Petra Foods Limited
Unaudited Financial Statements and Dividend Announcement
For the 1st Quarter Ended 31 March 2014

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

1(a)(i) 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.

On 30 June 2013, the Company completed the divestment of the Cocoa Ingredients Division. Up to the date of completion, the results of the Cocoa Ingredients Division was included in the Group's 1Q 2013 results and presented as "Discontinued operations" in compliance with "FRS105 - Non-current Assets Held for Sale and Discontinued Operations".

The operating cash flows of the Cocoa Ingredients Division during 1Q 2013 was also aggregated with those of the continuing operations of the Branded Consumer Division in the Group's 1Q 2013 consolidated statement of cash flows and was shown separately in the paragraph 1(c).

(a)(i) 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		
		1Q ended 31 March		
		2014	2013[b]	
		US$'000	US$'000	%
Continuing operations[a]				
Revenue	1	**122,749**	126,887	(3.3)
Cost of Sales		**(83,615)**	(86,233)	(3.0)
Gross Profit		**39,134**	40,654	(3.7)
Other operating income		**1,033**	244	323.4
Selling and distribution costs		**(16,172)**	(17,079)	(5.3)
Administrative expenses		**(4,445)**	(3,983)	11.6
Finance costs		**(599)**	(298)	101.0
Other operating expenses		**(628)**	(333)	88.6
		18,323	19,205	(4.6)
Share of results of associated companies and joint venture		**194**	111	74.8
Profit before tax		**18,517**	19,316	(4.1)
Income tax expense		**(4,742)**	(5,219)	(9.1)
Net Profit from continuing operations	3	**13,775**	14,097	(2.3)
Discontinued operations[a]				
Net loss from discontinued operations	2	**(316)**	(28,986)	(98.9)
Total Profit		**13,459**	(14,889)	N.M
Profit/(loss) attributable to:				
Equity holders of the Company				
- From continuing operations		**13,857**	14,090	(1.6)
- From discontinued operations		**(316)**	(28,986)	(98.9)
		13,541	(14,896)	N.M
Non-controlling interest				
- From continuing operations		**(82)**	7	N.M
		13,459	(14,889)	N.M

a. "Continuing operations" refers to the Branded Consumer Division while "Discontinued operations" refers to the Divested Cocoa Ingredients Division (see Note 2). The divestment was completed on 30 June 2013.

b. For 1Q 2013, certain trade-related expenses were re-classified to net off against sales in order to conform to the presentation in the FY2013 audited financial statements. This does not have any impact on the results and financial position of the Group and of the Company for the first quarter ended 31 March 2013.

c. N.M denotes not meaningful.

	Group		
	1Q ended 31 March		
	2014	2013	
	US$'000	US$'000	%
EBITDA			
- From continuing operations	**20,673**	21,689	(4.7)
- From discontinued operations	**-**	(23,386)	NM
	20,673	(1,697)	NM
Earnings per Share (US cents) - Basic and Diluted[a]			
- From continuing operations	**2.27**	2.31	(1.6)
- From discontinued operations	**(0.05)**	(4.74)	(98.9)
	2.22	(2.43)	NM
Return on equity			
- Group	**18.0%**	6.7%[c]	
- Branded Consumer[b]	**18.4%**	19.2%[c]	

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. Computed based on Net Profit of the Branded Consumer Division divided by average Group shareholders' equity.

c. Relates to Full Year 2013 audited figures.

Explanatory notes on income statement

Note 1 - Revenue of Branded Consumer Division

Information below relates to the markets in which the Group operates.

	1Q ended 31 March		
	2014	2013	
	US$'000	US$'000	%
Indonesia	**88,108**	94,254	(6.5)
Regional markets	**34,641**	32,633	6.2
	122,749	126,887	(3.3)

For 1Q 2013, certain trade-related expenses were re-classified to net off against sales in order to conform to the presentation in the FY2013 audited financial statements. This does not have any impact on the results and financial position of the Group and of the Company for 1Q 2013.

Note 2 - Discontinued operations

On 30 June 2013, the Company completed the divestment of its entire Cocoa Ingredients Division to Barry Callebaut. Up to the date of completion, the financial results of the Divested Cocoa Ingredients Division were consolidated as part of the Group's 1Q 2013 results. For 1Q 2014, included in the Discontinued operations were costs incurred by the Company pertaining to the dispute with Barry Callebaut.

As announced on 21 October 2013, the amended and restated Share Purchase Agreement (SPA) dated 30 June 2013 provided a mechanism and process for Barry Callebaut to seek a closing price adjustment (which contemplate the delivery by Barry Callebaut of a draft completion statement) if necessary and justified. On 23 September 2013, Barry Callebaut purported to deliver a draft Completion Statement to the Company. In it, Barry Callebaut sought a closing price reduction of US$98.3 million. The Company's position, which had been communicated to Barry Callebaut, is (a) that the purported draft Completion Statement is not in compliance with the SPA and the law; (b) that since Barry Callebaut had refused to make it compliant, it is now out of time to issue any draft completion statement or to seek any closing price reduction; and (c) that without prejudice to that position, the Company also considers that the price adjustment sought by Barry Callebaut does not have a proper or valid basis and/or has not been properly substantiated or justified. The claims referred to above are being challenged. There is therefore a dispute.

On 17 December 2013, the Company announced that it had filed a Notice of Arbitration on 16 December 2013 with the Singapore International Arbitration Centre to resolve disputes arising out of and in connection with the SPA. On 27 January 2014, Barry Callebaut filed a response to the Company's Notice of Arbitration in which they added two new claims amounting to US$4.7 million, bringing the total amount claimed to US$103.0 million. These further claims are also being challenged.

The Company will provide further updates if there are material developments. The final net gain on disposal and net proceeds on disposal can only be determined after the dispute is resolved.

Note 3 - Net Profit from Continuing Operations

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

	1Q ended 31 March		
	2014	**2013**	
	US$'000	US$'000	%
Depreciation of property, plant and equipment	**(1,969)**	(2,176)	9.5
Amortisation of intangible assets	**(18)**	(21)	14.3
Net foreign exchange (loss)/gain*	**(622)**	541	NM
Group over/(under) provision of tax in prior years*	**439**	(22)	NM
Gain on disposal of property, plant and equipment	**34**	52	(34.6)
Impairment loss on trade receivables	**(27)**	(5)	440.0
Inventories written off	**(211)**	(465)	(54.6)
Allowance made for inventory obsolescence	**(268)**	(229)	17.0

* Relating to both Continuing operations and Discontinued operations.

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-Mar-14	31-Dec-13	**31-Mar-14**	31-Dec-13
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**198,421**	196,707	**180,282**	186,862
Derivative assets		**-**	25	**-**	25
Trade receivables		**79,527**	76,742	**2,936**	4,284
Inventories		**67,068**	65,506	**-**	17
Tax recoverable		**2,300**	2,500	**-**	-
Other current assets	1	**40,650**	31,557	**21,715**	24,310
		387,966	373,037	**204,933**	215,498
Non-current assets					
Investments in subsidiaries		**-**	-	**33,700**	42,996
Investments in associated companies and joint venture		**3,020**	2,604	**3,000**	3,000
Loans to associated company and joint venture		**2,900**	2,925	**351**	351
Property, plant and equipment	2	**91,604**	81,796	**1,365**	1,519
Intangibles assets		**5,013**	4,982	**4,616**	4,616
Deferred income tax assets		**792**	340	**-**	-
Other non-current assets		**150**	212	**-**	-
		103,479	92,859	**43,032**	52,482
Total Assets		**491,445**	465,896	**247,965**	267,980
LIABILITIES					
Current liabilities					
Trade payables		**34,478**	42,165	**1,803**	2,936
Other payables	1	**76,521**	77,508	**43,064**	67,845
Current income tax liabilities		**4,480**	3,004	**-**	-
Derivative liabilities		**18**	12	**-**	-
Borrowings	3	**46,425**	38,989	**282**	85
		161,922	161,678	**45,149**	70,866
Non-current liabilities					
Borrowings	3	**2,821**	400	**225**	245
Deferred income tax liabilities		**4,949**	5,367	**4**	4
Provisions for other liabilities and charges		**8,637**	8,065	**-**	-
		16,407	13,832	**229**	249
Total liabilities		**178,329**	175,510	**45,378**	71,115
NET ASSETS		**313,116**	290,386	**202,587**	196,865
Capital and reserves attributable to the Company's equity holders					
Share capital		**155,951**	155,951	**155,951**	155,951
Foreign currency translation reserve		**(33,607)**	(42,877)	**-**	-
Other reserves		**2,515**	2,515	**-**	-
Retained earnings		**188,137**	174,596	**46,636**	40,914
		312,996	290,185	**202,587**	196,865
Non controlling interest		**120**	201	**-**	-
Total equity		**313,116**	290,386	**202,587**	196,865

Explanatory notes on Statement of Financial Position

Note 1 - Other Current Assets and Other Payables

Included in Other Current Assets are:

a. Deposits totalling US$7.9 million (FY2013: US$2.2 million) paid for capital expenditure; and

b. US$19.9 million loan due from divested Brazilian subsidiary.

Subsequent to 31 March 2014, the proceeds received from the loan repayment (under "b" above) were utilised to settle US$20.1 million due to a divested Malaysian subsidiary (included in Other Payables) in April 2014.

Note 2 - Capital Expenditure on Property, Plant and Equipment

The higher capital expenditure in 1Q 2014 compared to 1Q 2013 is in line with the Group's strategy of further building capacity and capabilities of its manufacturing and distribution infrastructure to capture the long term growth opportunities of its Branded Consumer business. The allocation of this capital expenditure by geographical region is as follows:

	Group	
	1Q 2014	1Q 2013
	US$'000	US$'000
Indonesia	**5,843**	1,738
Regional Markets	**345**	126
	6,188	1,864

Note 3 - Borrowings

	Group		Company	
	31-Mar-14	31-Dec-13	**31-Mar-14**	31-Dec-13
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**24,257**	18,926	**196**	-
Bank borrowings	**11,441**	11,470		-
Finance lease liabilities	**6,246**	1,422	**311**	330
Trade finance and short term advances	**7,302**	7,571	**-**	-
	49,246	39,389	**507**	330
Breakdown of borrowings:				
Current	**46,425**	38,989	**282**	85
Non current	**2,821**	400	**225**	245
	49,246	39,389	**507**	330

The higher borrowings at end-1Q 2014 can be attributed to the Group funding part of its capital expenditure and higher working capital through a combination of finance leases and working capital facilities. This is in line with the Group's strategy of extending the tenure of its borrowings to better match its longer term requirements.

Note 4 - Key Ratios

	31-Mar-14	31-Dec-13
Current Ratio	**2.40**	2.31
Average Inventory Days	**72**	67
Average Receivable Days	**57**	51
Average Payable Days	**42**	40
Return on Equity (Branded Consumer only)	**18.4%**	19.2%

The increase in Average Inventory Days was mainly attributable to higher inventories carried to support the expanded capacity and production run-up to the Lebaran festivities in Indonesia. Higher raw material prices during 1Q 2014 was also a contributing factor.

Accounts Receivable Days edged up due to higher sales contribution from Regional Markets, namely Philippines and Malaysia which have different trading terms.

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

	Group		Company	
	31-Mar-14	31-Dec-13	**31-Mar-14**	31-Dec-13
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**16,898**	15,110	**86**	85
- Unsecured	**29,527**	23,879	**196**	-
	46,425	38,989	**282**	85
Amount repayable after one year				
- Secured	**2,821**	400	**225**	245
- Unsecured	**-**	-	**-**	-
	2,821	400	**225**	245

Details of collateral

Of the Group's total bank borrowings, US$19.7 million are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

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

	Note	Period ended 31-Mar-14	Period ended 31-Mar-13
		US$'000	US$'000
Cash flows from operating activities			
Total profit/(loss)		**13,459**	(14,889)
Adjustments:			
Income tax expense		**4,742**	2,668
Depreciation and amortisation		**1,987**	2,224
Property, plant and equipment written off		**5**	-
Gain on disposal of property, plant and equipment		**(34)**	(52)
Interest (income)		**(429)**	(203)
Interest expense		**599**	7,190
Fair value losses/(gains) on derivatives		**31**	(7,881)
Share of gain from associated companies and joint venture		**(194)**	(111)
Operating cash flow before working capital changes		**20,166**	(11,054)
Change in working capital			
Inventories		**(1,562)**	78,410
Trade and other receivables		**(11,817)**	(7,257)
Trade and other payables		**(4,026)**	(87,463)
Cash generated from/(used in) operations		**2,761**	(27,364)
Interest received		**429**	203
Income tax (paid)/refund		**(4,447)**	3,371
Net cash used in operating activities		**(1,257)**	(23,790)
Cash flows from investing activities			
Purchases of property, plant and equipment	1	**(591)**	(3,262)
Payments for patents and trademarks		**(36)**	(25)
Proceeds from disposals of property, plant and equipment		**40**	52
Net cash provided by investing activities		**(587)**	(3,235)
Cash flows from financing activities			
Proceeds from term loans		**381**	56
(Repayment of)/proceeds from trade finance and short term advances		**(269)**	55,006
Repayment of term loans		**(262)**	(7,900)
Repayment of Medium Term Notes		**-**	(14,000)
Repayment of lease liabilities		**(775)**	(782)
Interest paid		**(613)**	(8,034)
Net cash (used in)/provided by financing activities		**(1,538)**	24,346
Net decrease in cash and cash equivalents		**(3,382)**	(2,679)
Cash and cash equivalents			
Beginning of financial year		**177,781**	23,118
Effects of currency translation on cash and cash equivalents		**(235)**	114
End of financial year		**174,164**	20,553

Note
1. In 1Q 2014, the amount excludes addition of property, plant and equipment of US$5.6 million (1Q13: 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	
	31-Mar-14	31-Mar-13
	US$'000	US$'000
Cash and bank balances	**198,421**	33,060
Less: Bank overdrafts	**(24,257)**	(12,507)
	174,164	20,553

In the consolidated statement of cash flows, the operating cash flows of the divested Cocoa Ingredients Division during 1Q 2013 was aggregated with those of the continuing operations of the Branded Consumer Division for 1Q 2013. The impact of the divested Cocoa Ingredients Division on the Group's cash flows was as follows:

For the quarter ended	31-Mar-13
	US$'000
Operating cash outflows	(31,128)
Investing cash outflows	(1,423)
Financing cash inflows	28,157
Total cash outflows	(4,394)

Consolidated Statement of Comprehensive Income

	1Q ended 31 March	
	2014	2013
	US$'000	US$'000
Profit/(loss) for the period	**13,459**	(14,889)
Other comprehensive income:		
(a) Continuing Operations		
Foreign Currency Translation reserve - Currency translation differences arising from consolidation	**9,271**	(657)
(b) Discontinued Operations		
(a) Cash flow hedges:		
- Fair value losses	**-**	(9,854)
- Transfer to profit or loss	**-**	5,323
- Tax on fair value adjustments	**-**	655
	-	(3,876)
(b) Foreign Currency Translation reserve		
- Currency translation differences arising from consolidation	**-**	(247)
Other comprehensive income/(expense) , net of tax	**9,271**	(4,780)
Total comprehensive income/(expense) for the period	**22,730**	(19,669)
Total comprehensive income/(expense) attributable to:		
Equity holders of the Company	**22,811**	(19,672)
Non-controlling interest	**(81)**	3
	22,730	(19,669)

Change in Accounting Policy - FRS 19 (revised) - Employee Benefits

On 1 January 2013, the Group adopted and applied FRS 19 (revised) Employee Benefits retrospectively in accordance with the provisions of the standard. FRS 19 (revised) requires all actuarial gains and losses to be recognised in other comprehensive income and past service cost to be recognised immediately in profit or loss. Prior to adoption of FRS 19 (revised), the Group recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of defined benefit obligation and the fair value of plan assets at that date.

The effects of the change in accounting policy on the statement of cash flows and earnings per share were not material.

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								
	Share capital	**Foreign currency translation reserve**	**Cash flow hedge reserve**	**General reserve**	**Defined pension 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	US$'000
The Group									
1Q 2014									
Balance at 1 January 2014	155,951	(42,877)	-	1,987	528	174,596	290,185	201	290,386
Total comprehensive income for the period	-	9,270	-	-	-	13,541	22,811	(81)	22,730
Balance at 31 March 2014	155,951	(33,607)	-	1,987	528	188,137	312,996	120	313,116
The Group									
1Q 2013									
Balance at 1 January 2013 (restated)	155,951	(11,329)	1,705	1,890	(1,333)	179,685	326,569	248	326,817
Total comprehensive income for the period	-	(900)	(3,876)	-	-	(14,896)	(19,672)	3	(19,669)
Balance at 31 March 2013	155,951	(12,229)	(2,171)	1,890	(1,333)	164,789	306,897	251	307,148

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company			
	Share capital	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000	US$'000
The Company				
1Q 2014				
Balance at 1 January 2014	155,951	-	40,914	196,865
Total comprehensive income for the period	-	-	5,722	5,722
Balance at 31 March 2014	155,951	-	46,636	202,587
The Company				
1Q 2013				
Balance at 1 January 2013	155,951	3,172	49,878	209,001
Total comprehensive income for the period	-	(4,530)	(19,336)	(23,866)
Balance at 31 March 2013	155,951	(1,358)	30,542	185,135

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.

For 1Q ended 31 March 2014, there was no change in the issued and paid up share capital of the Company.

There were no options granted or shares issued pursuant to the Petra Foods' Share Option Scheme and Share Incentive Plan.

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 2013, except for the adoption of following accounting standards (including their consequential amendments) and interpretations applicable for financial period beginning 1 January 2014.

FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interest in Other Entities

The adoption of the above new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group and of the Company but will require more disclosures in the financial statements.

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.

		1Q ended 31 March	
		2014	2013
(i)	Based on weighted average number of ordinary shares in issue - (US cents)		
	- From continuing operations	**2.27**	2.31
	- From discontinued operations	**(0.05)**	(4.74)
	Total	**2.22**	(2.43)
(ii)	On a fully diluted basis - (US cents)		
	- From continuing operations	**2.27**	2.31
	- From discontinued operations	**(0.05)**	(4.74)
	Total	**2.22**	(2.43)

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 31 March 2014 and 31 December 2013 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-Mar-14	31-Dec-13	**31-Mar-14**	31-Dec-13
Net asset value per ordinary share based on issued share capital - (US cents)	**51.2**	47.5	**33.1**	32.2

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Key Figures for the Group (unaudited)

	1Q ended 31 March			
	2014	2013	% Change	
	US$'000	US$'000	In USD term	In constant exchange rate
Continuing Operations - Branded Consumer				
Indonesia	**88,108**	94,254	(6.5)	16.1
Regional Markets	**34,641**	32,633	6.2	14.3
REVENUE	**122,749**	126,887	(3.3)	15.7
EBITDA	**20,673**	21,689	(4.7)	20.4
Profit before tax	**18,517**	19,316	(4.1)	12.4
Net profit from Continuing Operations	**13,857**	14,090	(1.6)	14.8
Net loss from Discontinued Operations	**(316)**	(28,986)	(98.9)	(98.9)
Net profit/(loss) attributable to shareholders	**13,541**	(14,896)	NM	NM

Key performance indicators

	1Q ended 31 March		
	2014	2013	%
Branded Consumer			
Gross profit margin	**31.9%**	32.0%*	(0.1% pt)

Note
* The Gross Profit margin for 1Q 2013 was recomputed as certain trade-related expenses relating to 1Q 2013 were re-classified to net off against sales in order to conform to the presentation in FY2013 audited financial statements.

Review of the Group's 1Q 2014 Financial Performance

In the 1st Quarter ("1Q") 2014, the Group achieved a profit after tax and minority interests (or PATMI) of US$13.5 million compared to a loss of US$14.9 million in 1Q 2013. The Group's loss in 1Q 2013 can be attributed to the operating losses of the divested Cocoa Ingredients business which until the completion of divestment continued to be consolidated as part of the Group's results. With the divestment of the Cocoa Ingredients business completed on 30th June 2013, the Group's performance from that period onwards will no longer reflect the results of the divested business.

The Group's Branded Consumer business had an encouraging start to the year with 1Q 2014 revenue of US$122.7 million and PATMI of US$13.9 million. From a Y-o-Y comparison perspective, with the weakness in the regional currencies (especially the Indonesian Rupiah which was weaker Y-o-Y against the US Dollar by an average of 24% in 1Q 2014), foreign exchange translation into the Group's US Dollar reporting currency resulted in revenue lower by 3.3% Y-o-Y and PATMI lower by 1.6% Y-o-Y.

Figure 1 - Key Financial Highlights of the Branded Consumer Division

(In US$ Million)	1Q 2014	1Q 2013	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates
Indonesia	88.1	94.3	(6.5%)	16.1%
The Regional Markets	34.6	32.6	6.2%	14.3%
Branded Consumer Revenue	**122.7**	**126.9**	**(3.3%)**	**15.7%**
Gross Profit Margin (%)	31.9%	32.0%	(0.1% pt)	(0.1% pt)
EBITDA	**20.7**	**21.7**	**(4.7%)**	**20.4%**
PATMI	**13.9**	**14.1**	**(1.6%)**	**14.8%**

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2013 in translating the Branded Consumer Division's 1Q 2014 results.

However, in constant currency terms, which is more representative of the underlying performance of the business, revenue growth of 15.7% Y-o-Y and PATMI growth of 14.8% Y-o-Y was achieved demonstrating our portfolio strength and execution capabilities. The strong performance over the period was achieved despite an environment of higher cost inflation, weakness in the regional currencies and full absorption of HQ expenses by the Branded Consumer business (previously allocated between the two businesses).

Review of the Branded Consumer Division's 1Q 2014 Financial Performance

Figure 2 - Key Highlights of Branded Consumer Revenue

(In US$ Million)	1Q 2014	1Q 2013	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates
Indonesia	88.1	94.3	(6.5%)	16.1%
The Regional Markets	34.6	32.6	6.2%	14.3%
Branded Consumer Revenue	**122.7**	**126.9**	**(3.3%)**	**15.7%**

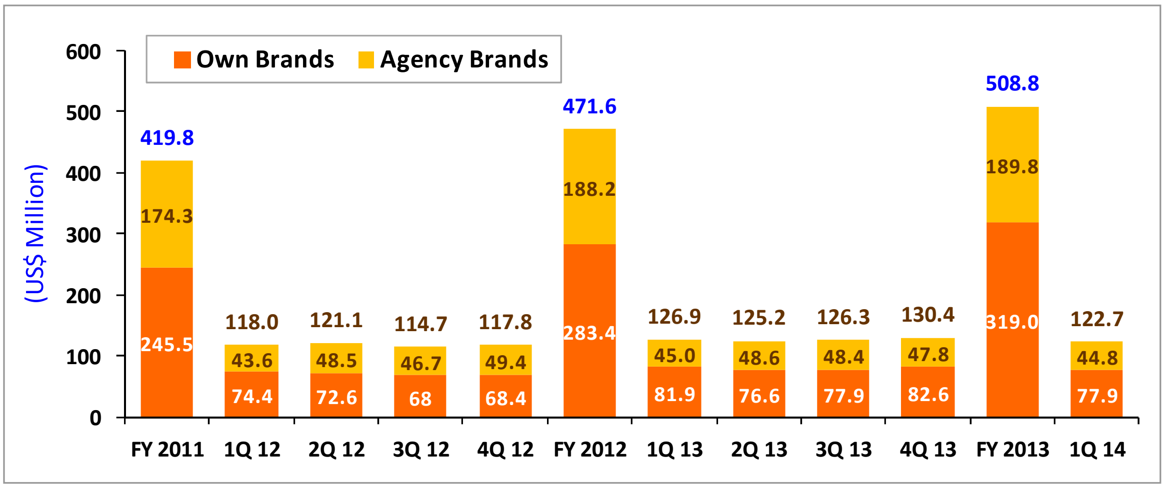
To better illustrate the fundamental underlying revenue performance of the Branded Consumer Division, if the results were adjusted (i) for the translational impact by using 1Q 2013's exchange rates, and (ii) to exclude Agency Brands that were discontinued in Indonesia in 1Q 2013 and in Singapore in 4Q 2013, the underlying 1Q 2014 revenue growth would have been as follows:

1. For the business in Regional Markets, the revenue growth would have been 21.2%, instead of the reported 6.2%; and

2. For the Branded Consumer Division, the overall revenue growth would have been 17.1%, instead of the reported 3.3% decline.

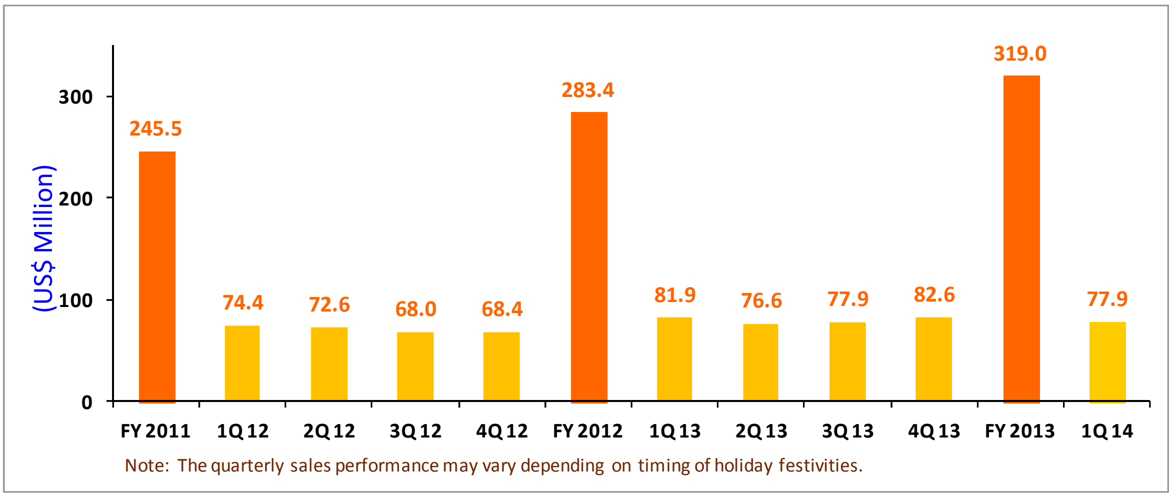
Following from the strong momentum achieved in 2013, the 1Q 2014 performance (in constant currency terms) was driven mainly by strong sale of our Own Brands products which reflected the vibrant consumption in our markets for chocolate confectionery; and the success of our significant investments in innovations, brand building initiatives and our route-to market capabilities.

Figure 3 - Branded Consumer Division's Revenue - Own Brands & Agency Brands (Quarterly and Full Year)



For our portfolio of Own Brands, a number of significant initiatives were implemented during the course of 2013 and 1Q 2014 that will position it for continued success in the future. The initiatives included increased brand building investments into our major brands in our key regional markets as well as investments to further strengthen our routes-to-market capabilities.

Figure 4 - Branded Consumer Division's Own Brands Sales Performance (Quarterly and Full Year)



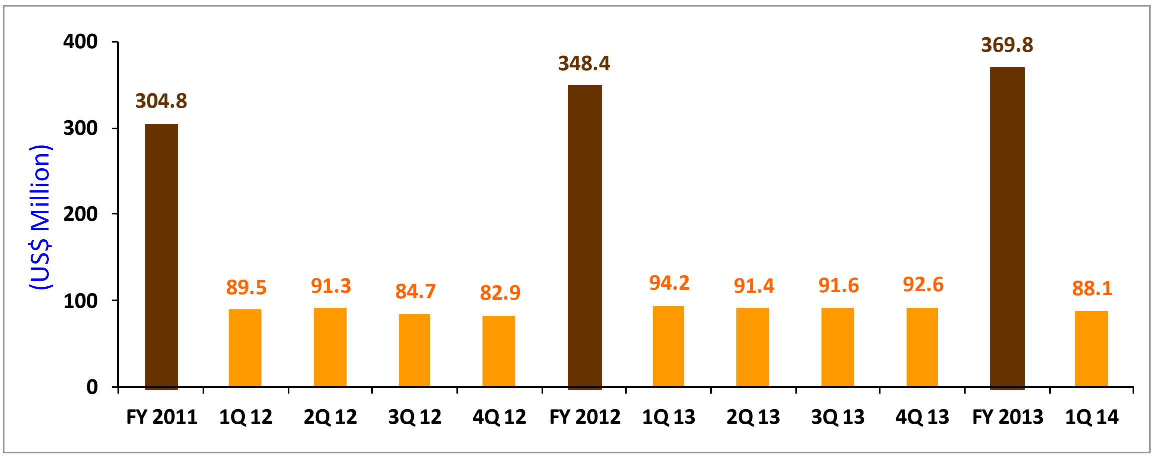
The performance for Own Brands sales (forming more than 60% of total sales), in the Group's US Dollar reporting currency, was lower Y-o-Y by 4.9%. Although in constant currency terms, 1Q 2014 Own Brands sales grew 16.0% Y-o-Y reflecting the recent pricing adjustments implemented and volume growth achieved. For our Own Brands portfolio, the growth trend was broad based and across all categories.

Review by Markets

Indonesia

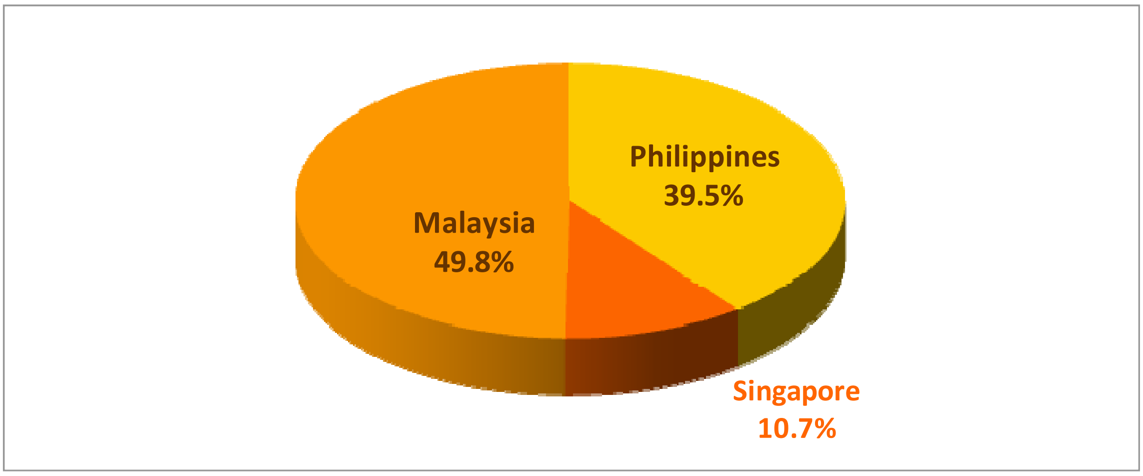
In the Group's US Dollar reporting currency, 1Q 2014 revenue for our business in Indonesia (contributing 72% of revenue) was lower Y-o-Y by 6.5% although more significantly in constant currency terms, a solid 1Q 2014 revenue growth of 16.1% was achieved with strong double digit growth in Own Brands and Agency Brands. The strength and depth of our business in Indonesia was demonstrated once again with our portfolio of leading brands achieving broad based growth across all categories and in both Premium and Value segments. In our Own Brands portfolio, the chocolate confectionery and biscuits/wafer categories achieved strong double digit sales growth reflecting strong market share performance and the success of our continually widening product portfolio.

Figure 5 - Indonesia's Revenue Performance (Quarterly and Full Year)



Markets of the Philippines, Malaysia and Singapore

Figure 6 - Revenue contribution of the Regional Markets by Country



For our markets in Philippines, Malaysia and Singapore, 1Q 2014 revenue growth of 6.2% was achieved in the Group's US Dollar reporting currency. However, in constant currency terms and excluding the discontinued Agency Brands, a Y-o-Y growth of 21.2% was achieved with the strongest rate of growth in the Philippines. For our business in the Philippines, our Own Brands portfolio achieved strong double digit revenue growth, especially for our *Goya* brand. We continue to see returns from all the investments we have made to strengthen our brands portfolio in the Philippines and our routes-to-market. Our brands portfolio has been strengthened through aggressive new product launches through our brand extension strategy and higher levels of investment in brand development programmes.

In these regional markets (in constant currency terms excluding the discontinued agencies), our Agency Brands distribution business achieved revenue growth of 17.9% Y-o-Y where we have now successfully developed the size of the distribution business.

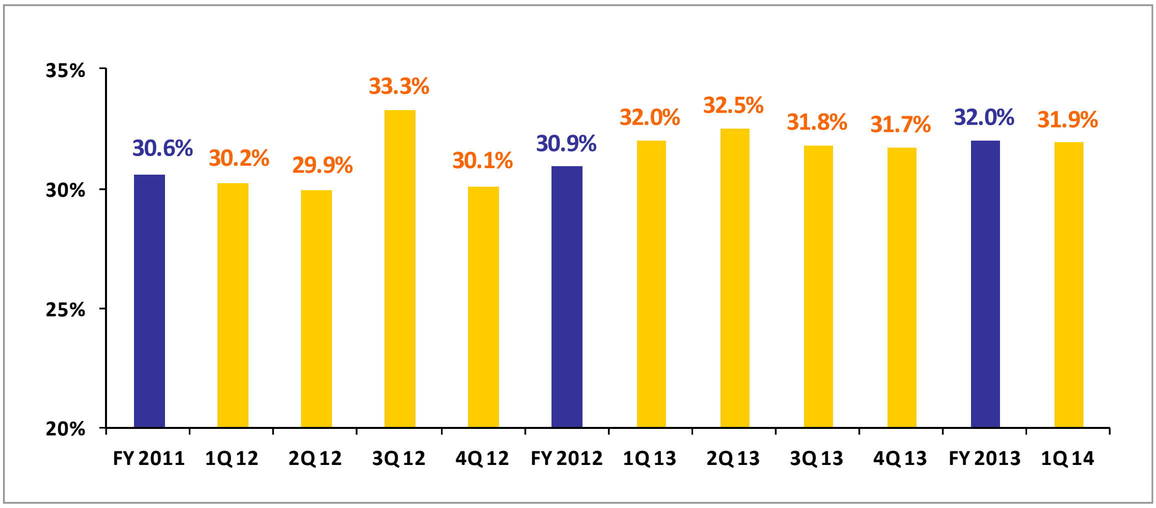
Branded Consumer Division's Profitability

On the back of the revenue of US$122.7 million achieved, our Branded Consumer business generated EBITDA of US$20.7 million and PATMI of US$13.8 million, lower Y-o-Y by 4.7% and 1.6% respectively in the Group's US Dollar reporting currency. From a constant currency perspective, which is more representative of the underlying performance of the business, it achieved EBITDA and PATMI growth of 20.4% and 14.8% respectively. As mentioned, the performance was achieved despite higher cost inflation, weakness in regional currencies and the full absorption of HQ expenses by our Branded Consumer business.

For 1Q 2014, our Branded Consumer business achieved Gross Profit margin of 31.9%, similar to 1Q 2013's level, despite the higher cost inflation mainly resulting from weakness in regional currencies. We successfully mitigated the higher input costs through a combination of the pricing adjustments implemented for a wide range of products in our Own Brands portfolio, product rightsizing, driving higher sales volume and increasing efficiency and reducing costs in the supply chain.

For Own Brands, our ongoing strategy to tackle higher input costs includes a combination of the following: price adjustments, launch of higher margined new products, product rightsizing, and cost containment initiatives. In addition, 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.

Figure 7 - Gross Profit Margin Trend (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 Quarterly and Full Year 2012, the Gross Profit Margin was recomputed to conform to the presentation in FY2013 accounts where certain trade related expenses were reclassified to net off against sales.

Update on the Divestment of the Cocoa Ingredients Division

The Divestment of the Cocoa Ingredients business to Barry Callebaut was completed on 30 June 2013. The net proceeds, which are in the hands of the Company, after allowing for repayment of net borrowings pertaining to the Cocoa Ingredients Division that were not transferred with the Sales Assets and the Sale Shares is estimated at US$164.5 million.

As previously disclosed, the total consideration received is subject to final post-completion adjustments which are the subject of arbitration. Therefore, the net gain and net proceeds can only be determined once the disputes are determined or resolved.

As announced on 21 October 2013, under the amended and restated SPA dated 30 June 2013, there is a mechanism and process for Barry Callebaut to seek a closing price adjustment (which contemplate the delivery by Barry Callebaut of a draft completion statement) if necessary and justified. On 23 September 2013, Barry Callebaut purported to deliver a draft completion statement to the Company. In it, Barry Callebaut sought a closing price reduction of US$98.3 million.

The Company's position, which has been communicated to Barry Callebaut, is (a) the draft completion statement is not compliant with the SPA and the law; (b) that since Barry Callebaut had refused to make it compliant, it is now out of time to issue any draft completion statement or to seek any closing price reduction; and (c) that without prejudice to that position, the Company also considers that the price adjustment sought by Barry Callebaut does not have a proper or valid basis and/or has not been properly substantiated or justified. The claims referred to above are being challenged. There is therefore a dispute.

On 17 December 2013, the Company announced that it had filed a Notice of Arbitration on 16 December 2013 with the Singapore International Arbitration Centre to resolve disputes arising out of and in connection with the SPA. On 27 January 2014, Barry Callebaut filed a response to the Company's Notice of Arbitration in which they added two new claims amounting to US$4.7 million increasing the total amount claimed to US$103.0 million. These further claims are also being challenged.

The Company will keep shareholders updated and further announcements will be made in due course.

Review of Financial Position and Cash Flow

Balance Sheet as at	31-Mar-14	31-Dec-13	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**198,421**	196,707	1,714
Total Assets	**491,445**	465,896	25,549
Borrowings	**49,246**	39,389	9,857
Shareholders' Equity	**312,996**	290,185	22,811
Key Ratio			
Current ratio	**2.40**	2.31	

As at 31 March 2014, the Group's net cash balance was US$149.2 million which includes sales proceeds received from divestment of the Cocoa Ingredients Division on 1 July 2013. Pending resolution of the dispute as disclosed in paragraph 1(a)(i) Note 2 on Page 5, the net proceeds from Divestment are currently deposited with financial institutions.

In line with the expansion of the Group's Branded Consumer business, total assets and shareholders' equity was higher by US$25.5 million and US$22.8 million respectively. The higher total assets can be attributed to:

1) Higher property, plant and equipment reflecting the capital expenditure of US$6.2 million (see paragraph 1(b)(i) Note 2 page 7);

2) Higher working capital in line with the business growth and expansion; and

3) Translational effect on the Branded Consumer's assets and liabilities (see Page 11), which are mostly denominated in Indonesian Rupiah, into US Dollar. At 31 March 2014, the Indonesian Rupiah exchange rate against the US Dollar used in translating the Group's balance sheet strengthened by 7% compared to the rate at 31 December 2013.

The Group's capital expenditure and higher working capital were adequately funded by operating cash flow (before working capital) of US$20.2 million and through utilisation of finance leases and working capital facilities of US$9.9 million (see paragraph 1(b)(i) Note 3 page 7). This is in line with the Group's strategy of extending the tenure of its borrowings to better match its longer term requirements.

With a strong EBITDA and operating cash flow generated by Branded Consumer business, the Group's financial position is expected to improve further - placing it in a strong position to seize growth opportunities in the fast growing regional consumer markets.

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

The Group's results for 1Q 2014 are in line with the commentary made on 26 February 2014 in Paragraph 10 of the Group's "4Q and Full Year 2013 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.

With our business focused on the South East Asian chocolate confectionery market, in particular Indonesia and Philippines, which are fast growing markets for chocolate confectionery sales, our geographic and product portfolio positions us well for future growth. The vibrant consumption environment in our regional markets is supported by the robust economies and the fast growing middle income classes, and we will continue to capitalize on this positive consumption trend by focusing on growing our key brands and categories. Market development is a key driver of our growth and is built around extending ourselves - upwards by encouraging more consumers to consume our premium brands, outwards by driving consumption demand from new categories and even downwards by offering value products for consumers on lower incomes. Besides appealing to consumers in terms of product taste and packaging we aim to address different price points to fulfill different consumer needs.

Innovation is at the heart of our Branded Consumer business with our brands constantly evolving and extending. In Indonesia, accelerating innovation is a key priority for us and our objective is to reach many more consumers by developing innovative products that will address different consumer needs at different price points. With a market share of more than 50% for our Own Brands in the chocolate confectionery category in Indonesia, we will work to continue to outperform the competition through innovation.

To sustain profitable growth over the longer term, in addition to growing our key brands in our markets, we will also be further broadening our distribution network to continue driving the growth of our business. In addition, we will invest to build capacity and capabilities in our manufacturing and distribution infrastructure to capture the growth opportunities. To better manage strategic risk, we will continue to explore possibilities to enter new markets and to extend to new categories.

Despite volatility in the regional currencies and input costs, we expect the performance of our Branded Consumer Division in local currency to remain strong, essentially a continuation of the growth momentum already generated although any further weakening of the regional currencies will have a translational impact when translated into the Group's US Dollar reporting currency.

Other than post completion adjustments which are the subject of the arbitration, there will be no further impact from the Cocoa Ingredients business.

11. Dividend

a. Current Financial Period Reported On

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

b. Corresponding Period of the Immediately Preceding Financial Year

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

c. Date payable

Not applicable.

d. Books closure date

Not applicable.

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

No interim dividend for 1Q ended 31 March 2014 has been recommended.

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

The Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 29 April 2014 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
	1Q 2014
	US$'000
PT Freyabadi Indotama	
- Sales of goods	92
- Purchase of products	4,987
	5,079
PT Tri Keeson Utama	
- Sales of goods	-
PT Fajar Mataram Sedayu	
- Sales of goods	-
- Purchase of goods	118
	118
PT Sederhana Djaja	
- Lease of properties	**9**
	5,206
Non-Mandated Transactions	
PT Fajar Mataram Sedayu	
- Sales of raw materials	**20**

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 1st Quarter ended 31 March 2014 to be false or misleading.

15. Segmental revenue and results

Following the disposal of the Cocoa Ingredients Division in June 2013, the Group focuses solely on its Branded Consumer business for its revenue and profit. Management manages and monitors its consumer business based on geographical segments, namely Indonesia and regional markets which comprise the Philippines, Malaysia and Singapore. For its Branded Consumer business, the Group engages in the manufacture and marketing of chocolate confectionery products under a variety of brands and distributes a wide range of foods and other consumer products including agency sales. The segment revenue is based on the geographical location of the operating entities.

	Indonesia	Regional Markets	Total for continuing business
	US$'000	US$'000	US$'000
Period ended 31 March 2014			
Sales:			
- Total segment sales	90,733	34,732	125,465
- Inter-segment sales	(2,625)	(91)	(2,716)
Sales to external parties	88,108	34,641	122,749
EBITDA	20,355	(318)	20,673
Finance costs			(599)
Share of profit of associated companies			194
Income tax expense			(4,742)
Other segment information			
Depreciation, amortisation and impairment	1,619	368	1,987
Capital expenditure	5,843	345	6,188
Sales of Branded Consumer is analysed as:			
- Own Brands	67,033	10,880	77,913
- Agency Brands	21,075	23,761	44,836
Total	88,108	34,641	122,749

Segmental revenue and results (cont'd)

Period ended 31 March 2013	Indonesia	Regional Markets	Total for continuing business
	US$'000	US$'000	US$'000
Sales:			
- Total segment sales	96,426	32,747	129,173
- Inter-segment sales	(2,172)	(114)	(2,286)
Sales to external parties	94,254	32,633	126,887
EBITDA	21,745	(56)	21,689
Finance costs			(298)
Share of profit of associated companies			111
Income tax expense			(5,219)
Other segment information			
Depreciation and amortisation	1,791	406	2,197
Capital expenditure	1,738	126	1,864
Sales of Branded Consumer is analysed as:			
- Own Brands	72,770	9,156	81,926
- Agency Brands	21,484	23,477	44,961
Total	94,254	32,633	126,887

Geographical Information

In presenting geographical information, the revenue by country is based on the geographical location of the customers and non-current assets are shown by the country where the assets are located.

	Revenue		Non-Current Assets	
For period ended 31 March	**2014**	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**88,108**	94,206	**86,589**	72,206
Philippines	**13,688**	9,618	**6,770**	7,585
Malaysia	**17,250**	16,542	**523**	376
Singapore	**2,780**	5,123	**5,455**	6,114
Other countries	**923**	1,398	**3,350**	3,326
	122,749	126,887	**102,687**	89,607

BY ORDER OF THE BOARD
Lian Kim Seng/Evelyn Chuang
Secretaries
7 May 2014