Delfi
LIMITED
Company Registration No.: 198403096C

PROPOSED DISPOSAL OF 50% SHAREHOLDING INTEREST IN PT CERES MEIJI INDOTAMA

1. INTRODUCTION

The Board of Directors of Delfi Limited (the "**Company**" or "**Delfi**" and together with its subsidiaries, the "**Delfi Group**") wishes to announce that it and its subsidiary, PT Perusahaan Industri Ceres ("**Ceres**") (together, the "**Vendors**") have on 16 March, 2017 entered into a conditional sale and purchase agreement ("**SPA**") with Meiji Co., Ltd ("**Meiji**" or the "**Purchaser**") and Meiji Seika (Singapore) Pte. Ltd ("**Meiji Singapore**") to sell their respective entire shareholdings amounting to a combined total of 3,750,000 ordinary shares (the "**Sale Shares**") in the capital of PT Ceres Meiji Indotama ("**CMI**"), representing 50% of the total number of issued shares of CMI, to the Purchaser upon the terms and subject to the conditions of the SPA (the "**Proposed Disposal**").

None of the relative figures as computed on the applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") exceeds 5%. As such, the Proposed Disposal does not constitute a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

However, as the Sale Shares represent the entire interest of the Company in CMI, the Company will cease to have any interest in CMI and CMI will cease to be an associated company of the Company following the completion of the Proposed Disposal. Accordingly, this announcement is made pursuant to Rule 704(18)(c) of the Listing Manual.

2. THE PROPOSED DISPOSAL

2.1 Information on CMI

PT Ceres Meiji Indotama (Company Registration No: 10.24.1.10.01496) is a company incorporated under the laws of Indonesia and having its registered office at Jl. Maligi III Lot J-2B - Karawang International Industrial City, Karawang 41361, Indonesia. CMI was incorporated pursuant to a joint venture arrangement entered into between the Vendors, Meiji Singapore and Meiji Seika Kaisha ("**Meiji Seika Kaisha**") in December 2000 for the purpose of operating the business of manufacturing and sale of confectionery products in Indonesia ("**Joint Venture**"). Meiji Seika Kaisha's shares in CMI were transferred to Meiji in 2011, together with all of the liabilities, obligations, property, rights and privileges of Meiji Seika Kaisha in relation to the joint venture agreement dated 20 December 2000 ("**JVA**") entered into between the Vendors, Meiji Seika Kaisha and Meiji Singapore.

The Vendors collectively hold 50% of the issued and paid up share capital of CMI, and the Purchaser and Meiji Singapore collectively hold 50% of the issued and paid up share capital of CMI.

2.2 Rationale for the Proposed Disposal

Delfi's involvement in CMI has spanned more than 15 years and over that period, it played an instrumental role in developing the business of CMI and the "Meiji" brand in Indonesia. After an extensive review, Delfi believes CMI is best suited to continue growing under the stewardship of Meiji. Hence, the Proposed Disposal is the result of discussions between the Delfi Group, Meiji and Meiji Singapore to terminate the Joint Venture by mutual and amicable agreement.

Despite the sale of the 50% stake in CMI, the relationship between Delfi and Meiji remains strong and Delfi's subsidiary in Indonesia, PT Nirwana Lestari, will continue to distribute CMI's products.

The decision to exit the Joint Venture will allow Delfi to re-deploy its resources (both financial and human) to focus on growing our business, both in Indonesia and our regional markets. The Proposed Disposal is also consistent with the Company's commitment to optimize profitability and operations. The proceeds from the Proposed Disposal will further strengthen the financial position of the Company and allow it to focus its resources on existing investments and future business opportunities for the Company, and enable the Company to achieve its aim of maximizing shareholder returns.

2.3 Consideration

The total consideration for the Proposed Disposal is US$8.3 million (the "**Consideration**"), to be satisfied in cash on completion of the Proposed Disposal.

The Consideration was arrived at after arm's length negotiations on a willing-buyer and willing-seller basis, after taking into consideration the net asset value of CMI. No valuation of the Sale Shares was conducted.

2.4 Completion

The Proposed Disposal is subject to the fulfilment of certain conditions precedent including but not limited to regulatory approvals in Indonesia required to effect the transfer of the Sale Shares and to reflect the Purchaser as the shareholder of the Sale Shares. The Proposed Disposal is expected to complete in the second quarter of 2017.

Following completion of the Disposal, CMI will cease to be an associated company of the Company and JVA will be terminated.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

Gain on Disposal. Assuming the Proposed Disposal was completed on 31 December 2016, the pre-tax gain on disposal, after deducting fees and other charges associated with the Proposed Disposal, for the Delfi Group would have been approximately US$4.9 million.

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4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Proposed Disposal.

By Order of the Board

Raymond Lam
Company Secretary

16 March 2017