**Petra Foods Limited**
**Unaudited Financial Statements and Dividend Announcement**
**For the 3rd Quarter and 9 Months Ended 30 September 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 its Cocoa Ingredients Division. Up to 1H 2013, the results of the Cocoa Ingredients Division was included in the Group's 9M 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 1H 2013 was also aggregated with those of the continuing operations of the Branded Consumer Division in the Group's 9M 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.**

| | | Group | | | Group | | |
|---|---|---|---|---|---|---|---|
| | | 3Q ended 30 September | | | 9 months ended 30 September | | |
| | | **2014** | 2013[b] | Change | **2014** | 2013[b] | Change |
| | **Notes** | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| **Continuing operations[a]** | | | | | | | |
| Revenue | 1 | **118,161** | 126,318 | (6.5) | **372,731** | 378,373 | (1.5) |
| Cost of Sales | | **(80,655)** | (86,127) | (6.4) | **(253,978)** | (256,867) | (1.1) |
| **Gross Profit** | | **37,506** | 40,191 | (6.7) | **118,753** | 121,506 | (2.3) |
| Other operating income | | **653** | 2,187 | (70.1) | **2,384** | 2,714 | (12.2) |
| Selling and distribution costs | | **(17,144)** | (16,328) | 5.0 | **(50,104)** | (47,062) | 6.5 |
| Administrative expenses | | **(4,779)** | (5,217) | (8.4) | **(14,910)** | (14,726) | 1.2 |
| Finance costs | | **(1,015)** | (487) | 108.4 | **(2,329)** | (1,140) | 104.3 |
| Other operating expenses | | **(228)** | 534 | NM | **(1,426)** | (17) | NM |
| | | **14,993** | 20,880 | (28.2) | **52,368** | 61,275 | (14.5) |
| Share of results of associated companies and joint venture | | **132** | (132) | NM | **335** | (265) | NM |
| **Profit before tax** | | **15,125** | 20,748 | (27.1) | **52,703** | 61,010 | (13.6) |
| Income tax expense | | **(4,566)** | (5,944) | (23.2) | **(15,176)** | (17,332) | (12.4) |
| **Net profit from continuing operations** | 2 | **10,559** | 14,804 | (28.7) | **37,527** | 43,678 | (14.1) |
| **Discontinued operations[a]** | | | | | | | |
| **Net loss from discontinued operations** | 3 | **-** | - | NM | **(1,141)** | (38,988) | (97.1) |
| **Total Profit** | | **10,559** | **14,804** | (28.7) | **36,386** | 4,690 | 675.8 |
| **Profit/(loss) attributable to:** | | | | | | | |
| Equity holders of the Company | | | | | | | |
| - From continuing operations | | **10,514** | 14,834 | (29.1) | **37,566** | 43,679 | (14.0) |
| - From discontinued operations | | **-** | - | NM | **(1,141)** | (38,988) | (97.1) |
| | | **10,514** | 14,834 | (29.1) | **36,425** | 4,691 | 676.5 |
| Non-controlling interest | | | | | | | |
| - From continuing operations | | **45** | (30) | NM | **(39)** | (1) | NM |
| | | **10,559** | 14,804 | (28.7) | **36,386** | 4,690 | 675.8 |

a. "Continuing operations" refers to the Branded Consumer Division while "Discontinued operations" refers to the Divested Cocoa Ingredients Division (see Note 3). The divestment was completed on 30 June 2013.

b. For 3Q and 9M 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 3Q and 9M ended 30 September 2013.

c. NM denotes not meaningful.

| | Group 3Q ended 30 September | | | Group 9 months ended 30 September | | |
|---|---|---|---|---|---|---|
| | **2014** | 2013 | Change | **2014** | 2013 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| EBITDA | | | | | | |
| - From continuing operations | **17,676** | 22,977 | (23.1) | **59,665** | 67,898 | (12.1) |
| - From discontinued operations | **-** | - | NM | **-** | (104,028) | NM |
| | **17,676** | 22,977 | (23.1) | **59,665** | (36,130) | NM |
| Earnings per share (US cents) - Basic and Diluted[a] | | | | | | |
| - From continuing operations | **1.72** | 2.43 | (29.1) | **6.15** | 7.15 | (14.0) |
| - From discontinued operations | **-** | - | NM | **(0.19)** | (6.38) | (97.1) |
| | **1.72** | 2.43 | (29.1) | **5.96** | 0.77 | 676.5 |
| Return on equity | | | | | | |
| - Group | | | | **16.8%** | 6.7%[c] | |
| - Branded Consumer[b] | | | | **17.3%** | 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

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

| | 3Q ended 30 September | | | 9 months ended 30 September | | |
|---|---|---|---|---|---|---|
| | **2014** | 2013 | Change | **2014** | 2013 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Indonesia | **85,048** | 91,577 | (7.1) | **269,488** | 277,229 | (2.8) |
| Regional Markets | **33,113** | 34,741 | (4.7) | **103,243** | 101,144 | 2.1 |
| | **118,161** | 126,318 | (6.5) | **372,731** | 378,373 | (1.5) |

(b) Breakdown of Sales

| | 3Q ended 30 September | | | 9 months ended 30 September | | |
|---|---|---|---|---|---|---|
| | **2014** | 2013 | Change | **2014** | 2013 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Own Brands | **72,975** | 77,844 | (6.3) | **231,330** | 236,371 | (2.1) |
| Agency Brands | **45,186** | 48,474 | (6.8) | **141,401** | 142,002 | (0.4) |
| | **118,161** | 126,318 | (6.5) | **372,731** | 378,373 | (1.5) |

For 3Q and 9M 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 3Q and 9M 2013.

### Note 2 - Net Profit from Continuing Operations

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

| | 3Q ended 30 September | | | 9 months ended 30 September | | |
|---|---|---|---|---|---|---|
| | **2014** | 2013 | Change | **2014** | 2013 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Depreciation of property, plant and equipment | **(1,921)** | (1,998) | (3.9) | **(5,803)** | (6,246) | (7.1) |
| Amortisation of intangible assets | **(23)** | (21) | 9.5 | **(63)** | (63) | - |
| Net foreign exchange (loss)/gain | **(166)** | 1,724* | NM | **(1,321)** | 1,220* | NM |
| Group (under)/over provision of tax in prior years | **(70)** | 252* | NM | **253** | 239* | 5.9 |
| Gain on disposal of property, plant and equipment | **35** | 152 | (77.0) | **154** | 289 | (46.7) |
| Impairment loss on trade receivables | **(25)** | (27) | (7.4) | **(197)** | (53) | 271.7 |
| Inventories written off | **(377)** | (285) | 32.3 | **(833)** | (1,025) | (18.7) |
| Allowance made for inventory obsolescence | **(355)** | (239) | 48.5 | **(985)** | (795) | 23.9 |

* Relating to both Continuing Operations and Discontinued Operations.

**Note 3 - Discontinued operations**

On 30 June 2013, the Company completed the divestment of its entire Cocoa Ingredients Division to Barry Callebaut. Up to 1H 2013, the financial results of the Divested Cocoa Ingredients Division were consolidated as part of the Group's 1H 2013 results. For 9M 2014, included in the classification of 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.

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 | |
|---|---|---|---|---|---|
| | | **30-Sep-14** | 31-Dec-13 | **30-Sep-14** | 31-Dec-13 |
| | **Notes** | **US$'000** | US$'000 | **US$'000** | US$'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | | **168,483** | 196,707 | **161,457** | 186,862 |
| Derivative assets | | **-** | 25 | **-** | 25 |
| Trade receivables | | **73,559** | 76,742 | **2,493** | 4,284 |
| Inventories | | **69,731** | 65,506 | **-** | 17 |
| Tax recoverable | | **2,456** | 2,500 | **-** | - |
| Other current assets | 1 | **14,656** | 31,557 | **1,252** | 24,310 |
| | | **328,885** | 373,037 | **165,202** | 215,498 |
| **Non-current assets** | | | | | |
| Investments in subsidiaries | | **-** | - | **33,700** | 42,996 |
| Investments in associated companies and joint venture | | **2,920** | 2,604 | **3,000** | 3,000 |
| Loans to associated company and joint venture | | **2,926** | 2,925 | **323** | 351 |
| Property, plant and equipment | 2 | **105,909** | 81,796 | **1,452** | 1,519 |
| Intangibles assets | | **4,915** | 4,982 | **4,735** | 4,616 |
| Deferred income tax assets | | **242** | 340 | **-** | - |
| Other non-current assets | | **70** | 212 | **-** | - |
| | | **116,982** | 92,859 | **43,210** | 52,482 |
| **Total Assets** | | **445,867** | 465,896 | **208,412** | 267,980 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade payables | | **33,438** | 42,165 | **1,649** | 2,936 |
| Other payables | 1 | **53,850** | 77,508 | **23,932** | 67,845 |
| Current income tax liabilities | | **1,835** | 3,004 | **-** | - |
| Derivative liabilities | | **5** | 12 | **-** | - |
| Borrowings | 3 | **46,319** | 38,989 | **93** | 85 |
| | | **135,447** | 161,678 | **25,674** | 70,866 |
| **Non-current liabilities** | | | | | |
| Borrowings | 3 | **9,052** | 400 | **183** | 245 |
| Deferred income tax liabilities | | **4,175** | 5,367 | **3** | 4 |
| Provisions for other liabilities and charges | | **8,688** | 8,065 | **-** | - |
| | | **21,915** | 13,832 | **186** | 249 |
| **Total liabilities** | | **157,362** | 175,510 | **25,860** | 71,115 |
| **NET ASSETS** | | **288,505** | 290,386 | **182,552** | 196,865 |
| **Capital and reserves attributable to the Company's equity holders of the Company** | | | | | |
| Share capital | | **155,951** | 155,951 | **155,951** | 155,951 |
| Foreign currency translation reserve | | **(42,757)** | (42,877) | **-** | - |
| Other reserves | | **2,515** | 2,515 | **-** | - |
| Retained earnings | | **172,634** | 174,596 | **26,601** | 40,914 |
| | | **288,343** | 290,185 | **182,552** | 196,865 |
| **Non controlling interest** | | **162** | 201 | **-** | - |
| **Total equity** | | **288,505** | 290,386 | **182,552** | 196,865 |

## Explanatory notes on Statement of Financial Position

### Note 1 - Other Current Assets and Other Payables

Other Current Assets were lower as US$19.9 million of a loan due from a divested Brazilian subsidiary was repaid to the Group in April 2014. The proceeds received from the loan repayment were utilised to repay US$20.1 million which was due to a divested Malaysian subsidiary (included in Other Payables).

### Note 2 - Capital Expenditure on Property, Plant and Equipment

The higher capital expenditure for 3Q and 9M 2014 compared to the same periods last year is in line with the Group's strategy of further building capacity and capabilities of its manufacturing and distribution assets to capture the long term growth opportunities of its business. The allocation of this capital expenditure by geographical region is as follows:

| | **3Q 2014** | 3Q 2013 | **9M 2014** | 9M 2013 |
|---|---|---|---|---|
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Indonesia | **10,382** | 2,948 | **28,480** | 7,209 |
| Regional Markets | **1,375** | 186 | **2,493** | 551 |
| | **11,757** | 3,134 | **30,973** | 7,760 |

### Note 3 - Borrowings

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30-Sep-14** | 31-Dec-13 | **30-Sep-14** | 31-Dec-13 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Bank overdraft | **15,187** | 18,926 | **11** | - |
| Bank borrowings | **24,038** | 11,470 | **-** | - |
| Finance lease liabilities | **6,420** | 1,422 | **265** | 330 |
| Trade finance and short term advances | **9,726** | 7,571 | **-** | - |
| | **55,371** | 39,389 | **276** | 330 |
| Breakdown of borrowings: | | | | |
| Current | **46,319** | 38,989 | **93** | 85 |
| Non current | **9,052** | 400 | **183** | 245 |
| | **55,371** | 39,389 | **276** | 330 |

The higher borrowings at 30 September 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

| | **30-Sep-14** | 31-Dec-13 |
|---|---|---|
| Current Ratio | **2.43** | 2.31 |
| Average Inventory Days | **73** | 67 |
| Average Receivable Days | **55** | 51 |
| Average Payable Days | **41** | 40 |
| Return on Equity (Branded Consumer Only) | **17.3%** | 19.2% |

The increase in Average Inventory Days can be attributed mainly to higher inventories carried to support the expanded capacity and reflect higher finished goods and raw material prices during 9M 2014.

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

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

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30-Sep-14** | 31-Dec-13 | **30-Sep-14** | 31-Dec-13 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Amount repayable in one year or less, or on demand | | | | |
| - Secured | **25,239** | 15,110 | **82** | 85 |
| - Unsecured | **21,080** | 23,879 | **11** | - |
| | **46,319** | 38,989 | **93** | 85 |
| Amount repayable after one year | | | | |
| - Secured | **9,052** | 400 | **183** | 245 |
| - Unsecured | **-** | - | **-** | - |
| | **9,052** | 400 | **183** | 245 |

## Details of collateral

Of the Group's total bank borrowings, US$34.3 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.**

| | Notes | Period ended 30-Sep-14 | Period ended 30-Sep-13 |
|---|---|---|---|
| | | US$'000 | US$'000 |
| **Cash flows from operating activities** | | | |
| Total profit | | **36,386** | 4,690 |
| Adjustments: | | | |
| Income tax expense | | **15,176** | 20,131 |
| Depreciation and amortisation | | **5,866** | 6,358 |
| Property, plant and equipment written off | | **19** | 238 |
| Gain on disposal of property, plant and equipment | | **(154)** | (250) |
| Gain on disposal of Cocoa Ingredients Division (including exceptional charges) | | **-** | (80,950) |
| Interest (income) | | **(1,231)** | (680) |
| Interest expense | | **2,329** | 15,300 |
| Fair value losses/(gains) on derivatives | | **18** | (16,032) |
| Share of (gain)/loss from associated companies and joint venture | | **(335)** | 265 |
| Operating cash flow before working capital changes | | **58,074** | (50,930) |
| Change in working capital | | | |
| Inventories | | **(4,225)** | 167,566 |
| Trade and other receivables | | **20,226** | (50,891) |
| Trade and other payables | | **(31,704)** | (83,932) |
| Cash generated from/(used in) operations | | **42,371** | (18,187) |
| Interest received | | **1,231** | 680 |
| Income tax paid | | **(17,442)** | (10,855) |
| **Net cash provided by/(used in) operating activities** | | **26,160** | (28,362) |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | 1 | **(22,917)** | (11,312) |
| Investment in joint venture | | **-** | - |
| Payments for patents and trademarks | | **(213)** | (44) |
| Disposal of Cocoa Ingredients Division, net of cash disposed of | | **-** | 650,108 |
| Proceeds from disposals of property, plant and equipment | | **204** | 321 |
| **Net cash (used in)/provided by investing activities** | | **(22,926)** | 639,073 |
| **Cash flows from financing activities** | | | |
| Proceeds from term loans | | **13,327** | 1,923 |
| Proceeds from/(repayment of) trade finance and short term advances | | **2,149** | (160,533) |
| Repayment of term loans | | **(619)** | (79,988) |
| Repayment of Medium Term Notes | | **-** | (160,032) |
| Repayment of lease liabilities | | **(3,033)** | (2,086) |
| Interest paid | | **(2,343)** | (15,300) |
| Dividend paid to equity holders of company | | **(38,387)** | (25,585) |
| **Net cash used in financing activities** | | **(28,906)** | (441,601) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(25,672)** | 169,110 |
| **Cash and cash equivalents** | | | |
| Beginning of financial year | | **177,781** | 23,118 |
| Effects of currency translation on cash and cash equivalents | | **1,186** | (13,590) |
| **End of financial year** | | **153,295** | 178,638 |

Note

1. In 9M 2014, the amount excludes addition of property, plant and equipment of US$8.0 million (9M 2013: 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-Sep-14** | 30-Sep-13 |
| | **US$'000** | US$'000 |
| Cash and bank balances | **55,487** | 188,878 |
| Short term deposits | **112,995** | 5,057 |
| Less: Bank overdrafts | **(15,187)** | (15,297) |
| | **153,295** | 178,638 |

In the consolidated statement of cash flows, the operating cash flows of the divested Cocoa Ingredients Division during 1H 2013 was aggregated with those of the continuing operations of the Branded Consumer Division for 9M 2013. The impact of the divested Cocoa Ingredients Division on the Group's cash flows was as follows:

| **For the Half Year ended** | 30 June 2013 |
|---|---|
| | US$'000 |
| Operating cash outflows | (41,207) |
| Investing cash outflows | (3,551) |
| Financing cash inflows | 48,945 |
| Total cash outflows | 4,187 |

## Consolidated Statement of Comprehensive Income

| | 3Q ended 30 September | | 9M ended 30 September | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| **Profit for the period** | **10,559** | 14,804 | **36,386** | 4,690 |
| **Other comprehensive income:** | | | | |
| **(a) Continuing Operations** | | | | |
| Foreign Currency Translation Reserve | | | | |
| - Currency translation differences arising from consolidation | **(3,627)** | (21,308) | **120** | (25,380) |
| **(b) Discontinuing Operations** | | | | |
| (a) Cash flow hedges: | | | | |
| - Fair value (losses)/gains | - | - | **-** | (9,458) |
| - Transfer to profit or loss | - | - | **-** | 5,276 |
| - Tax on fair value adjustments | | - | | 26 |
| - Divestment of Cocoa Ingredients Business | - | - | **-** | 2,451 |
| | - | **-** | **-** | (1,705) |
| (b) Foreign Currency Translation Reserve | | | | |
| - Realisation of disposal of subsidiaries | - | - | **-** | 4,117 |
| - Currency translation differences arising from consolidation | - | - | **-** | - |
| | - | - | - | 4,117 |
| Other comprehensive (expense)/income, net of tax | **(3,627)** | (21,308) | **120** | (22,968) |
| **Total comprehensive income/(expense) for the period** | **6,932** | (6,504) | **36,506** | (18,278) |
| **Total comprehensive income/(expense) attributable to:** | | | | |
| Equity holders of the Company | **6,889** | (6,476) | **36,545** | (18,270) |
| Non-controlling interest | **43** | (28) | **(39)** | (8) |
| | **6,932** | (6,504) | **36,506** | (18,278) |

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** | | | | | | | | | |
| **1H 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 | - | 3,745 | - | - | - | 25,911 | 29,656 | (82) | 29,574 |
| Final dividend relating to 2013 | - | - | - | - | - | (24,996) | (24,996) | - | (24,996) |
| **Balance at 30 June 2014** | 155,951 | (39,132) | - | 1,987 | 528 | 175,511 | 294,845 | 119 | 294,964 |
| **3Q 2014** | | | | | | | | | |
| **Balance at 1 July 2014** | 155,951 | (39,132) | - | 1,987 | 528 | 175,511 | 294,845 | 119 | 294,964 |
| Total comprehensive income for the period | - | (3,625) | - | - | - | 10,514 | 6,889 | 43 | 6,932 |
| Interim dividend relating to 2014 | - | - | - | - | - | (13,391) | (13,391) | - | (13,391) |
| **Balance at 30 September 2014** | 155,951 | (42,757) | - | 1,987 | 528 | 172,634 | 288,343 | 162 | 288,505 |
| **The Group** | | | | | | | | | |
| **1H 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 | | 53 | (1,705) | - | - | (10,142) | (11,794) | 20 | (11,774) |
| Final dividend relating to 2012 | - | - | - | - | - | (11,368) | (11,368) | - | (11,368) |
| **Balance at 30 June 2013** | 155,951 | (11,276) | - | 1,890 | (1,333) | 158,175 | 303,407 | 268 | 303,675 |
| **3Q 2013** | | | | | | | | | |
| **Balance at 1 July 2013** | 155,951 | (11,276) | - | 1,890 | (1,333) | 158,175 | 303,407 | 268 | 303,675 |
| Total comprehensive income for the period | - | (21,309) | - | - | - | 14,833 | (6,476) | (28) | (6,504) |
| Interim dividend relating to 2013 | - | - | - | - | - | (14,217) | (14,217) | - | (14,217) |
| **Balance at 30 September 2013** | 155,951 | (32,585) | - | 1,890 | (1,333) | 158,791 | 282,714 | 240 | 282,954 |

## 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** | | | | |
| **1H 2014** | | | | |
| **Balance at 1 January 2014** | 155,951 | - | 40,914 | 196,865 |
| Total comprehensive income for the period | - | - | 23,424 | 23,424 |
| Final dividend relating to 2013 | - | - | (24,996) | (24,996) |
| **Balance at 30 June 2014** | 155,951 | - | 39,342 | 195,293 |
| | | | | |
| **3Q 2014** | | | | |
| **Balance at 1 July 2014** | 155,951 | - | 39,342 | 195,293 |
| Total comprehensive income for the period | - | - | 650 | 650 |
| Interim dividend relating to 2014 | - | - | (13,391) | (13,391) |
| **Balance at 30 September 2014** | 155,951 | - | 26,601 | 182,552 |
| | | | | |
| **The Company** | | | | |
| **1H 2013** | | | | |
| **Balance at 1 January 2013** | 155,951 | 3,172 | 49,878 | 209,001 |
| Total comprehensive income for the period | - | (3,172) | 7,682 | 4,510 |
| Final dividend relating to 2012 | - | - | (11,368) | (11,368) |
| **Balance at 30 June 2013** | 155,951 | - | 46,192 | 202,143 |
| | | | | |
| **3Q 2013** | | | | |
| **Balance at 1 July 2013** | 155,951 | - | 46,192 | 202,143 |
| Total comprehensive income for the period | - | - | 3,144 | 3,144 |
| Interim dividend relating to 2013 | - | - | (14,217) | (14,217) |
| **Balance at 30 September 2013** | 155,951 | - | 35,119 | 191,070 |

**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 3Q and 9M ended 30 September 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.**

| | | 3Q ended 30 September | | 9M ended 30 September | |
|---|---|---|---|---|---|
| | | **2014** | 2013 | **2014** | 2013 |
| | | **US$'000** | US$'000 | **US$'000** | US$'000 |
| (i) | Based on weighted average number of ordinary shares in issue - (US cents) | | | | |
| | - From continuing operations | **1.72** | 2.43 | **6.15** | 7.15 |
| | - From discontinued operations | **-** | - | **(0.19)** | (6.38) |
| | Total | **1.72** | 2.43 | **5.96** | 0.77 |
| (ii) | On a fully diluted basis - (US cents) | | | | |
| | - From continuing operations | **1.72** | 2.43 | **6.15** | 7.15 |
| | - From discontinued operations | **-** | - | **(0.19)** | (6.38) |
| | Total | **1.72** | 2.43 | **5.96** | 0.77 |

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 30 September 2014 and 30 September 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 | |
|---|---|---|---|---|
| | **30-Sep-14** | 31-Dec-13 | **30-Sep-14** | 31-Dec-13 |
| Net asset value per ordinary share based on issued share capital - (US cents) | **47.2** | 47.5 | **29.9** | 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)**

| | **3Q ended 30 September** | | | | **9 months ended 30 September** | | | |
|---|---|---|---|---|---|---|---|---|
| | **2014** | 2013 | % Change | | **2014** | 2013 | % Change | |
| | **US$'000** | US$'000 | In USD term | In constant exchange rate | **US$'000** | US$'000 | In USD term | In constant exchange rate |
| **Continuing Operations - Branded Consumer** | | | | | | | | |
| Indonesia | **85,048** | 91,577 | (7.1) | 4.4 | **269,488** | 277,229 | (2.8) | 15.1 |
| Regional Markets | **33,113** | 34,741 | (4.7) | (6.0) | **103,243** | 101,144 | 2.1 | 6.1 |
| **REVENUE** | **118,161** | 126,318 | (6.5) | 1.6 | **372,731** | 378,373 | (1.5) | 12.7 |
| Indonesia | **17,791** | 23,334 | (23.8) | (13.3) | **59,461** | 67,597 | (12.0) | 5.8 |
| Regional Markets | **(115)** | (357) | (67.8) | (44.4) | **204** | 301 | (32.2) | 20.4 |
| **EBITDA** | **17,676** | 22,977 | (23.1) | (12.8) | **59,665** | 67,898 | (12.1) | 5.9 |
| Profit before tax | **15,125** | 20,748 | (27.1) | (17.2) | **52,703** | 61,010 | (13.6) | 4.4 |
| Net profit from Continuing Operations | **10,514** | 14,834 | (29.1) | (18.7) | **37,566** | 43,679 | (14.0) | 5.9 |
| Net loss from Discontinued Operations | **-** | - | NM | NM | **(1,141)** | (38,988) | (97.1) | (97.1) |
| Net profit attributable to shareholders | **10,514** | 14,834 | (29.1) | (18.7) | **36,425** | 4,691 | 676.5 | 861.6 |

**Key performance indicators**

| | **3Q ended 30 September** | | | **9 months ended 30 September** | | |
|---|---|---|---|---|---|---|
| | **2014** | 2013 | % | **2014** | 2013 | % |
| **Branded Consumer** | | | | | | |
| Gross profit margin | **31.7%** | 31.8%* | (0.1% pt) | **31.9%** | 32.1%* | (0.2% pt) |

Note
* The Gross Profit margin for 3Q and 9M 2013 was recomputed as certain trade-related expenses relating to 3Q and 9M 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 3Q and 9M 2014 Financial Performance

For the quarter ended 30th September 2014 ("3Q 2014"), the Group achieved a profit after tax and minority interests (or "PATMI") of US$10.5 million on the back of revenue of US$118.2 million, compared to PATMI of US$14.8 million and revenue of US$126.3 million previously. For the Group, the 3Q 2014 results achieved culminated to revenue of US$372.7 million and PATMI of US$36.4 million for nine months ended 30 September 2014 ("9M 2014"), compared to revenue of US$378.4 million and PATMI of US$4.7 million previously.

The Group's performance in 9M 2013 reflected the 1H 2013 operating losses of the divested Cocoa Ingredients business which until the completion of the 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 no longer reflected the resulted of the divested business.

***Figure 1 - Key Financial Highlights of the Branded Consumer Division***

| (In US$ Million) | 3Q 2014 | 3Q 2013 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates * | 9M 2014 | 9M 2013 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates * |
|---|---|---|---|---|---|---|---|---|
| Indonesia | 85.1 | 91.6 | (7.1%) | 4.4% | 269.5 | 277.2 | (2.8%) | 15.1% |
| The Regional Markets | 33.1 | 34.7 | (4.7%) | (6.0%) | 103.2 | 101.2 | 2.1% | 6.1% |
| **Branded Consumer Revenue** | **118.2** | **126.3** | **(6.5%)** | **1.6%** | **372.7** | **378.4** | **(1.5%)** | **12.7%** |
| Gross Profit Margin (%) | 31.7% | 31.8% | (0.1% pt) | (0.1% pt) | 31.9% | 32.1% | (0.2% pt) | (0.2% pt) |
| **EBITDA** | **17.7** | **23.0** | **(23.1%)** | **(12.8%)** | **59.7** | **67.9** | **(12.1%)** | **5.9%** |
| **PATMI** | **10.5** | **14.8** | **(29.1%)** | **(18.7%)** | **37.5** | **43.7** | **(14.0%)** | **5.9%** |

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 3Q 2013 and 9M 2013 in translating the Branded Consumer Division's 3Q 2014 and 9M 2014 results.

For 3Q 2014, the Group's Branded Consumer business achieved revenue of US$118.2 million and PATMI of US$10.5 million. In presenting the Year-on-Year comparative figures for the quarter, the following key points must be highlighted:-

- The sales run-up for the Muslim Lebaran festivities were in the second quarter of 2014 while in 2013, it was in the 3rd quarter. Hence, depending on the timing of this major holiday (especially for our core market of Indonesia), this can affect quarterly sales performance of our Branded Consumer business;

- The strategic initiative taken over the past year to discontinue the distribution of some less profitable Agency Brands which resulted in the reported lower sales especially in the regional markets; and

- The weakness in the regional currencies (especially the Indonesian Rupiah which weakened Y-o-Y against the US Dollar by an average of 13% in 3Q 2014) with foreign exchange translation into the Group's US Dollar reporting currency contributing to the lower revenue and PATMI by 6.5% and 29.1% respectively Y-o-Y.

In constant currency terms which provides better clarity of the underlying Y-o-Y performance of the business, revenue grew 1.6% while PATMI was lower by 18.7% in 3Q 2014.

With the 3Q 2014 results, this culminated in the Branded Consumer business achieving for 9M 2014 revenue of US$372.7 million and PATMI of US$37.5 million. In US$ terms, revenue and PATMI were lower Y-o-Y by 1.5% and 14.0% respectively, although from a constant currency perspective, revenue growth was 12.7% and PATMI growth of 5.9% was achieved.

The Branded Consumer business' 9M 2014 performance reflected the successful execution of the Group's growth strategy, and was achieved despite an environment of intensifying competition, 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). Over the period, we also increased our brand building investments to strengthen the brand equity of our major brands in our key markets.

## Review of the Branded Consumer Division's 3Q 2014 and 9M 2014 Financial Performance

*Figure 2 - Key Highlights of Branded Consumer Revenue*

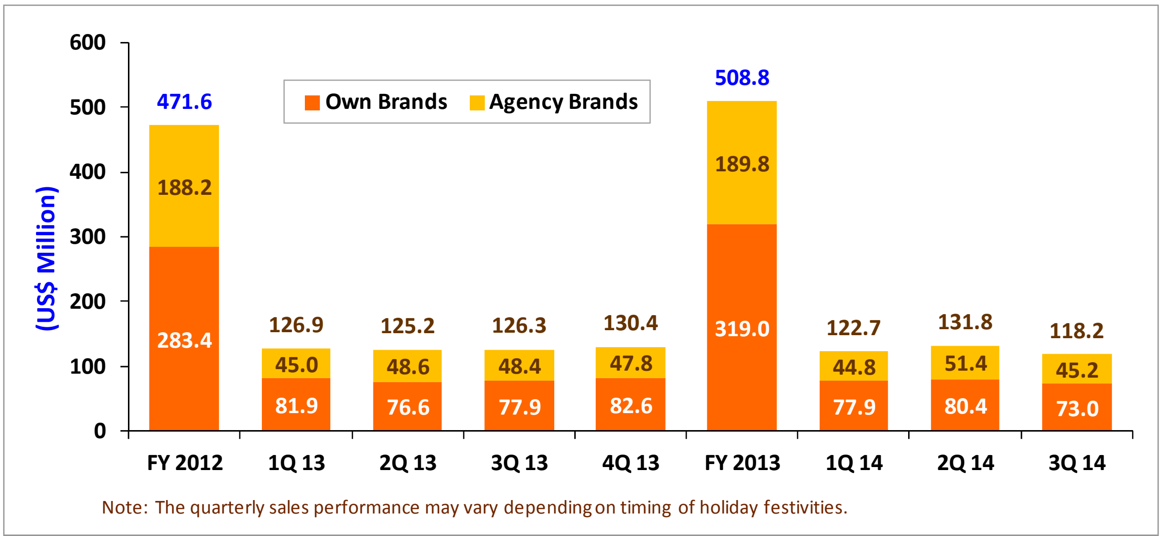
| (In US$ Million) | 3Q 2014 | 3Q 2013 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates | 9M 2014 | 9M 2013 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates |
|---|---|---|---|---|---|---|---|---|
| Indonesia | 85.1 | 91.6 | (7.1%) | 4.4% | 269.5 | 277.2 | (2.8%) | 15.1% |
| The Regional Markets | 33.1 | 34.7 | (4.7%) | (6.0%) | 103.2 | 101.2 | 2.1% | 6.1% |
| **Branded Consumer Revenue** | **118.2** | **126.3** | **(6.5%)** | **1.6%** | **372.7** | **378.4** | **(1.5%)** | **12.7%** |

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 3Q 2013 and 9M 2013's exchange rates, and (ii) to exclude the discontinued Agency Brands, the underlying 3Q 2014 and 9M 2014 revenue growth would have been as follows:

1. For the business in Regional Markets, the revenue growth (in constant currency terms) would have been 10.3% and 16.9% for 3Q and 9M 2014 respectively, instead of the reported -4.7% and 2.1%; and

2. For the Branded Consumer Division, the overall revenue growth (in constant currency terms) would have been 7.1% and 15.6% for 3Q and 9M 2014 respectively, instead of the reported -6.5% and -1.5%.

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




For 9M 2014, Own Brands sales (forming more than 60% of total sales) achieved double digit growth with the growth broad based and across our major categories. The growth was driven by a combination of the recent pricing adjustments implemented and volume growth. This performance achieved reflected the vibrant consumption in our markets for chocolate confectionery; and the continued success of our significant investments in innovations, brand building initiatives and our routes-to-market capabilities.

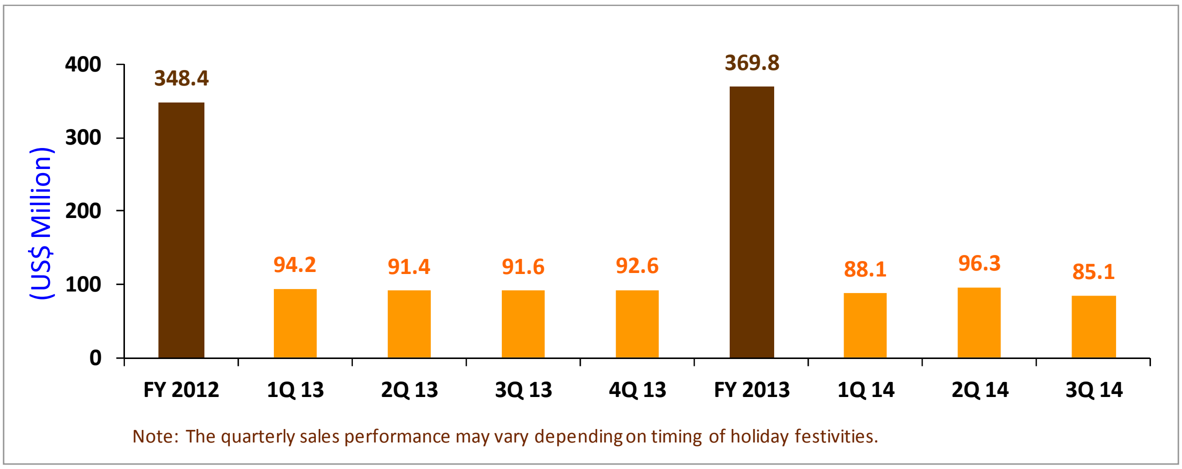
## Review by Markets

### Indonesia

In the Group's US$ reporting currency, 3Q 2014 revenue for our business in Indonesia (contributing 72% of revenue) was lower Y-o-Y by 7.1% as a result of foreign exchange translation given the Indonesian Rupiah's weakness against the US$ although in constant currency terms, 3Q 2014 revenue growth of 4.4% was achieved. To put 3Q 2014's growth into perspective, the sales run-up for the Muslim Lebaran holiday was in the second quarter of 2014 while last year it was in the 3rd quarter. Hence, depending on the timing of this major holiday, this can affect quarterly sales performance.

Therefore, viewing the Branded Consumer business' 9M 2014 performance is more indicative of the strength and depth of the business in Indonesia. For 9M 2014, the revenue growth (in constant currency terms) was higher by 15.1% Y-o-Y with strong double digit growth in Own Brands and Agency Brands. Our portfolio of leading brands achieved broad based growth across all categories and in both Premium and Value segments, despite intensifying competition. This reflected strong market share performance and the success of our continually widening product portfolio.

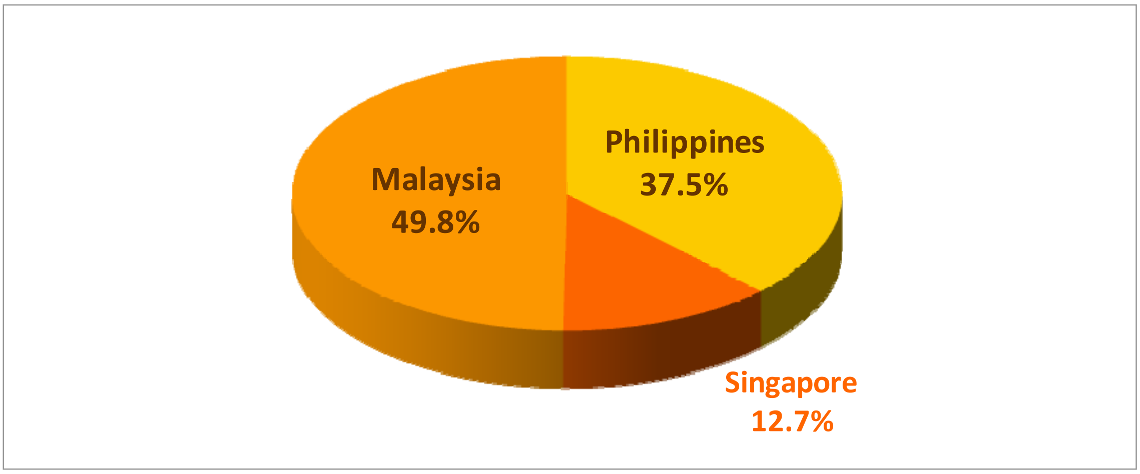
*Figure 4 - Indonesia's Revenue Performance (Quarterly and Full Year)*




### Markets of the Philippines, Malaysia and Singapore

For our markets in the Philippines, Malaysia and Singapore, 3Q 2014 revenue were lower by 4.7% in the Group's US$ reporting currency. However, in constant currency terms and excluding the discontinued Agency Brands, a Y-o-Y growth of 16.9% was achieved with the strongest rate of growth in the Philippines.

*Figure 5 - Revenue contribution of the Regional Markets by Country for 2014*




In the Philippines, our portfolio of Own Brands achieved strong revenue growth in excess of 30% for 9M 2014, reflecting the strong returns from all the investments (including brand development programmes) we have made to strengthen our brands portfolio and our routes-to-market. Our brands portfolio comprising mainly the *Goya* and *Knick Knacks* brands continue to be strengthened through aggressive new product launches with extension into other chocolate categories, including chocolate spreads.

In these regional markets (in constant currency terms excluding the discontinued agencies), our Agency Brands distribution business achieved revenue growth of 9.2% and 14.5% Y-o-Y for 3Q and 9M 2014 respectively.

**Branded Consumer Division's Profitability**

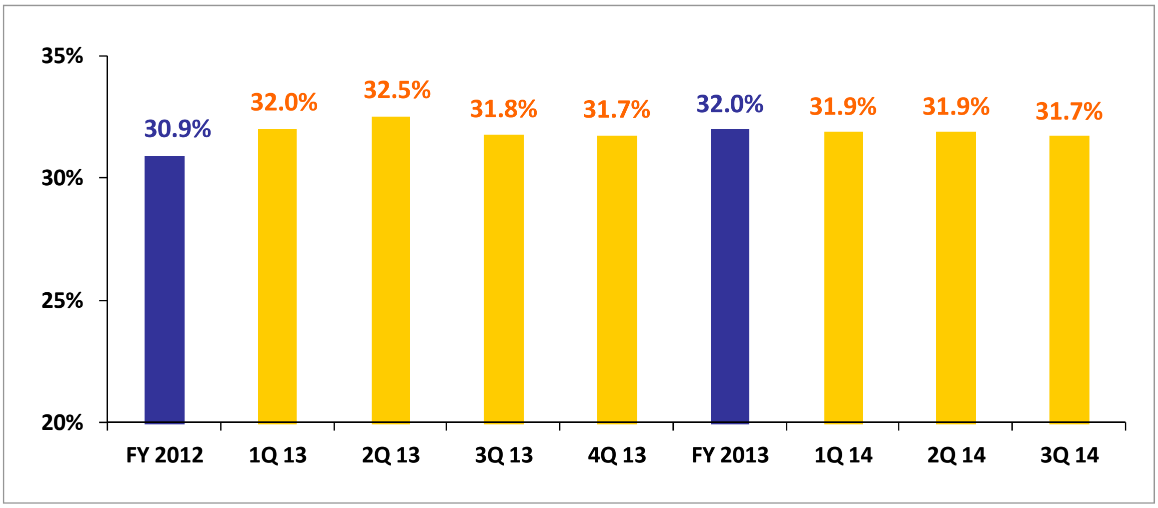
On the back of revenue of US$118.2 million achieved in 3Q 2014, our Branded Consumer business generated EBITDA of US$17.7 million and PATMI of US$10.5 million, lower Y-o-Y by 23.1% and 29.1% respectively in the Group's US$ reporting currency. This 3Q performance culminated into 9M 2014 revenue of US$372.7 million, EBITDA of US$59.7 million and PATMI of US$37.5 million.

From a constant currency perspective, for a comparison of the underlying performance of the business, 3Q 2014 EBITDA and PATMI were lower by 12.8% and 18.7% respectively while for 9M 2014 EBITDA and PATMI were higher by 5.9% respectively. As highlighted, the performance was achieved despite higher cost inflation, weakness in regional currencies and the full absorption of HQ expenses by our Branded Consumer business, increased brand building investments into our major brands and higher distribution costs.

For 3Q 2014, our Branded Consumer business achieved a Gross Profit margin of 31.7%, similar to 1H 2014'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 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 6 - 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 Full Year 2012 and Quarterly 2013, 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 | 30-Sep-14 | 31-Dec-13 | Change |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| Cash and cash equivalent | **168,483** | 196,707 | **(28,224)** |
| Total Assets | **445,867** | 465,896 | **(20,029)** |
| Borrowings | **55,371** | 39,389 | **15,982** |
| Shareholders' Equity | **288,343** | 290,185 | **(1,842)** |
| **Key Ratio** | | | |
| Current ratio | **2.43** | 2.31 | |

As at 30 September 2014, the Group's net cash balance was US$113.1 million which comprised mainly the sales proceeds received from the divestment of its Cocoa Ingredients Division on 1 July 2013. The cash balance was after payment of two dividends totaling US$38.4 million during 9M 2014. Compared to 9M 2013, the dividend payment represented an increase of US$12.8 million due to the FY2013 special dividend which was paid to Shareholders in May 2014 (see paragraph 1(d)(i) on page 13).

With the dividend payouts, shareholders equity and total assets were lower compared to last year - enabling the Company to achieve a more efficient capital structure and also distribute some of the sales proceeds to its shareholders. Pending resolution of the dispute as disclosed in paragraph 1(a)(i) Note 3 on Page 6, the remaining net proceeds from the Divestment are currently deposited with financial institutions.

During 9M 2014, the Group invested a total capital expenditure of US$31.0 million to support long term growth. The business expansion was adequately funded by its operating cash flow (before working capital) of US$58.1 million (see paragraph 1(c) page 10) and through use of finance leases and term loans (see paragraph 1(b)(i) Note 2 page 8). 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 3Q and 9M 2014 are in line with the commentary made on 13 August 2014 in Paragraph 10 of the Group's "2Q and Half Year 2014 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, despite intensifying competition. 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, we will continue to strengthen our business through growing our key brands in our markets and by 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 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.

Despite volatility in the regional currencies and input costs, we expect the performance of our Branded Consumer Division in local currency for the remainder of the year to remain robust, 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 dividend for 3Q 2014 has been declared.

## 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 | |
|---|---|---|
| | **3Q 2014** | **9M 2014** |
| | US$'000 | US$'000 |
| **PT Freyabadi Indotama** | | |
| - Sales of goods | 8 | 444 |
| - Purchase of products | 4,909 | 15,145 |
| | **4,917** | **15,589** |
| **PT Fajar Mataram Sedayu** | | |
| - Sales of goods | - | - |
| - Purchase of goods | 175 | 416 |
| | **175** | **416** |
| **PT Sederhana Djaja** | | |
| - Lease of properties | 9 | 26 |
| **PT Fajar Mataram Sedayu** | | |
| - Sales of raw materials | - | 20 |
| | **5,101** | **16,051** |

## 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 3rd Quarter and 9 months ended 30 September 2014 to be false or misleading.

BY ORDER OF THE BOARD

Lian Kim Seng/Evelyn Chuang
Secretaries

11 November 2014