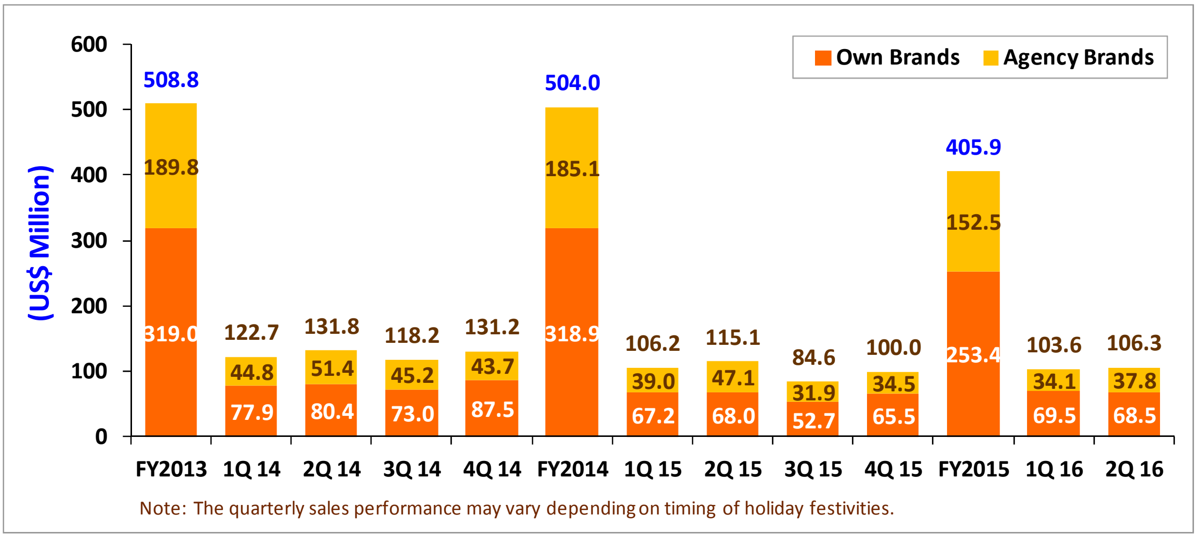
For 1H 2016, the Group generated Free Cash Flow of US$7.3 million through tighter working capital management and lower capital expenditure. The Group's cash balance of US$63.2 million at 30 June 2016 is adequate to support the Group's foreseeable near term investment needs.

Performance review of Own Brands and Agency Brands

For 1H 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 sales achieved Y-o-Y growth of 3.4% and 7.5% in 2Q and 1H 2016 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").

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



For Agency Brands, sales in local currency terms were lower by 15.5% and 9.6% Y-o-Y for 2Q and 1H 2016 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 by 9.2% and 2.4% Y-o-Y in local currency terms for 2Q and 1H 2016.

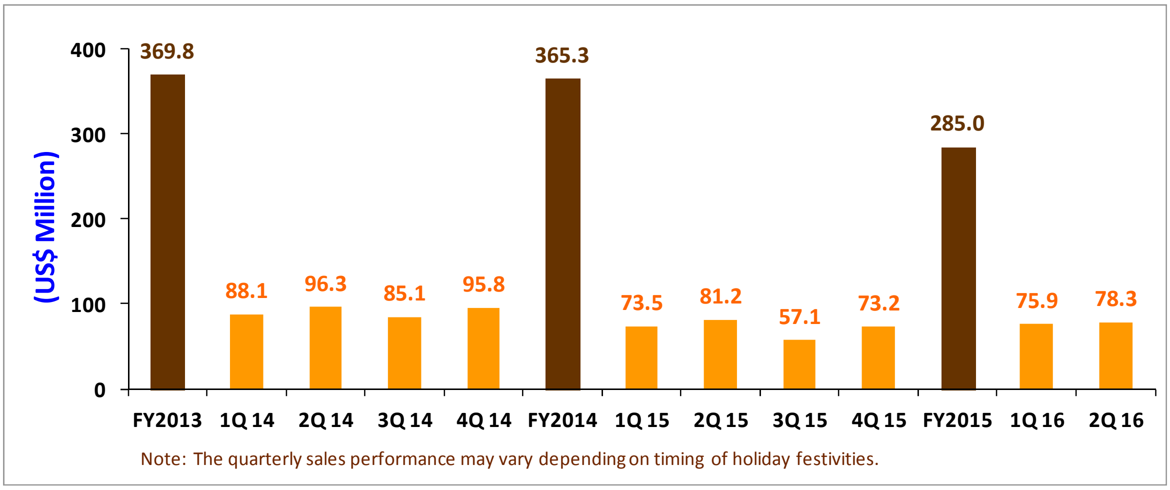
The lower Agency Brands sales in Indonesia can be attributed to the increase in customs duties for imported products from non-ASEAN countries in 2015, and changes in regulatory standards (e.g. more stringent labeling and food law regulations), which have disrupted sales. Our team is working together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

Performance Review by Markets

Indonesia

The 2Q and 1H 2016 sales generated by our business in Indonesia was lower Y-o-Y by 3.5% and 0.3% respectively 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 lower by only 1.4% Y-o-Y for 2Q 2016 while higher Y-o-Y by 4.8% for 1H 2016. The weaker 2Q 2016 performance was due to the lower Agency Brands sales achieved.

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



The 1H 2016 growth achieved, therefore, can be attributed mainly to higher sales of premium Own Brands products as our trade customers undertook a programme to replenish their supply chain. In 2015, they had reduced their orders and inventory levels in reaction to weakening consumption. The other contributing factor was the seasonal run up of sales to the Muslim Lebaran festivities.

Despite the challenging environment and intensifying competition in Indonesia, our market share of 50% is the result of continued targeted and disciplined investments in our brands. This meant increasing our spending to build our core brands and focusing on where we believe the strongest growth opportunities are. To cater to the different consumer 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, 2Q and 1H 2016 revenues were lower Y-o-Y by 17.1% and 16.3% in the Group's USD reporting currency. However, in local currency terms and excluding the cessation of the Singapore distribution business, 2Q 2016 revenue was lower 0.7% Y-o-Y while 1H 2016 growth of 2.9% was achieved.

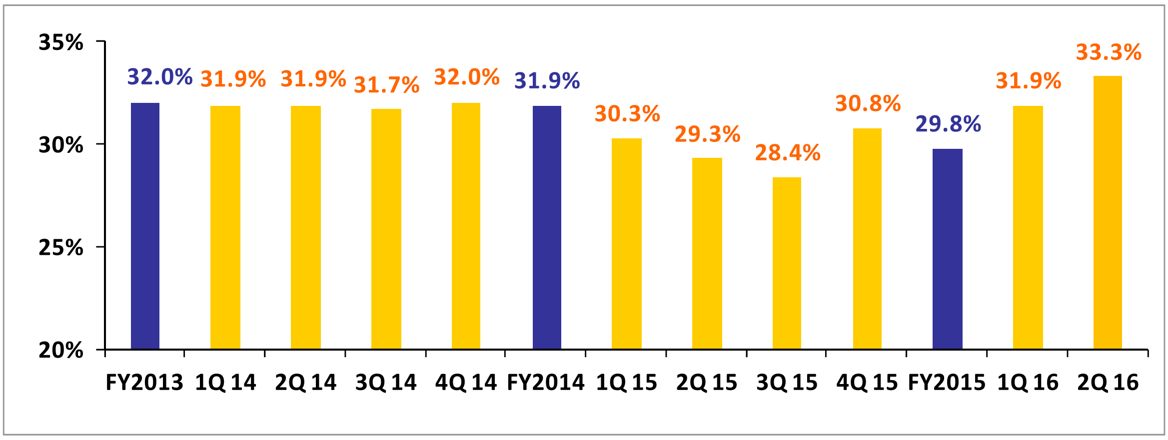
In the Philippines, our team implemented a programme to discontinue some slow moving SKUs with marginal profit contribution at end 2015 and in 1Q 2016. This programme is part of our on-going initiatives to streamline our product portfolio to focus on accelerating sales of our core "Goya" and "Knick Knacks" products.

<u>Review of Profitability</u>

On the back of the revenue of US$106.3 million in 2Q 2016, the Group generated EBITDA of US$14.3 million (higher Y-o-Y by 2.7%) and PATMI of US$8.1 million (higher Y-o-Y by 9.3%) in the Group's USD reporting currency. These culminated in 1H 2016 revenue of US$209.9 million, EBITDA of US$28.6 million (higher Y-o-Y by 3.4%) and PATMI of US$16.6 million (higher Y-o-Y by 9.2%) for 1H 2016.

The higher 2Q and 1H 2016 profitability from operations can be attributed mainly to the higher Own Brands sales and higher GP margin in Indonesia. The GP margin of 33.3% for 2Q 2016 (higher Y-o-Y by 4.0% points) reflected the higher Own Brands sales achieved, the benefit of the pricing adjustment and product resizing for selected products in Indonesia in 3Q 2015 and 2Q 2016, 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 to achieve higher sales volume and increase efficiency and reduce costs in the supply chain.

For 2Q and 1H 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, 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 2Q and 1H 2016 EBITDA margin of 13.5% (higher Y-o-Y by 1.4% point) and 13.6% (higher Y-o-Y by 1.1% point) respectively.

Review of Financial Position and Cash Flow

Balance Sheet as at	30-Jun-16	31-Dec-15	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**63,219**	119,547	(56,328)
Total Assets	**349,589**	387,593	(38,004)
Borrowings	**72,816**	74,652	(1,836)
Foreign currency translation reserves	**(56,035)**	(62,066)	6,031
Shareholders' Equity	**204,628**	242,034	(37,406)
Current ratio	**1.81**	2.23	

On 23 June 2016, the Company made a cash distribution of approximately US$60.0 million to its shareholders pursuant to the Capital Reduction exercise undertaken (see paragraph 1(b) Note 1 on page 5). After the cash distribution, the Company's cash balance of US$63.2 million as at 30 June 2016 will be sufficient to support its foreseeable near term investment needs.

At 30 June 2016 the Company's shareholders' equity and total assets reduced by US$37.4 million and US$38.0 million respectively compared to 31 December 2015 as a result of the completion of the Capital Reduction. 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 3 on page 5).

For 1H 2016, the Group generated an operating cash flow of US$16.6 million (see paragraph 1(d) on page 8). The positive operating cash flow enabled the Group to generate a free cash flow of US$7.3 million and reduce its borrowings by US$1.8 million (see paragraph 1(b) Note 4 on page 6).

Compared to the balances at end-2015, trade receivables were higher by US$15.1 million with collection from trade customers towards end June 2016 affected by the Muslim Lebaran/Hari Raya festivities in Indonesia and the Malaysia. The higher debtors balance was partially offset by lower inventories of US$6.1 million. With a tighter working capital management, the Group improved its cash conversion cycle[1] by 14 days (see paragraph 1(b) Note 5 on page 6).

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 2Q and 1H 2016 are in line with the commentary made on May 2016 in paragraph 10 of the Group's "1Q 2016 Unaudited Financial Statement and Dividend Announcement".

[1] Cash conversion cycle is calculated by adding the inventory days to receivables days and 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 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. 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 remain cautiously optimistic for the remainder of the year and 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 uncertainties 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? Yes

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

An interim dividend of 1.36 US cents or 1.83 Singapore cents per share is declared based on 611,157,000 ordinary shares issued. Together with the capital reduction and cash distribution of 9.82 US cents or 13.321 Singapore cents paid on 23 June 2016, the total cash distributions received by shareholders this year will amount to 11.18 US cents or 15.151 Singapore cents per share (2015: 5.65 US cents or 7.63 Singapore cents).

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 interim dividend will be paid on 8 September 2016.

d. Books closure date

NOTICE IS HEREBY GIVEN that, the Transfer Books and the Register of Members of the Company will be closed at 5:00 p.m. on 26 August 2016 ("Books Closure Date") for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068906 before 5:00 p.m. on Books Closure Date will be registered to determine shareholder's entitlements to the interim and special dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim and special dividends will be paid by the Company to CDP which will, in turn, distribute the interim and special dividends 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**	
	2Q 2016	**1H 2016**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	145	262
- Purchase of products	4,603	8,499
	4,748	**8,761**
PT Fajar Mataram Sedayu		
- Purchase of products	162	279
PT Sederhana Djaja		
- Lease of properties	9	18
	4,919	**9,058**

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 2nd Quarter and 1st Half Year ended 30 June 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

10 August 2016