PETRA FOODS

LIMITED

A TRUSTED BRAND

ANNUAL REPORT 2014


THE WONDERFUL WORLD OF PETRA FOODS





Extending across a broad spectrum of categories and price points, our portfolio of brands appeals to the different consumer groups in our key markets. Our strong innovative culture allows us to continually create powerful winning ideas that captivate and delight the consumers.

OUR MILESTONES

FROM GENERATION TO GENERATION

Since the inception of Petra Foods' chocolate confectionery business in the 1950s, we have grown our brands over the years to become trusted brands recognised for quality in every bite. With more than 10 master brands helming our vast portfolio, we are delighted to have been part of the lives of generations of consumers.

With a rich heritage steeped in tradition of using quality ingredients, our brands and respective products have been delighting consumers across our markets for more than 60 years. It is this commitment to our consumers that continues to drive our pursuit for greater excellence – to develop delectable products that will put a smile on our consumers' faces time after time.

1950

Incorporation of PT Ceres – Today our manufacturing centre for Indonesia

1950's
Established our "SilverQueen" and "Ceres" brands in Indonesia

1960's
Established our "Cha Cha" brand in Indonesia

1984

Incorporation of Petra Foods Limited, our parent company

1987
Incorporation of PT Nirwana Lestari – Our modern trade distribution operation

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2004 | **2014**

Late 1980's
Established our "Top" brand in Indonesia

Listed on the Mainboard of the Singapore Stock Exchange

2000's
Established distribution presence in Singapore and Malaysia through acquisitions

2006
Strengthened regional presence with acquisition of our confectionery business in the Philippines

Delivered Sales CAGR of 16%
(2004-2014)

Delivered PATMI CAGR of 17%
(2004-2014)

Delivered Share Price growth of more than 400%
(2004-2014)

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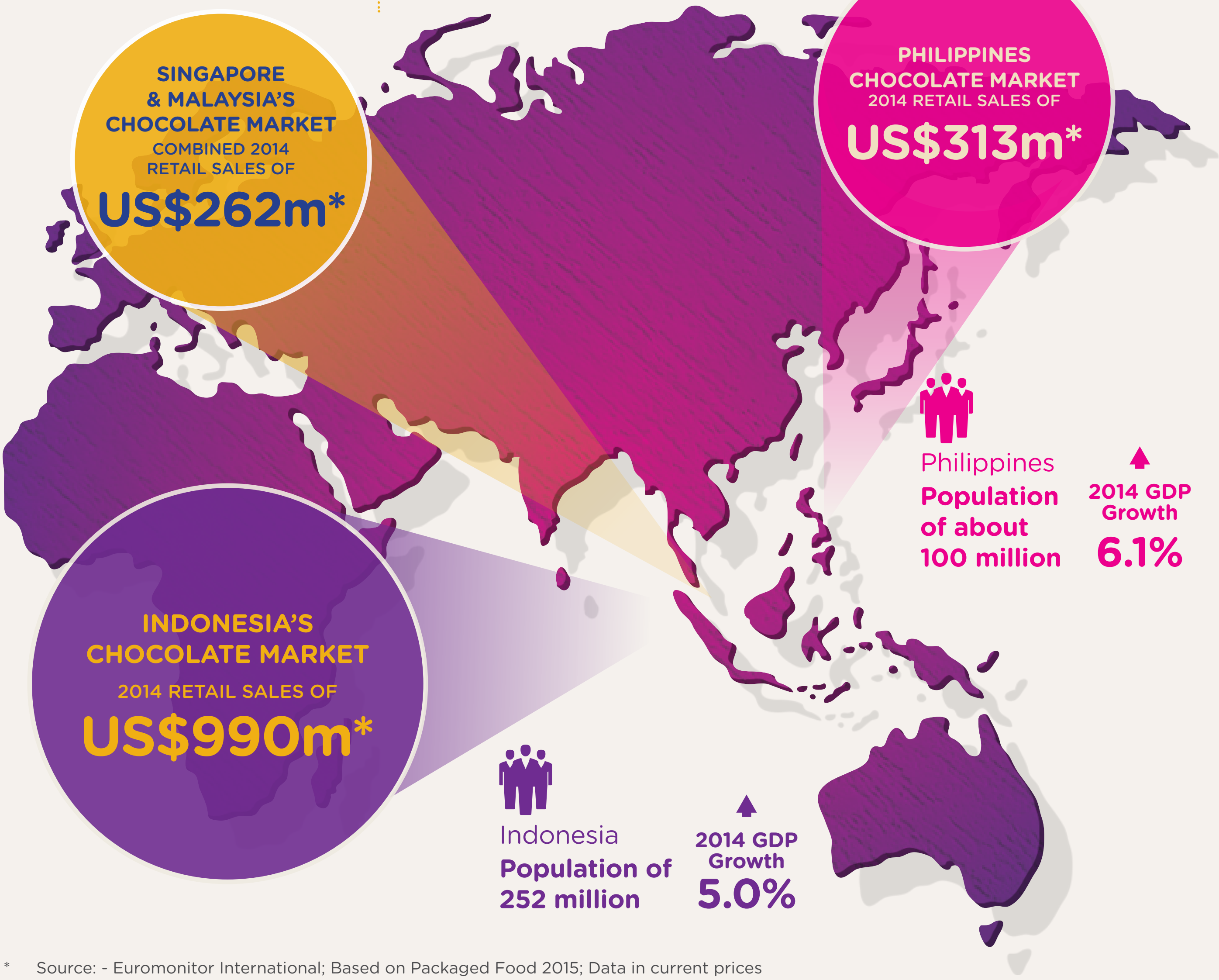
OUR PRESENCE

VIBRANT OPPORTUNITIES

With our business focused on the Southeast Asian chocolate confectionery market, in particular Indonesia and Philippines where we have factories, which are fast growing markets for chocolate confectionery sales, our geographic and product portfolio positions us well for future growth. In our markets, the vibrant consumption environment is supported by the robust economies and the fast growing middle income classes.

Singapore
Population of about 5.3 million
2014 GDP Growth 2.9%

Malaysia
Population of about 30 million
2014 GDP Growth 6.0%



* Source: - Euromonitor International; Based on Packaged Food 2015; Data in current prices

FINANCIAL HIGHLIGHTS FOR FY2014

GROWING IN NUMBERS

US$504.0m
Group Revenue
-0.9% in Reported Currency
+10.7% in Constant Currency

US$80.9m
Group EBITDA
-11.8% in Reported Currency
+2.8% in Constant Currency

US$48.8m
Group PATMI
+136.9% in Reported Currency
+182.6% in Constant Currency

7.98 US cents
Group EPS
+136.9%

31.9%
Gross Profit Margin

16.6%
Group ROE
+9.9% pt

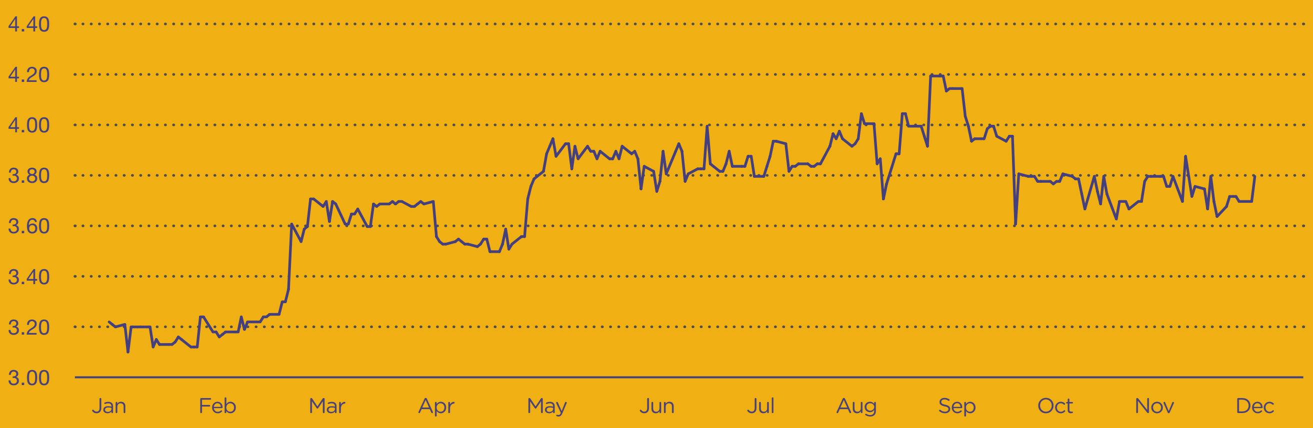
US$97.9m
Group Net Cash

5.77 US cents
Group Dividends
(including special dividend of 1.64 US cents)

48.6 US cents
Group NAV
+1.1 US cents

2014 SHARE PRICE PERFORMANCE

S$/Share



FROM RECIPE TO MASTERPIECE

Nurturing Growth Through Driving Innovation

Driven by a strong management team of seasoned professionals, Petra Foods' strong innovative culture enables us to continually create powerful "Winning Ideas" and leverage on new technologies that will enhance our competitive edge in developing better brands.

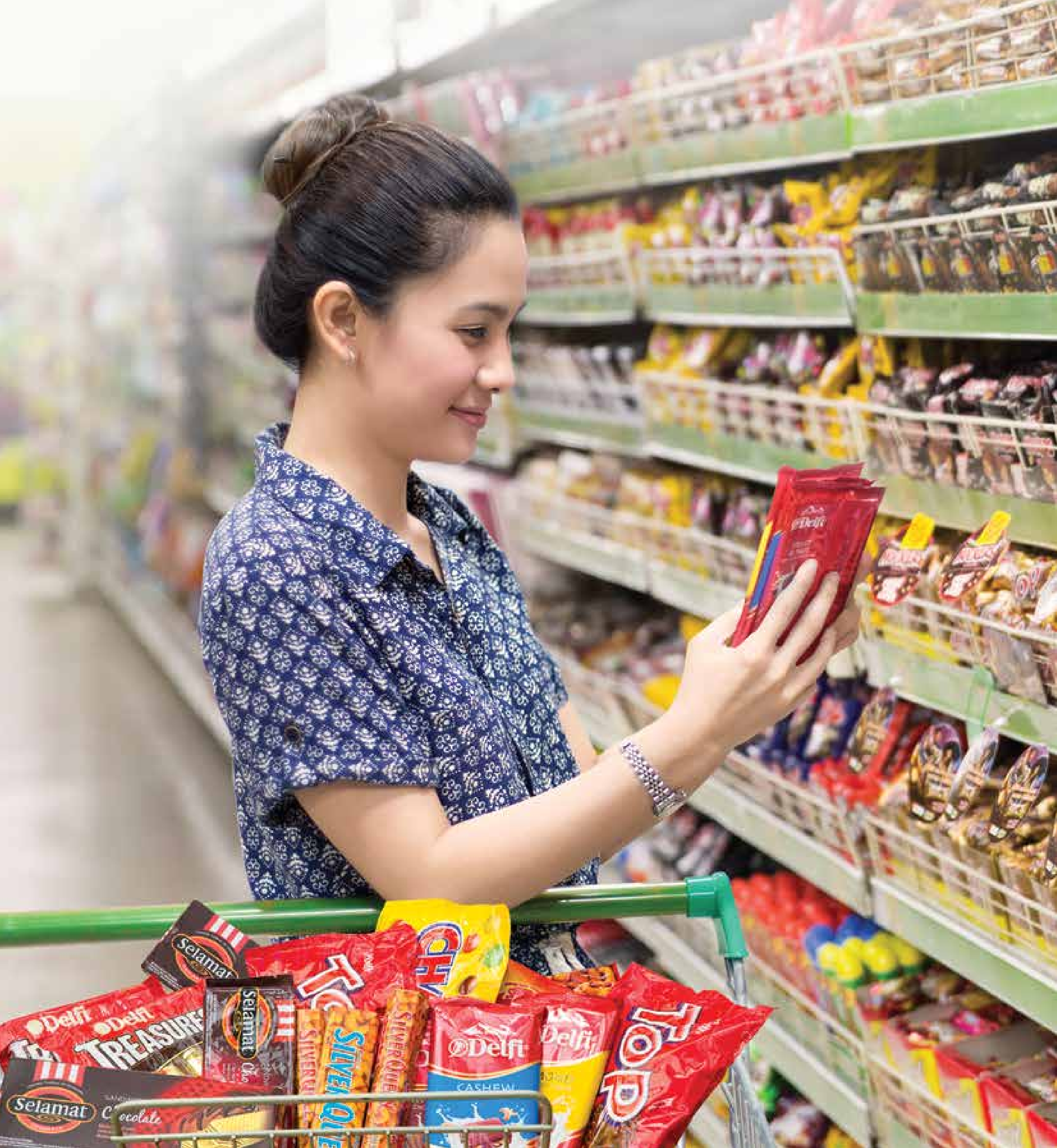
FROM PASSION TO
PERFORMANCE

Generating Growth Through Dynamic Synergy

This year, we are delighted to celebrate our 10th year anniversary since our listing on the SGX-ST. Our success today would not be possible without the teamwork of our growing team, working together for a common purpose – improving our scale of operations to deliver greater value to our consumers and shareholders.

FROM EXPERTISE TO EXPERIENCE

Optimising Growth Through Seizing Opportunities



Building on a heritage that spans more than 60 years, Petra Foods is well-positioned to seize new opportunities and bring our products to a wider group of consumers in the region. Our established track record also places us in a strong position to deploy our assets in a strategic manner to ensure sustainable growth for the future.

CHAIRMAN'S LETTER

Today Petra Foods is a key player in the chocolate markets of Southeast Asia and our streamlined business structure anchors our resilience against strong global headwinds.

Dear Shareholders,

This has been another year of success despite the challenging environment. It is the first time we are reporting our full-year results as a company focusing purely on chocolate products category, following the divestment of the Cocoa Ingredients business in 2013. The achievements in 2014 reaffirmed our business strategy and the strong positioning of our Branded Consumer business. Both factors are contributing to Petra Foods' long-term growth.

A streamlined business structure anchors our resilience against strong global headwinds. The global macroeconomic environment has been severely affected by weak commodity demands, a delayed repercussion from the 2008 financial crisis. The Indonesian Rupiah continued to be weak. This has led to high domestic inflation and resulted in contracted demands, particularly across the FMCG sector. Nevertheless, we have weathered these conditions with our strong market leadership and consumer brand loyalty.

GROWING SCALE AND SIZE

Today, Petra Foods is a key player in Indonesia and the Philippines, two of the fastest growing economies in the ASEAN region. We have more than half of the market share for chocolate confectioneries in Indonesia, and in the Philippines we are one of the top five players.

Our large market base gives us great topline stability and growth potential. The scale and size of our business offers opportunities for improved profitability. To generate greater momentum, we leveraged on our extensive portfolio of in-house and agency brands, and expanded our distribution network to increase our footholds in our markets.

A rising middleclass with higher disposable incomes and an appetite for chocolate confectioneries has accelerated demand and offered fresh opportunities for business growth. We are actively growing our market presence by developing more iconic brands, while ensuring availability of quality products to satisfy every taste, preference and affordability of each market segment. Our current strengths will provide us with the fundamentals to deliver sustainable growth.

DELIVERING RESULTS

Sales in 2014 were lower by 0.9% at reported exchange rates but in constant exchange rates were higher by 10.7% to US$504 million.

For the year, the Group achieved PATMI of US$48.8 million which is the second highest in the history of the company.

PATMI has grown almost 5x since our IPO in 2004. It is certainly an achievement that we should all be proud of.

CREATING VALUE

On the back of the robust performance, the Board will be proposing a final dividend of 1.92 US cents for 2014, an increase of 17.1%, bringing full year to 4.13 US cents, an increase of 3.3%. In addition, the Board is proposing a special dividend of 1.64 US cents. The higher dividends signal the Board and management's confidence that our Branded Consumer business is a robust model that will continue delivering strong performance for all our shareholders.

In the decade since our listing in 2004, Petra Foods has returned close to US$179 million to shareholders, before the proposed 2014 final and special dividends. Returning capital to shareholders through dividends remains a central pillar in our effort to create superior shareholder value.

PURSUING GROWTH

Building brands that are trusted by our consumers is central to our strategy for sustainable growth. By ensuring the quality and value of our products and services, we are able to consistently deliver the promises behind each brand to our consumers, and build the strong portfolio of household names that earn the loyalty of our consumers through generations.

A good strategy is at best a plan unless there is an experienced and dependable team to implement and manage it. Petra Foods owes its good performance to every member of the Company. They created the competitive advantage for the Company and weathered the storms bravely alongside the Company.

Together, we have developed the capacity and resilience that will take us to even greater heights.

By bringing together both of these resources, we are able to develop innovative products to meet the demands of the market, and to transform our value chain, from manufacturing and distribution to product development, quality assurance, risk management, procurement and management, so as to capitalise on the growth potential of our core markets.

MANAGING DISPUTE

Last year, I wrote in my letter about the dispute with Barry Callebaut, and this year we have little to add to what I said last year. The dispute has been referred to the Singapore International Arbitration Centre and as soon as we have information that can be shared with our shareholders we will make an announcement.

One new development that I can report is that Barry Callebaut has informed us of certain tax claims (amounting to approximately US$12.8 million) that have been made by the tax authorities in Brazil relating to events and periods that preceded 30th June 2013. Under the Tax Deed of Covenant which we entered into pursuant to the Share Purchase Agreement, Barry Callebaut is required to notify the Company of all such claims. The Company has requested Barry Callebaut to resist these claims.

LOOKING AHEAD

Economic uncertainties and price and currency volatility will continue to have an impact on business in the years ahead. However, we shall persevere and hope to make progress on all fronts through harnessing our resources and leveraging on our advantages.

We will continue on our journey towards organisational excellence. We will expand the capacities and capabilities of our factories and talent pool in anticipation of growth. A significant part of our effort will be spent on hiring people with the right competencies, training our current workforce, and motivating the team towards higher performance and productivity.

Our focus will be on the key drivers of success. We will continue to develop and protect our portfolio of brands, and build on the strength of our business model by creating more vibrant brands, deepening the distribution network, expanding the manufacturing capabilities and increasing product and service innovation.

The economic outlook and chocolate consumption trend in our key markets remain upbeat, supported by the growth of affluent, middleclass consumers. The future for Petra Foods promises to be exciting. We have already built a strong brand equity position, and this will allow us to boost our market share. I am confident that we have the strategy, people and resources to achieve sustainable growth and to deliver greater value to our consumers, customers and shareholders.

APPRECIATION

Under the capable leadership of John Chuang, Petra Foods has built an excellent team with the experience, expertise and passion to achieve its business goals. As a testament to his achievement, John was honoured by the Singapore Chinese Chamber of Commerce & Industries as one of the recipients of the SG50 Outstanding Chinese Business Pioneers award. On behalf of the Board and management team, I congratulate John and thank him for his contributions to the Company.

I would also like to express my appreciation to the Directors, senior executives and the more than 4,000 strong members of the Petra Foods family. We could not have accomplished the strong results if not for their commitment and dedication.

Pedro Mata
Chairman

23 March 2015

CEO'S LETTER

It's been said that a great adventure is never taken alone. Ours was certainly a journey that was firmly supported by an excellent staff, a sterling management and a committed Board.

Dear Shareholders,

Like chocolate, this has been a bittersweet year. The global economy grew at a slow and uneven pace. Although demand in general was still dampened, the oil shock in the second half of the year turned out to be a boon for many oil-importing economies, bringing inflation down and encouraging higher discretionary spending.

Stagnation and low inflation remained the principal concerns for the major economies in the Eurozone and Asia, which could have a knock-on effect downstream on the aggregate demand of the emerging economies where we operate.

Following the footsteps of our record performance in 2013, this year, we have maintained the growth momentum and generated US$504 million of revenue for our Branded Consumer business. Freed from the drag on 2013 earnings imposed by the divested Cocoa Ingredients business, our Group earnings in 2014 more than doubled to US$48.8 million – the second highest earnings in the history of the Company and generated a return on equity of 16.6%. However the strong US Dollar against the Indonesian Rupiah and Philippine Peso have contributed to lower reported revenue as a result of conversion to the Group's reporting currency, which is in US Dollar.

SPURRING THE DEMAND

The market developments in the two key markets of Indonesia and the Philippines are instrumental in driving growth. Consumers in both markets are tantalised by our delicious chocolate snacks and beverages that are carefully developed to cater to the local taste. The rising affluence and urbanisation are seeing a strong and growing demand for both quality and variety in the confectionery market.

The growing retail sector in both countries has accelerated the demand by making chocolate products more easily accessible and available to consumers. New channels in every format, from mobile vendors on motorbikes and mom-and-pop stalls in the rural areas to convenience stores, minimarts and supermarkets in the towns and cities, now pepper the markets, ready to offer both convenience and lifestyle choices to eager consumers.

The World Bank, confident of the improving investment climate and resilience of the private consumption base, projected Indonesia to expand by 5.2% in 2015. In a similar assessment, the International Monetary Fund also raised its growth projections for the Philippines economy for 2015 to 6.6%. With both economies expected to continue on a growth trajectory, this will fuel fresh demands and opportunities for further expansion in the chocolate confectionary segment.

SEIZING THE OPPORTUNITIES

Petra Foods' key challenge is to seize these opportunities. We already have quality and safe food products, and top-of-the-mind brand equity with our brands including SilverQueen, Delfi, Top, Cha Cha, Selamat, Goya and Knick Knacks in Indonesia and Philippines.

We are growing our organisation by constantly adapting ourselves to the changing business environment and demand trends. The supply chains have systematically expanded to serve an increasing number of stores. We have put in place a proper system to engage all the existing and new retail outlets. Our strategy is simple: fill up the shelf space, put in the promoters and step up the display. By improving the productivity across our value chain, we are able to grow organically with the capacity to take on additional orders and fulfil more deliveries. But this is no small feat and requires the seamless cooperation and coordination across the entire Group.

RAISING THE BAR

In recent years, we have observed a lot more competition than before. This is hardly a surprise. With projections for the chocolate confectionery market in Indonesia over the next five years to reach US$1.3 billion by Euromonitor International*, and the Philippines expected to reach US$362 million*, international brands too are drawn to the economic promises of emerging markets in Southeast Asia.

As we supply products to more than 50% of the chocolate confectionery demand in Indonesia, it is our market to lose. We must defend and grow our market leadership to sustain our profitability for the long haul.

Our approach is to innovate and extend the product range into every category and packaging format, while enhancing the market segmentation of dominant products further. So, while moulded bars remain to be the dominant category, we have also introduced new products and variants, such as snacks, biscuits, wafers, breakfast, spreads, and chocolate drinks to the markets.

At the Group level, we have to continue our investment in capacity building. We are increasing production capacity of both our factories in Indonesia and the Philippines. We are developing both people and organisational excellence. As brand equity is a significant intangible asset for our business, we are tailoring marketing campaigns to showcase the brand values and broadening retailing network to deliver the brand promises.

FEEDING THE MOMENTUM

The United Nations World Economic Outlook forecast the global economy to grow by 3.1% and 3.3% respectively in the next two years. East Asia is expected to remain as the fastest-growing region, with stable, projected growth of 6.1% in 2015 and 6% in 2016.

With this positive outlook for the mid-term, our strategy is to chug forward – fortifying and growing in the market segments and areas where we are already strong; aggressively expanding into new categories to broaden our product range and brand portfolio; increasing our distribution capabilities and network; and scaling up our production capacity.

With our established local brands, we are confident of taking on the international competition. We know our markets well. Our products are catered to local tastes and at comfortable price points for the consumers.

APPRECIATION

It's been said that a great adventure is never taken alone. Ours was certainly a journey that was firmly supported by an excellent staff, a sterling management and a committed Board. The trust our consumers, customers, shareholders and partners have invested in us over the years has kept Petra Foods on the path of strong growth and uncompromising excellence.

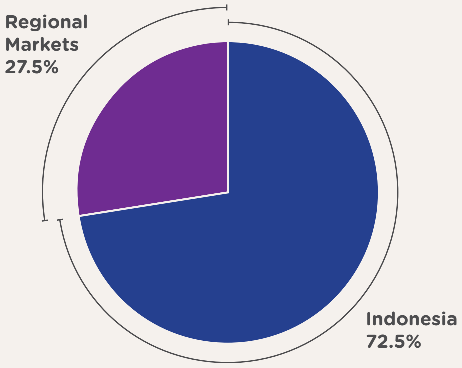
JOHN T.C. CHUANG
Chief Executive Officer

23 March 2015

* Source: - Euromonitor International; Based on Packaged Food 2015; constant 2014 prices

FIVE-YEAR FINANCIAL HIGHLIGHTS

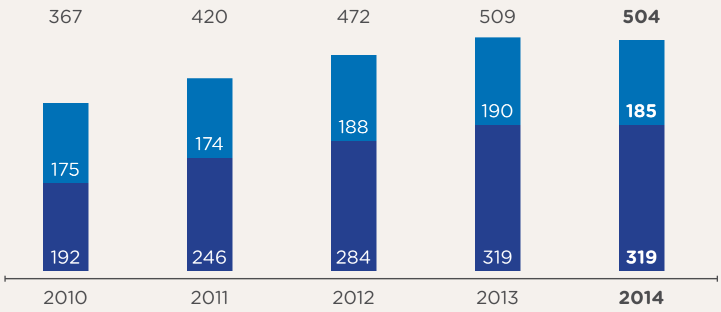
REVENUE BREAKDOWN BY GEOGRAPHY



Our dynamic business is focused on the growing markets of Southeast Asia. The growth achieved can be attributed to our solid foundations built over the years and reaffirms our strategies of:

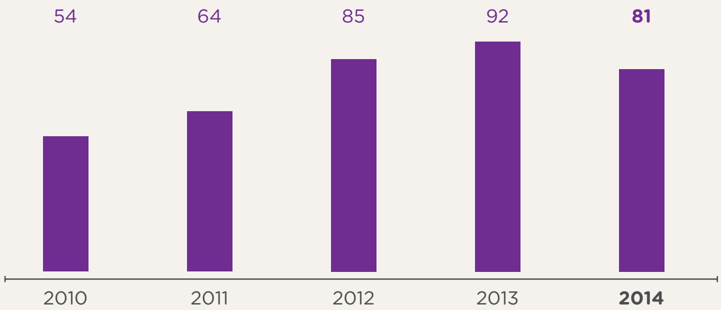
(i) Focusing on our core markets in Southeast Asia;
(ii) Building on our key capabilities to compete in the market place;
(iii) Constantly investing in our brands of chocolate confectionery products;
(iv) Driving innovation to extend into attractive growth categories; and
(v) Growing our routes-to-market.

GROUP REVENUE (US$ MILLION)



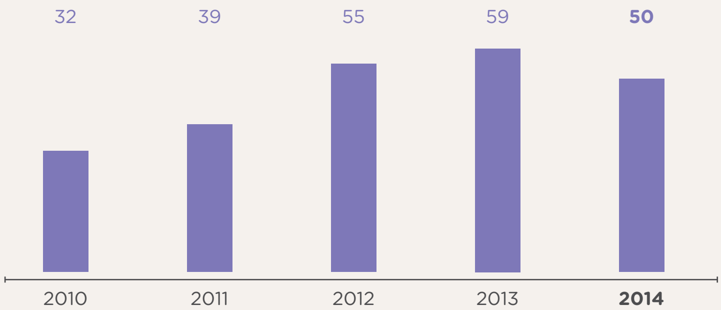
5-YEAR CAGR
+10.9%

GROUP EBITDA (US$ MILLION)



5-YEAR CAGR
+15.5%

GROUP PATMI* (US$ MILLION)



5-YEAR CAGR
+17.5%

* Excluding the divested Cocoa Ingredients business

For The Year (US$ million)	**2014**	2013	2012	2011	2010
Continuing Operations (Branded Consumer)					
Revenue	504.0	508.8	471.6	419.8	366.9
Gross Margin	31.9%	32.0%	30.9%	30.6%	31.1%
EBITDA	80.9	91.7	84.8	63.8	54.4
Net profit attributable to shareholders	**50.3***	**59.3**	**54.5**	**39.4**	**31.7**
Discontinued Operations (Cocoa Ingredients)					
Net (loss)/profit attributable to shareholders					
– Before adjustments	–	(116.2)	(14.6)	21.2	12.8
– After adjustments**	–	(38.7)	(28.6)	21.2	12.8
Group					
Net profit attributable to shareholders					
– Before adjustments	**48.8**	(56.9)	39.9	60.6	44.5
– After adjustments**	**48.8**	20.6	25.9	60.6	44.5
At Year End (US$ million)					
Total Assets	470.5	465.9	1,219.8	1,047.2	1,054.8
Total Liabilities	(173.2)	(175.5)	(893.0)	(750.3)	(760.7)
Total Shareholders' Equity	**297.3**	**290.4**	**326.8**	**296.9**	**294.1**
Total Debt	(74.0)	(39.4)	(624.9)	(521.1)	(549.1)
Net Cash/(Debt)	97.9	157.3	(586.1)	(502.0)	(506.3)
Return on Equity (%)					
– Continuing operations (Branded Consumer)	17.1	19.2	17.5	13.3	12.6
– Group	16.6	6.7	8.3	20.5	17.7
Net Debt to Equity (%)	NM***	NM***	179.0	169.0	172.0
Adjusted Net Debt to Equity (%) (Excluding Trade Finance & Medium Term Notes)	NM***	NM***	51.0	48.0	56.0
Per Share Data					
Dividends (US cents)	**5.77**	**6.45**	**3.97**	**3.98**	**2.89**
– Normal	4.13	4.00	3.97	3.98	2.89
– Special	1.64	2.45	–	–	–
Earnings/(Losses) (US cents) – Basic & Fully Diluted					
– Continuing operations (Branded Consumer)	**8.0**	9.7	8.9	6.4	5.5
– Discontinued operations (Cocoa Ingredients)	–	(6.3)	(4.7)	3.5	2.2
Total	**8.0**	**3.4**	**4.2**	**9.9**	**7.7**
Net Tangible Assets (US cents)	**47.8**	**46.7**	**50.1**	**45.1**	**44.7**

Notes:
* Excludes US$1.5 million of costs incurred pertaining to the dispute with Barry Callebaut
** The adjustments in 2013 and 2012 pertain to the exceptional gain and loss (net of tax) resulting from the divestment of the Cocoa Ingredients business
*** Not meaningful as the Group is in a net cash position post divestment of the Cocoa Ingredients business

BOARD OF DIRECTORS

Mr Pedro Mata-Bruckmann, 70
Independent Director,
American

Date of first appointment as director:
12 Jun 2001
Date of last re-election:
30 Apr 2013

Board Committee(s) Served on:
Audit Committee (Member)
Remuneration Committee (Member)
Nominating Committee (Member)
Risk Management Committee (Member)

Educational & Professional Qualifications:
Bachelor of Science & Masters of Engineering, Cornell University

Present Directorships:
Petra Foods Limited
Mata Global Solutions
FOMAT Medical Research SA - Ecuador
FOMAT Medical Research, Inc - USA

Pedro began his career at W.R. Grace & Co in 1968 where he served as President and CEO of several divisions. Through a series of promotions, in 1989, he rose to the position of Chief Executive Officer of Grace Cocoa, a division of W.R. Grace & Co. Grace Cocoa (subsequently sold to ADM and renamed ADM Cocoa) was the world's leading and premier supplier of cocoa ingredients to the confectionery, dairy, bakery and beverage industries on a global basis. After leaving W.R. Grace & Co. in 1995, Pedro established MGS Mata Global Solutions, advising companies on strategic growth and joint venturing. Between 2000 and 2012 Pedro was a senior advisor to Quad-C (a USA based private equity fund). Between 2009 and 2012 he served as CEO of Classic Party Rentals. Headquartered in Los Angeles, Classic Party Rentals (a Division of Quad C) is the leading US party and event rental company.

Mr Davinder Singh, 57
Non-Independent Director,
Singaporean

Date of first appointment as director:
12 Jun 2001
Date of last re-election:
26 Apr 2012

Board Committee(s) Served on:
Remuneration Committee (Member)
Nominating Committee (Member)

Educational & Professional Qualifications:
LL.B. (Honours), National University of Singapore;
Admitted to the Singapore Bar

Present Directorships:
Petra Foods Limited
Drew & Napier LLC
Drewcorp Services Pte. Ltd.
National University of Singapore
(As a member of the Board of Trustees)
Onslow Ventures Inc.
PSA International Pte Ltd
Singapore Technologies Engineering Ltd

Davinder was appointed as a Non-Executive Director of Petra Foods on 12 June 2001. Davinder is the Chief Executive Officer of Drew & Napier LLC and has been a practising lawyer for over 30 years. Davinder's practice covers areas such as banking and corporate litigation, civil and commercial litigation, intellectual property, defamation, trust, tort and negligence. Davinder has also been appointed as an arbitrator and is an accredited mediator with the Singapore Mediation Centre.
In 1997, Davinder was appointed as Senior Counsel.

BOARD OF DIRECTORS

Mr Anthony Michael Dean, 54
Independent Non-executive Director, British

Date of first appointment as director:
06 May 2005
Date of last re-election:
26 Apr 2012

Board Committee(s) Served on:
Audit Committee (Chairman)
Remuneration Committee (Up to 2013)
Nominating Committee (Up to 2013)
Risk Management Committee (Chairman)

Educational & Professional Qualifications:
Bachelor of Science in Business Studies, University of Bradford;
Fellow of the Institute of Chartered Accountants in England and Wales;
Associate of the Chartered Institute of Taxation; and a member of the Singapore Institute of Directors.

Present Directorships:
Petra Foods Limited
Consulsis Limited
Myanmar Investments International Ltd
Myanmar Investments Ltd
MIL Management Pte Ltd
MIL Management Co., Ltd
MIL 2 Pte Ltd
MIL 3 Pte Ltd
Epic Advisory Pte Ltd

Mike has over 30 years of business experience in the investment and finance industries with over 20 of those years being spent in Asia. He is the co-founder of AIM-listed Myanmar Investments International Limited. Between 1990 and 2000 he was with CLSA, most latterly as Managing Director of Credit Lyonnais (Singapore) Merchant Bankers Pte Ltd. From 2001 to 2004 he worked for the private equity investment arm of Prudential Plc most latterly as a Director of PPM Ventures (Singapore) Pte Ltd. Between 2004 and 2013 he was the Group Finance Director for the Epic Shipping Group.

Ms Josephine Price, 61
Independent Director, British

Date of first appointment as director:
12 Jun 2001
Date of last re-election:
29 Apr 2014

Board Committee(s) Served on:
Remuneration Committee (Member)
Nominating Committee (Chairperson)

Educational & Professional Qualifications:
B.A. (Hons) Law, University of Kent at Canterbury;
Member of the Hong Kong Institute of Directors, the Hong Kong Securities Institute and the Law Society of England and Wales, and of the Law Society of Hong Kong.

Present Directorships:
Petra Foods Limited
Anthem Asia Limited (Hong Kong)
Anthem Asia (Myanmar) Limited
Anthem Asia Victoria Pte Ltd (Singapore)
Anthem Asia Limited (BVI)
Anthem Asia Myanmar Holdings Pte Ltd (Singapore)
Blink Limited
Legend Bird International Limited
Serendipidity Limited
(As a Member and Officer)
Thahara Pte Ltd
The Croucher Foundation
V.I. Group Limited (As an Officer)
Village People Project Limited

Josephine has been based in Hong Kong for over 25 years and is a director and co-founder of Anthem Asia, an independent investment and advisory group with a focus on Myanmar. She sits on the investment committees of the Vietnam Investment Group, is a trustee and investment committee chair of the Hong Kong-based Croucher Foundation and director and co-founder of the Village People Project, a Hong Kong-based NGO supporting projects which benefit women and children in rural China. Formerly she served as the Deputy Chief Executive Officer of CLSA Capital Partners which she joined in 1995 to set up its private equity activities.

Mr Koh Poh Tiong, 68
Independent Director,
Singaporean

Date of first appointment as director:
19 Dec 2011
Date of last re-election:
26 Apr 2012

Board Committee(s) Served on:
Remuneration Committee (Chairman)
Audit Committee (Member)
Nominating Committee (Member)
Risk Management Committee (Member)

Educational & Professional Qualifications:
Bachelor of Science from the University of Singapore.

Present Directorships:
Petra Foods Limited
Ezra Holdings Limited
Fraser and Neave Limited
Ministry of Trade & Industry - Evaluation Panel
National Kidney Foundation
Raffles Medical Group Ltd
SATS Ltd
Singapore Kindness Movement
The Great Eastern Life Assurance Company Limited
Times Publishing Limited
United Engineers Limited

Poh Tiong was appointed to our Board on 19 December 2011 as an Independent Director. Poh Tiong retired as CEO, Food and Beverage, of Fraser and Neave Limited in October 2011, having previously served as Chief Executive Officer of Asia Pacific Breweries Limited from 1993 to 2008. Poh Tiong is currently the Non-Executive and Non-Independent Chairman and Senior Advisor of Ezra Holdings Limited and Non-Executive Chairman of Times Publishing Ltd. He is also a Director, Advisor and Chairman of the Executive Committee of Fraser and Neave Limited, a Director at The Great Eastern Life Assurance Company Limited, Raffles Medical Group Ltd, SATS Ltd and United Engineers Limited. He is also the Chairman of both the National Kidney Foundation and the Singapore Kindness Movement. Poh Tiong was the Chairman of the Agri-Food & Veterinary Authority and a Director at Wildlife Reserves Singapore Pte Ltd, Jurong Bird Park Pte Ltd and Media Corporation of Singapore Pte Ltd. Noted for his strong civic involvement and long-standing interest in sports and education, he has served on the Singapore Youth Olympic Games Organising Committee, the Singapore Sports Council, Football Association of Singapore, and on the MBA Advisory Board of the Nanyang Technological University. For his contributions to society and business, Poh Tiong was conferred both the Public Service Medal and the Service to Education Medal in 2007 as well as the Public Service Star Award in 2013. He was also named Outstanding Chief Executive of the Year at the Singapore Business Awards 1998 by DHL and The Business Times.

BOARD OF DIRECTORS

Mr John Chuang Tiong Choon, 66
Group Chief Executive Officer,
Singaporean

Date of first appointment as director:
01 Nov 1989
Date of last re-election:
30 Apr 2013

Board Committee(s) Served on:
Executive Committee (Chairman)
Nominating Committee (Member)
Risk Management Committee (Member)

Educational & Professional Qualifications:
Bachelor of Engineering (Honours), University of Liverpool;
Masters in Business Administration, Cranfield Business School

Present Directorships:
Petra Foods Limited
Alsa Industries, Inc
Aerodrome International Limited
Berlian Enterprises Limited
Ceres Sime Confectionery Sdn Bhd
Cocoa Specialties Inc
Delfi Marketing, Inc
Delfi Foods, Inc
Delfi Singapore Pte. Ltd.
McKeeson Investments Pte Ltd
Petra-SPT Marketing Pte Ltd
PT Sederhana Djaja
PT Perusahaan Industri Ceres
PT Ceres-Meiji Indotama
PT Nirwana Lestari
PT General Food Industries
Springbright Investments Limited
Zeballos Shipping Limited

John is the Chief Executive Officer of our Group and he is responsible for the overall strategic planning, management and business development of our Group. John has over 30 years of experience in the chocolate, confectionery and cocoa industry. John started his career in 1974 in our predecessor businesses in Indonesia and Singapore. From 1979 to 1983 he undertook the appointments of both Vice-Chairman of the Independence Bank of California and the President of Wardley Development Inc., California. John established the Company in 1984 and was subsequently appointed Chief Executive Officer. In 2004 Petra Foods was presented the Enterprise Award by Singapore's President S.R. Nathan. Under the Singapore Business Awards John was awarded the title of Best CEO of 2011; and in 2012 he was recognised as Businessman of the Year. In 2015, John was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards.

Mr Joseph Chuang Tiong Liep, 63
President Director, Branded Consumer Division (Indonesia), Singaporean

Date of first appointment as director:
02 Mar 1999
Date of last re-election:
29 Apr 2014

Board Committee(s) Served on:
Executive Committee (Member)

Educational & Professional Qualifications:
GCE "A" Level Certification

Present Directorships:
Petra Foods Limited
Brands of Hudsons Sdn. Bhd.
Ceres Sime Confectionery Sdn Bhd
Ceres Super Pte Ltd
Delfi Singapore Pte. Ltd.
Maplegold Assets Ltd
Pavilion View Holdings Limited
Petra-SPT Marketing Pte Ltd
PT Ceres-Meiji Indotama
PT Nirwana Lestari
PT Citra Tunggal Lestari
PT Freyabadi Indotama
PT Perusahaan Industri Ceres

Joseph is an Executive Director and is the President Director, Branded Consumer Division. Joseph is responsible for the overall management and business development of our Branded Consumer business and has over 30 years of experience in senior management positions within the chocolate, confectionery and cocoa industry. From 1980 to 1983, he was appointed as the President of McCoa Inc., Philippines. From 1983 to 1984, Joseph worked as a Personal Assistant to the President of Allied Foods Management (Singapore). He was subsequently appointed as the Chief Operating Officer for both PT Perusahaan Industri Ceres and PT General Food Industries from 1984, and he has served in various senior executive positions within the group.

Mr William Chuang Tiong Kie, 56
Chief Operating Officer, Branded Consumer Division (Indonesia), Singaporean

Date of first appointment as director:
31 May 2001
Date of last re-election:
29 Apr 2014

Board Committee(s) Served on:
Executive Committee (Member)

Educational & Professional Qualifications:
Bachelor of Science, California State University Long Beach

Present Directorships:
Petra Foods Limited
McKeeson Consultants Pte Ltd
PT Ceres-Meiji Indotama
PT Freyabadi Indotama
PT General Food Industries
Willson Holdings Limited

William is an Executive Director and is the President Joint Ventures of our Group and was appointed to our Board on 31 May 2001. Responsible for the overall business expansion of our Branded Consumer business, William has close to 30 years of experience in senior management positions within the chocolate, confectionery and cocoa industry.

SENIOR MANAGEMENT

Nancy Florensia, 56
Director, Finance for
PT Perusahaan Industri Ceres

Nancy joined PT Ceres in 1991. Prior to joining our Group, Nancy had 10 years of experience in accounting and financial positions in PT Indocement, PT Henoch Jaya and the PT Kedaung Group.

Educational & Professional Qualifications
Master of Business Administration

Company & Group Responsibility
Nancy is responsible for all of the financial operations in PT Perusahaan Industri Ceres.

Ferry Haryanto, 64
Director, Commerical for PT
Nirwana Lestari

Before joining our group Ferry gained more than 10 years experience in sales and marketing roles with PT Guinness Indonesia, San Miguel Brewery Indonesia and PT Gunung Agung Trading from 1982 to 1995 with the latest position as Commercial Director.

Educational & Professional Qualifications
Master of Commerical Management

Company & Group Responsibility
In his current position, Ferry is responsible for the Group's sales and marketing operations for third party Agency Brands in Indonesia.

Ridwan C. Kidjo, 46
Director, Commercial for
PT Perusahaan Industri Ceres

Ridwan is the Director, Commercial for PT Perusahaan Industri Ceres. Ridwan has up to 20 years of experience in diverse operational, managerial, sales and marketing roles within PT Nirwana Lestari and PT Perusahaan Industri Ceres, where he honed his skills in business development, marketing and brand development.

Educational & Professional Qualifications
Master of Management – Finance, Atmajaya Catholic University in Jakarta

Company & Group Responsibility
In his current role as Director, Commercial, Ridwan oversees and drives the Group's sales and marketing for the Group's proprietary brands in Indonesia.

Lim Seok Bee ("SB"), 61
Chief Operating Officer

SB joined the Group as the Director of Quality Assurance, Technology and Operations in 1991, and has over 31 years of experience in the quality assurance and quality development aspects of the cocoa and chocolate industry. Before joining Petra Foods, SB worked for Chocolate Products (M) Sdn Bhd, in roles encompassing quality control and production, and in De Zaan Far East (S) Pte Ltd as Quality Assurance and Development Manager, and Vice President (Quality Assurance and External Project Development) in 1989.

Educational & Professional Qualifications
University of London, Batchelor of Science (Hons)

Company & Group Responsibility
SB is in charge of the Group's quality assurance management and technological aspects and operations of our chocolate and confectionery manufacturing operations.

Chris Oo Hoe Hee, 59
Regional General Manager

Chris has over 30 years of broad experience in consumer business in Singapore and the ASEAN region having worked in food manufacturing, distribution, retailing and franchising with both multinational companies and small and medium-sized enterprises. Chris joined Petra Foods on 1st January 2006. Prior to joining Petra Foods, Chris was the Executive Vice President of the consumer business of a public listed company.

Educational & Professional Qualifications
Diploma in Marketing (Member of Chartered Institute of Marketing, UK); Diploma in Business Administration

Company & Group Responsibility
Chris is our Regional General Manager with particular focus on our consumer business in the ASEAN markets.

Ben Ryan, 66
Chief Financial Officer

Ben assumed the role of CFO on 14 August 2013. Ben joined our Group in 2003. Ben worked for W.R. Grace & Co and ADM International for 23 years between 1976 and 2000 in New York, Paris, Berlin, the Netherlands, and in the United Kingdom in various executive positions in financial and information technology roles. Of those years, 15 were associated with the cocoa business.

Educational & Professional Qualifications
Fellow of the Institute of Chartered Accountants in Ireland

Company & Group Responsibility
As Chief Financial Officer, Ben is in charge of all of the Group's financial operations.

David Soh Buck Leng, 56
Director, Operations, Projects & Engineering

David has deep and extensive production and manufacturing expertise and experience, honed over 30 years of work, during which he spent over 27 years in the Archer Daniel Midlands (ADM) Group and Grace Cocoa Company. He fulfilled various roles overseeing the manufacturing and production of cocoa ingredients products. Since 1993, he was the Plant Manager of ADM's manufacturing facility and operations in Singapore, in which David had up to 160 staff reporting to him. David's industry knowledge, expertise and professionalism puts him in good stead to fulfil the position of Director, Operations, Projects and Engineering.

Educational & Professional Qualifications
Dr. of Business Administration, University of South Australia;
MBA, Nanyang Technological University;
M.Sc (Mech. Engineering), National University of Singapore

Company & Group Responsibility
David assists SB, in supervising and running the Group's quality assurance management and technological aspects of our chocolate and confectionery manufacturing operations.

Amos Moses Yang, 41
Chief Marketing Officer

Amos has over 20 years of experience in Sales and Marketing. He has spent the majority of his career in the US where he held various Marketing and Sales management positions within Novartis Consumer Health, L'Oreal Paris and Philip Morris USA. Amos has extensive FMCG experience across major multinational companies.

Educational & Professional Qualifications
Bachelor of Science in Marketing, Seton Hall University

Company & Group Responsibility
Amos is responsible for marketing and brand development in our key markets in Indonesia, the Philippines and Southeast Asia.

Lim Hock Thye, 55
President Director, PT Nirwana Lestari ("PTNL") and Regional General Manager

Hock Thye has up to 30 years of work experience, 22 years of which was in the cocoa and chocolate industry. He served as General Manager, Delfi Cocoa (Malaysia) Sdn Bhd from 2003 to 2013. Currently he serves the Group as President Director, PT Nirwana Lestari, and as Regional General Manager.

Educational & Professional Qualifications
Bachelor of Commerce

Company & Group Responsibility
Hock Thye brings with him a wealth of finance, accounting and general management experience to help build the organisation and improve financial controls and administration in PT Nirwana Lestari in Indonesia and Delfi Marketing Sdn Bhd in Malaysia.

BUSINESS REVIEW

Focused on sustainable growth

Petra Foods is fully focused on our chocolate confectionery business. Our pathway of growth is to be found by being true to our core business principles: by always seeking to deliver full satisfaction to all our consumers, by guaranteeing quality in all our products, through constant innovation, by practising financial prudence, and through consistent teamwork.

As a result, we have been able to expand rapidly from a single market business into a regional enterprise. Indonesia remains our largest market as we establish market presence in the Philippines, Malaysia and Singapore as well as export to 14 countries internationally.

Today, we market a wide range of chocolate products through our extensive sales and distribution network catering to different consumer groups, tastes and price points. Moulded chocolate, dragées, enrobed-wafers, wafers and biscuits are the Group's main product categories. Our market development initiatives are supported by two manufacturing facilities located in two of Southeast Asia's largest and fastest growing markets, Indonesia and the Philippines.

Our trusted brands are market leaders in Indonesia, where we dominate half of the total market, and in the Philippines, where we are one of the top five players.

Both markets in Indonesia and the Philippines share a number of favourable attributes, such as growing economies with GDP growth of 5.0% and 6.1% respectively in 2014, and strong demographic factors that support the burgeoning chocolate confectionary industry. These include a huge population base of about 250 million and 100 million respectively, a young population and a fast-rising middleclass that continues to spur consumption and growth.

Over the last decade, chocolate sales in Indonesia and the Philippines have more than tripled and doubled respectively. According to Euromonitor International*, the two markets in 2014 have a combined retail sales value of US$1.3 billion*, accounting for over 80% of total retail sales in our key markets of

Indonesia, Philippines, Malaysia and Singapore.

Today, our business trajectory mirrors the uptrend in these markets. In the last 10 years, the Group's revenue has grown by more than four times to exceed US$500 million in 2014. Over the same period our profitability has similarly grown by more than four times.

The solid performance was achieved through the careful crafting and formulation of a clear vision for the business. With our heritage, expertise and knowledge of the chocolate confectionery business, we are able to consistently deliver chocolate confectionery products of the finest quality.

In order to capture the significant growth opportunities and compete effectively in our key markets, the Group has a robust business model that involves:

- Building trusted brands and continued product innovation to cater to every age group and taste;
- Expanding production capacities and capabilities, and supply chains to dominate retail shelves and deepen market penetration;
- Nurturing strong and competent teams to grow the business.

The need to adapt to constantly changing consumer habits, market trends and macro environmental factors requires our organisation to be nimble and vigilant. While maintaining a global outlook in business management, the Group pays close attention to the nuances in consumer tastes and sentiments in each of its diverse local markets.

These insights are then translated into superior products that delight local consumers at effective price points that demonstrate the value of our various confectionery products, and sharper advertising campaigns to grow our market share.

Being consistent with these approaches has enabled Petra Foods to secure a leadership position in our core markets, especially Indonesia, as we generate continued shareholder value and deliver long-term sustainable growth.

* Source: - Euromonitor International; Based on Packaged Food 2015; constant 2014 prices

BUSINESS REVIEW

BUILDING TRUSTED BRANDS

The Group is focused on developing trusted brands as part of its growth strategy. In 2014, our total portfolio of products were helmed under more than 10 master brands and more than 70 sub-brands.

Many of these brands are deeply rooted in the lives of consumers who have grown up with them. It is our aim to build on this connection by rewarding the loyalty of existing consumers, while appealing to new ones. We have enhanced the value of our brands continuously by extending the product sub-categories under the same brand. We also launch new brands from time to time to captivate a wider audience.

Continued investments in brand equity have been imperative to establishing and reinforcing the connection that consumers have with our vast product portfolio. In 2014, our brand development initiatives were directed at maintaining our brand leadership position, driving brand loyalty, spurring consumption amongst existing consumers, and expanding our market share with campaigns aimed at infrequent chocolate consumers.

We also sought to establish youthful and outgoing brand personas to attract younger target groups, articulate the factors that differentiate our products, and achieve consistent brand messaging across multiple touch points. Over time, these initiatives will enhance the value of our brands, reinforce their vitality in achieving "Top of Mind" recall, and position the Group for continued success.

Our product innovation efforts include developing new categories of confectioneries and flavours that excite the senses and create emotional bonds with consumers.

Our product categories now extend beyond traditional chocolate confectionaries to include biscuits, wafers, breakfast condiments, baking ingredients and beverages. We will continue to expand our portfolio into high-growth categories while unlocking growth opportunities in new categories. Examples of our brand positioning under the various categories are illustrated below.

We see innovation as a vital step towards longer term growth and our key priorities are to strengthen our product development pipeline and accelerate the pace of innovation.

In 2014, we launched new products and introduced novel elements to refresh existing ones. Infusing global products with local flavours and creative packaging were part of the strategy. To drive profitable growth in our markets, we will continue to promote our premium brands while developing value products to meet different budgets.

Over 2004–2014, the Group's revenue has grown by more than four times to exceed

US$500M

SOME OF OUR BRANDS UNDER THE VARIOUS PRODUCT CATEGORIES

Chocolate Confectionery	Biscuit/Wafer	Breakfast & Baking	Beverage
SilverQueen	Selamat	Ceres	Delfi Hot Cocoa
Delfi Chacha	Twister	Windmolen	Caféboss
Delfi	Delfi Funtime	Ritz	Knick Knacks X-Blast
Delfi Take-it	Briko	Tulip	
Delfi Chic Choc	Splazz	Delfi	
Delfi Pops		Delfi	
Delfi Top			
Delfi Knick Knacks			
Delfi Nockers			
Cheweez			
Goya			

BUSINESS REVIEW

EXPANDING CAPACITY AND ENHANCING CAPABILITIES

Beyond product innovation and building trusted brands, the Group's success is also the result of a highly unified and well-coordinated supply chain – from sourcing and manufacturing through to logistics and distribution.

The Group has a multi-year investment programme to progressively expand its manufacturing capacities, capabilities and efficiencies to support marketing and sales growth. In 2014, US$40.2 million was invested to achieve this, bringing our total investment over the 2004-2014 period to US$176.6 million.

As part of our initiatives, we are also implementing programs that will allow us to improve production processes, automation and productivity, as well as to reduce energy usage and wastage in packaging material.

Food safety is of paramount importance. As a commitment to consumers, our production facilities fully comply with the stringent regulations stipulated by the local authorities, while our manufacturing processes are quality-certified to internationally recognised HACCP, OSHAS 18000, ISO 22000, ISO 9001 and British Retailers Consortium (BRC) standards.

BROADENING AND DEEPENING ROUTES-TO-MARKET

To ensure our brands are always available and close at hand to our consumers, we have a time-tested route-to-market approach to ensure the high visibility of our products in-store and across multiple distribution channels.

To reach our consumers across different segments, we deploy a multi-layered distribution network comprising third-party distributors, sub-distributors and wholesalers to supplement our own distribution efforts. This gives us access to a wider spectrum of traditional and modern trade channels – from corner shops and small retailers, through to wholesalers, supermarkets and hypermarkets.

In Indonesia, distribution to giant retailers like Carrefour, Giant, Hero, LotteMart, Alfamart and Indomaret is managed by our teams who operate out of Jakarta and Bali, while the traditional trades are covered by third-party distributors.

We have long-standing relationships with our traditional trade distribution networks, many of which are family businesses handed down through the generations. By end 2014, we have cultivated a network of more than 80 primary and sub-distributors, and over 300 stock points across Indonesia.

Through this distribution structure, we cover 100% of the modern trade in Indonesia while reaching the traditional trade across Indonesia's vast archipelago.

In the Philippines, our distribution team is sub-divided into two groups, the first serving large-scale wholesalers and supermarkets, major pharmacies, convenience stores and grocery chains such as Makro, Shoemart, Robinsons, Mercury Drug and 7-Eleven; while the second supervises the third-party distributors who reach out to the traditional sari-sari stores, wet markets and small provision shops.

The Group distributes a diverse array of product categories under our agency brands, often complementing or extending our own food and beverage offerings. We leverage this advantage to obtain better access to supermarkets and retail shelves, optimising our distribution efforts.

Today, the success of our route-to-market approach is evidenced by our sales and market penetration outcomes. Going forward we plan to leverage data analytics to pinpoint where we could further expand our distribution coverage.

Looking ahead, the modern trade formats in Indonesia and the Philippines are evolving rapidly with the continued growth of minimart/convenience store concepts, while traditional outlets are expected to multiply on the back of economic growth. To deliver sustainable and profitable growth, we will continue to strengthen our distribution approach, leverage partnerships to reach more consumers, and create value for our retail partners. Focusing on quality, speed, service and IT investments, we will also ensure seamless integration across our supply chains and scale our operations to reap the full benefits of projected growth.

Beyond product innovation and building trusted brands, the Group's success is also the result of a highly unified and well-coordinated supply chain – from sourcing and manufacturing through to logistics and distribution.

BUSINESS REVIEW

Continued investments in our brands is vital to establishing and reinforcing the connection that consumers have with our vast product portfolio.

Our talented and motivated people – our true competitive advantage. Agility is critical to our organisation to meet evolving consumers needs in a rapidly changing environment.

NURTURING OUR PEOPLE

The talented, experienced and motivated team at Petra Foods is our source of true competitive advantage in being able to achieve our past and future growth. It takes passion, resilience and determination to be able to stay focused and deliver on a vision with joy, integrity and commitment. We recognise the talents and contributions of our more than 4,000 team members, and endeavour to foster harmonious working environments where individual and corporate values are aligned. This is a talent pool that has grown, along with the scale of our operations, with the new additions bringing with them the industry's best practices.

In 2014, we further strengthened our organisation structure and increased the staff strength of our marketing, supply chain management and manufacturing teams to drive business growth. A number of roles were realigned so that people are able to better hone their competencies and achieve their true potential. We motivate all employees to do well so that they can have satisfying careers while working towards the Group's vision to grow its business.

As an employer operating across the region, the importance of diversity and inclusion is manifested through our respect for employees as individuals. This has resonated well with our cross-cultural teams who are a good sounding board for the Group's product innovations

and marketing activities conceptualised for consumers from similar cultures or geographies.

We enable our people through policies and infrastructure, and are flexible to fine-tune practices to suit specific circumstances. Agility is critical to our organisation, and we encourage employees to be productive by sharing plans and ideas so that these can be implemented to meet evolving consumer needs in a rapidly changing environment.

LEADING THE MARKET

We feel we can look to the future with optimism because of the strength of Petra Foods' positioning – our selected markets, geographic focus, portfolio of customers, market size, brands and reputation, capabilities and resources. As a leading producer of chocolate confectioneries in Southeast Asia, Petra Foods will continue to build on its robust business model premised on product, process and people – the key pillars of sustainable and profitable growth.

Our strategy is focused on growing our key markets by further strengthening our brand positioning, developing new ranges of innovative products, establishing optimal pricing for different market segments, and developing extensive routes-to-market to make our products readily available to consumers. With this, we believe we are well-positioned to deliver on our objectives.

Our strong regional presence places us in a good position to capture growth opportunities in the fast-growing chocolate confectioneries segment. We will capitalise on consumption growth, strong demand for chocolate confectionery products, and play to our strengths in a vibrant marketplace supported by robust economies and a rising middle-income class.

We will also explore possible opportunities through mergers and acquisitions or strategic alliances to enter into new markets or make beachheads into attractive categories, which will broaden our income streams and add further value to our shareholders.

CORPORATE SOCIAL RESPONSIBILITY

Petra Foods is fully committed to the sustainable farming of quality cocoa crops. As a responsible chocolate manufacturer and corporate citizen, we proactively manage our supply chains to ensure a stable supply of raw ingredients, and the quality and traceability of our consumer products. We are focused on upgrading the skills and livelihoods of our cocoa farmers, and mitigating the impact of their farming activities on the environment.

Since 2011, our cocoa sustainability efforts have been carried out under Petra Foods' program for Social Economic Environmental Development for Sustainability (SEEDS). SEEDS has been the key driver in our effort to:

- Ensure the availability of quality cocoa ingredients, which is vital to future production and business growth;
- Achieve higher crop yields, which optimizes the usage of limited land resources;
- Encourage responsible farming, which improves environmental sustainability, food safety and traceability of our chocolate confectionery products.

To date, SEEDS has helped more than 23,000 cocoa farmers across Asia and Africa, equipping them with the skills and knowledge to improve crop yields, strengthen harvesting processes and cultivate disease-resistant planting material. In turn, this has led to higher productivity and better farmer incomes, while improving the livelihoods of our farming communities.

CORPORATE SOCIAL RESPONSIBILITY

WEST AFRICA

The Ivory Coast produces around 40% of the world's cocoa beans, and this is where we have a joint venture with two leading industry players, Cemoi and Blommer, to foster an ecosystem for sustainable cocoa production. The collaboration, or Processors Alliance for Cocoa Traceability and Sustainability (PACTS), was our first SEEDS initiative.

As of end 2014 PACTS employs over 50 full-time staff including 30 agronomists. PACTS operates 17 fermentation & drying centers and supports 24 co-operatives with an estimated 20,000 cocoa farmers.

The sustainability programs by PACTS have been directed at creating value and robustness throughout the supply chains through professional training and practical support at PACTS centres. They aim to improve and refine the organoleptic qualities of cocoa beans, improve and increase cocoa yields from 400 kilos of beans per hectare to 1.2 tons per hectare thus improving the livelihoods of the farmers and their communities.

A key factor of the PACTS model, is that fermentation and drying of cocoa beans are fully controlled & the responsibility

of the fermentation centres and its technicians allowing PACTS famers more time to concentrate on the agronomy of their farm. Each centre has its own quality-trained technician and agronomist to advise farmers and cooperative workers on the quality of the beans they are supplying. The PACTS method guarantees quality control throughout the fermentation process and total traceability of the premium cocoa beans.

“From farmer to consumer” is the future key to the success of the PACTS project. By developing a fully traceable cocoa supply chain, we can be sure that PACTS beans come from a farmer who has been trained by PACTS, and is following the principals of both Good Agricultural Practice and Social Awareness. There are now 20,000 PACTS farmers, who can all be identified individually and be correctly rewarded for their efforts, assuring our customers of the sustainability, quality and social integrity of our products.

PACTS also collaborates with others to further enhance, train, and create value thus empowering farmers and their co-operatives to build viable successful business entities. In association with Rabobank Foundation the farmers are taught and train to develop their competencies to efficiently manage the co-operatives themselves. PACTS cooperates with CNRA (the Ivorian National Centre for Plant Science Research) on planting material research and on projects to improve grafting methods for aging cocoa trees; and with established organisations like IDH to establish effective fertilizer programs.

During the year, we also collaborated with Yildiz Holding, a Turkish food and beverage company to improve living and working conditions in the plantations. To date, we have installed solar panels at all the fermentation centres. There is now access to drinkable water at all PACTS fermentation and drying centres. This has improved the productivity of our teams, and benefitted the neighboring farming communities.

As a food producer, Petra Foods has a duty and responsibility to deliver safe, nutritious and high quality consumer products. We will continue to leverage the various initiatives under SEEDS to maintain the high standards of traceability and food safety across our production processes.

OPERATING & FINANCIAL REVIEW

BEN RYAN
Chief Financial Officer

The positive 2014 results reaffirms our business strategy, which is to focus on our core markets in Southeast Asia, build on our key capabilities to compete, invest in the development of our chocolate confectionery brands, drive innovation for expansion into attractive growth categories, and deepen our routes-to-market.

+18.3%

NET PROFIT CAGR (2010 – 2014)

For 2014, the Group achieved revenue of US$504.0 million and PATMI of US$48.8 million compared to revenue of US$508.8 million and PATMI of US$20.6 million in 2013. For the Group's continuing Branded Consumer business, although the revenue and PATMI were respectively 0.9% and 15.2% lower Y-o-Y in US Dollar terms at reported exchange rates, they reflect a 10.7% and 0.6% growth on a constant currency basis. This provides a better comparison of the Group's Y-o-Y performance.

The positive 2014 results were recorded despite intensified competition and higher cost inflation during the year. Other headwinds included the weakened regional currencies, in particular the Indonesian Rupiah, which fell an average of 15% against the US Dollar in 2014, and full absorption of HQ expenses previously allocated between two operating divisions.

It should also be noted that our 2013 results had reflected the operating losses of the divested Cocoa Ingredients business, which continued to be consolidated until the completion of the divestment on 30 June 2013.

Today the focus of Petra Foods is on our dynamic chocolate confectionery business operating in the growing Southeast Asia region. The strong foundation of our regional chocolate confectionery business and significant scale of our operations has been critical to the delivery of a five-year revenue and net profit CAGR of 10.9% and 18.3% per annum respectively.

The growth achieved reaffirms our business strategy, which is to focus on our core markets in Southeast Asia, build on our key capabilities to compete, invest in the development of our chocolate

KEY FINANCIAL HIGHLIGHTS OF THE GROUP

US$ million	2014	2013	% chg Y-o-Y	% chg Y-o-Y in Constant Exchange Rates*
Branded Consumer Business				
Indonesia	**365.3**	369.8	(1.2)	13.4
Regional Markets	**138.7**	139.0	(0.2)	3.6
Total Revenue	**504.0**	508.8	(0.9)	10.7
Gross Profit Margin (%)	**31.9**	32.0	(0.1) % pt	(0.1) % pt
EBITDA	**80.9**	91.7	(11.8)	2.8
PATMI	**50.3****	59.3	(15.2)	0.6
Divested Cocoa Ingredients business	–	(38.7)	NM	NM
Group PATMI	**48.8**	20.6	136.9	182.6

Note:
* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in FY2013 in translating the Branded Consumer business's FY2014 results
** Excludes US$1.5 million of costs incurred pertaining to the dispute with Barry Callebaut

confectionery brands, drive innovation for expansion into attractive growth categories, and deepen our routes-to-market.

We continued to grow by leveraging opportunities created by consumption demand in our regional markets, which are well supported by their strong economies, rising per-capita income and fast-growing middleclass.

OPERATING & FINANCIAL REVIEW

REVENUE BY MARKETS

US$ million	2014	2013	% chg Y-o-Y	% chg Y-o-Y in Constant Exchange Rates*
Indonesia	**365.3**	369.8	(1.2)	13.4
Regional Markets	**138.7**	139.0	(0.2)	3.6
Total Revenue	**504.0**	508.8	(0.9)	10.7

Note:
* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in FY2013 in translating the FY2014 results.

The reported revenues have been significantly affected by two factors: the first is the weakness in regional currencies already mentioned; and the second is the absence in 2014 of revenues from certain Agency Brands which we discontinued during 2013. So in order to better illustrate the fundamental underlying revenue performance, if the results were adjusted for the translational impact using FY2013's exchange rates and excluding the discontinued Agency Brands, our underlying revenue growth would have been:

1. 17.0% revenue growth for businesses in Regional Markets instead of the reported decrease of 0.2%; and
2. 14.6% revenue growth for the Group instead of the reported decrease of 0.9%.

Backed by the scale of our business and the diversity of our product range, we have been able to stay ahead of the competition and country-specific trends. We will continue to strengthen our proven business model, extend our product portfolio into promising growth areas, and build up our key capabilities to maintain our leadership.

63.3%

OWN BRANDS SALES AS % OF TOTAL REVENUE

PERFORMANCE REVIEW OF OWN BRANDS

While we are in the chocolate confectionery business, we have the widest range of brands and products in our primary markets. Over the years, Petra Foods' Own Brands have progressively expanded into different categories including chocolate confectioneries, biscuits, wafers, breakfast, baking and beverages.

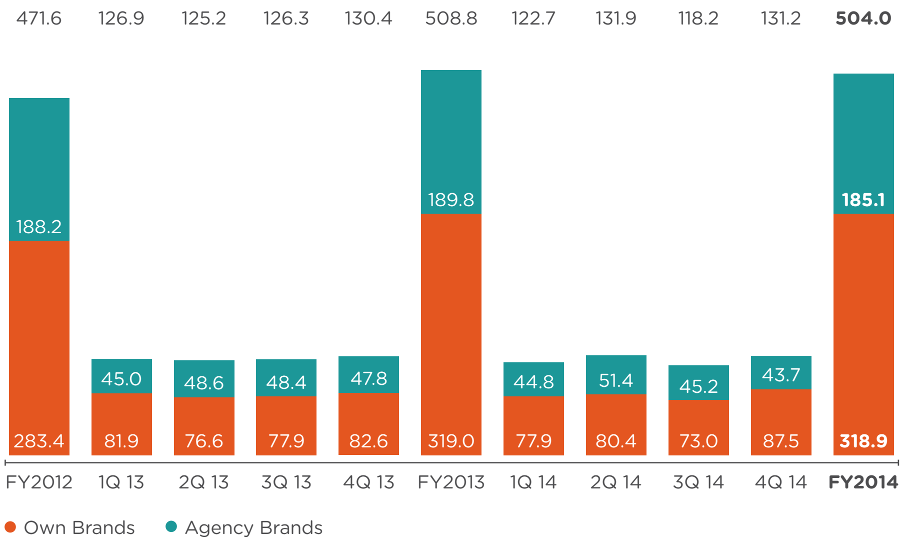
More than 60% of our total sales come from Own Brands. In constant currency terms, Own Brands sales grew 13.2% Y-o-Y in FY2014 driven by a combination of pricing adjustments and volume growth. From a category perspective, we achieved double-digit growth in our major categories of chocolate confectioneries, biscuits and wafers.

During 2014, a number of significant initiatives were implemented for Own Brands to position the business for continued success. These initiatives included brand building in our primary markets and investments to strengthen our route-to-market capabilities.

Innovation is at the heart of our business. It has enabled us to respond to changing consumer preferences, and played a vital role in driving growth and demand. In 2014, our innovation program resulted in the launch of 22 new products, and the refreshing of some of the existing products.

OWN BRANDS & AGENCY BRANDS REVENUE PERFORMANCE (QUARTERLY AND FULL YEAR)

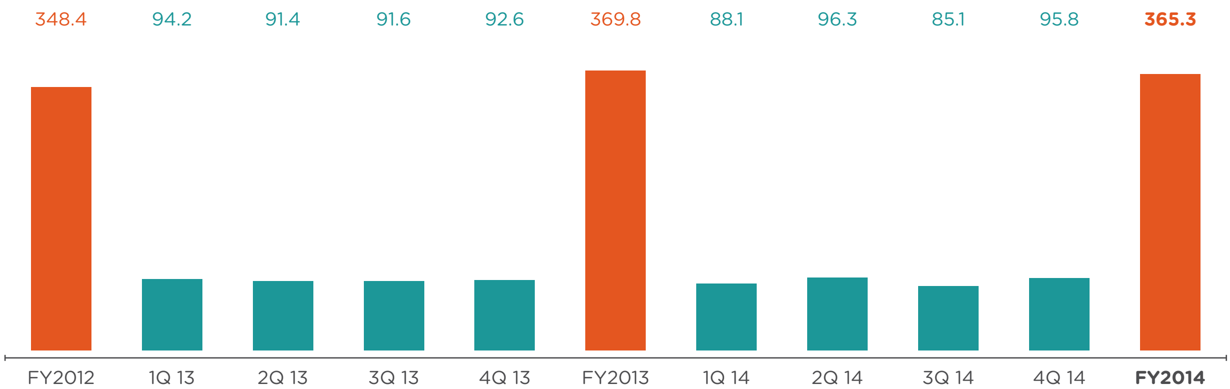
(US$ MILLION)



Note: The quarterly sales performance may vary depending on timing of holiday festivities.

OPERATING & FINANCIAL REVIEW

INDONESIA'S REVENUE PERFORMANCE (QUARTERLY AND FULL YEAR)
(US$ MILLION)



Note: The quarterly sales performance may vary depending on timing of holiday festivities.

PERFORMANCE REVIEW BY MARKETS

INDONESIA

Indonesia contributed 72.5% of the total revenue. The strength and depth of our business was demonstrated by a solid revenue growth in constant currency terms of 13.4% in FY2014, led by Own Brands products.

For Own Brands products, strong double-digit growth in constant currency terms was achieved in both the premium and value segments. Strong performance was achieved across our portfolio of brands, especially in our core brands of *SilverQueen*, *Selamat*, *Top*, *Cha Cha* and *Delfi*, and the chocolate confectioneries and biscuits and wafers categories. The broad base volume growth across the categories reflected the increased market penetration and the success of our expanding product portfolio.

In Indonesia, accelerating innovation for Own Brands is a key priority. With a market share of more than 50% for Own Brands in the chocolate confectioneries category, we have outperformed the competition by reaching out to more consumers using innovative products that will serve different consumer needs at different price points.

Excluding discontinued Agency Brands, the Agency Brands distribution business in Indonesia also achieved strong double-digit growth in 2014.

REGIONAL MARKETS

For the regional markets comprising the Philippines, Malaysia and Singapore, FY2014 revenue fell 0.2% 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 17.0% was achieved with Philippines registering the strongest growth rate.

2014 revenue from Own Brands in the Philippines grew by more than 30%, reflecting strong returns from our brand development programs and other investments to strengthen the brand portfolio and routes-to-market. Our *Goya* and *Knick Knacks* brands were strengthened with product launches and extended categories, including chocolate spreads.

Excluding discontinued Agency Brands, the Agency Brands distribution business in the regional markets achieved revenue growth of 16.9% Y-o-Y in 2014 in constant currency terms.

2014's Gross profit margin of 31.9% is comparable to 2013 as we successfully mitigated the higher input costs through a combination of timely pricing adjustments and product rightsizing across the portfolio of Own Brands.

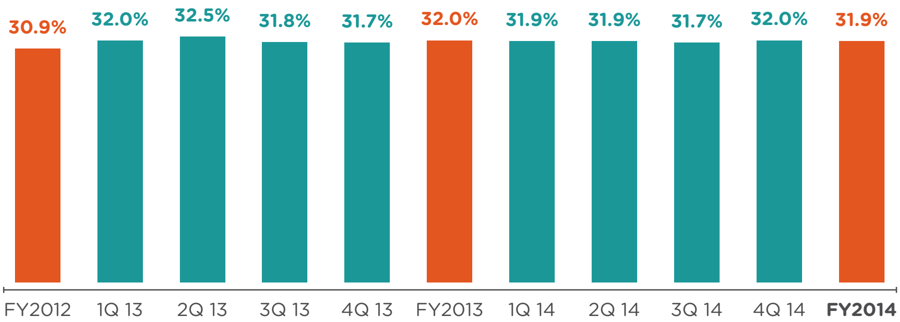
REVIEW OF PROFITABILITY

The Group generated EBITDA of US$80.9 million and PATMI of US$48.8 million on the back of US$504.0 million in revenue in FY2014. From a constant currency perspective, EBITDA and PATMI were higher Y-o-Y by 2.8% and 0.6% respectively – an achievement despite higher cost inflation, weakness in regional currencies, the full absorption of HQ expenses, increased brand building investments and higher distribution costs.

Our gross profit margin of 31.9% for FY2014 is comparable to last year as we successfully mitigated the higher input costs through a combination of timely pricing adjustments and product rightsizing across the portfolio of Own Brands, while driving higher sales volume, 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: proactive price adjustments and product rightsizing, launch of higher margined new products 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.

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.

US$80.9m

2014 EBITDA

OPERATING & FINANCIAL REVIEW

UPDATE ON THE DIVESTMENT OF THE COCOA INGREDIENTS BUSINESS

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 business 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 Share Purchase Agreement 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, which has led to the 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.

NOTIFICATION OF TAX CLAIMS

As announced on 24 February 2015, pursuant to the SPA dated 30 June 2013, the Company and Barry Callebaut have entered into a Tax Deed of Covenant ("Tax Deed"). Under the Tax Deed, Barry Callebaut is required to notify the Company of any claim for taxation, which could give rise to a liability after completion of the sale of the Cocoa Ingredients business to Barry Callebaut.

Barry Callebaut has notified the Company of three tax claims totaling Brazilian Real 34.5 million (equivalent to US$12.8 million) from the Brazilian tax authorities against Delfi Cacau Brazil Ltda, which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business.

While reserving its rights in relation to the notifications, the Company has requested Barry Callebaut to defend these claims. The Company believes that there are grounds to resist these claims and, therefore, no provision has been made.

CASH FLOW GENERATION AND CAPITAL EXPENDITURE

For 2014, the Group generated operating cashflow before working capital changes of US$78.7 million which was sufficient to fund the working capital requirements of the business and partly fund the Group's capital expenditure in 2014. The capital expenditure of US$40.2 million was higher Y-o-Y by US$8.2 million with the implementation of our multi-year programme focused on building the capacity and capabilities of our business. The majority of this capital expenditure was utilised to build the capacity and capabilities of our operations in Indonesia which will allow us to capture the significant growth opportunities.

STRONG BALANCE SHEET

The Group remained in a strong financial position with a cash balance of US$172.0 million as at 31 December 2014. This comprised mainly the sales proceeds received from the divestment of its Cocoa Ingredients business. The cash balance was after two dividend payments totaling US$38.4 million during FY2014. Total dividends paid (including the special dividend) during 2014 represented an increase of US$12.8 million over 2013. The higher dividend enabled the Group to achieve a more efficient capital structure and also distribute some of the sales proceeds to shareholders.

The Group's total assets increased by US$4.6 million on the back of higher working capital and capital expenditure. During FY2014, the Group invested capital expenditure totaling US$40.2 million to support its long term growth. The business expansion was adequately funded by its operating cash flow (before working capital) of US$78.7 million and through use of working capital, finance leases and term loans. This is in line with the Group's strategy of extending the tenure of its borrowings to better match its longer term requirements. In line with this, the Group's total debt increased by US$34.6 million to US$74.0 million.

Bolstered by robust EBITDA and operating cash flow, 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.

OPERATING & FINANCIAL REVIEW

LOOKING AHEAD

With our business focused on the Southeast Asian region and in particular Indonesia and the Philippines where we have factories, Petra Foods is well positioned for future growth. Our regional markets are supported by robust economies and a fast-growing middleclass, and we will continue to capitalise on this positive consumption trend by growing our key brands and categories.

Market development will be a key driver of our growth and is built around extending our products upwards by encouraging more consumers to consume our premium brands, outwards by driving consumption demand from new categories, and downwards by offering value products for consumers with lower incomes.

Besides appealing to consumers in terms of product taste and packaging, we aim to fulfill different consumer needs at different price points.

US$97.9m

END-2014 NET CASH

To sustain profitable growth over the longer term, we will further strengthen our business. Efforts will include aligning the organisation to its growth plans, growing our key brands regionally, and broadening our routes-to-market to capture the significant growth opportunities. In addition, we will further invest to build capacity and capabilities; and increase our productivity and efficiency targets in our manufacturing and distribution infrastructure. To create long-term value to our quality earnings, we will continue to explore opportunities to enter new markets and extend into new product categories.

Despite the volatility in regional currencies and input costs, we expect the Group's performance in local currencies to remain robust. We will continue with the growth momentum already generated despite the weakening of regional currencies, which will have a translational impact when the Group's results are reported in US Dollar.

Other than post completion adjustments, which are subject to the arbitration, we do not foresee any further impact from the Cocoa Ingredients business.

Our growth in the past has been powered by the vitality of our chocolate confectionery business across the different categories and regional markets, and going forward this will remain the key driver of future growth.

OPERATING & FINANCIAL REVIEW

Financial Highlights of Petra Foods FY 31 December (US$ million)	2014	2013	% chg
Branded Consumer business			
Revenue	**504.0**	508.8	(0.9)
EBITDA	**80.9**	91.7	(11.8)
Profit before Tax	**70.1**	82.8	(15.4)
PATMI	**48.8**	59.3	(17.8)
Divested Cocoa Ingredients business			
- Net loss from discontinued operations	**–**	(38.7)	NM
Net profit attributable to shareholders - Group	**48.8**	20.6	136.9
Net profit attributable to shareholders			
- From continuing operations	**48.8**	59.3	
- From discontinued operations	**–**	(38.7)	
	48.8	20.6	
Earnings per share (US cents)			
- From continuing operations	**8.0**	9.7	
- From discontinued operations	**–**	(6.3)	
	8.0	3.4	

At Year End (US$ million)	2014	2013	% chg
Total Assets	**470.5**	465.9	1.0
Total Liabilities	**(173.2)**	(175.5)	(1.3)
Total Shareholders' Equity	**297.3**	290.4	2.4
Total Debt	**(74.0)**	(39.4)	87.9
Net Cash	**97.9**	157.3	(37.8)
Return on Equity			
- Group	**16.6%**	6.7%	-9.9% pt
- Branded Consumer	**17.1%**	19.2%	2.1% pt

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CORPORATE GOVERNANCE REPORT

Corporate Governance, together with integrity, excellence and commitment, are values that guide all of us at Petra Foods[1] as we seek to enhance the Company's development, performance and growth. The concept of corporate governance is an integral part of Petra Foods' ethos, business, systems, processes and operations.

Our annual corporate governance practices review is conducted in the recognition that these practices help us create long term value for our shareholders not only because it is the right thing to do but at the same time it reduces risk and enhances returns. We are committed to upholding the Code of Corporate Governance 2012 (the "Code") which is the new standard with effect from 2014, in respect of annual reports relating to financial years commencing 1 November 2012. Insofar as is practicable, the format adopted below reflects the Principles laid out in the Code.

The Board of Petra Foods comprises a healthy well balanced mix of entrepreneurs, professionals and corporate expertise. Out of a total of eight directors, the board of directors (the "Board") comprises three executive directors, four non-executive independent directors and one non-executive non-independent director. There is a clear separation of the role of the Chief Executive Officer ("CEO") and the Chairman. One of our three executive directors serves as CEO and Managing Director ("MD"). The Board meets regularly and is provided with timely updates and information. As and when there are urgent commercial or other corporate matters, Board meetings are convened to seek guidance from the Board or to elicit a decision. All directors are expected to act in good faith, and to act in the interests of Petra Foods.

The Board is supported by the Executive Committee, Audit Committee, Remuneration Committee, Nominating Committee and the Risk Management Committee. Prior to the disposal of the Cocoa Ingredients business there was a Cocoa Commercial Risk Committee ("CRC") that has been replaced by the Risk Management Committee. The committees (with the exception of the Executive Committee) provide guidance and regularly review matters within their purview.

Our corporate governance practices are given below with specific references to the Code.

(I) BOARD MATTERS

Principle 1 - The Board's Conduct of Affairs: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management[2] to achieve this objective and Management remains accountable to the Board.

Policy and Practice

The Board is obliged to act in good faith and in the best interests of the Company. Each director contributes his or her own expertise, skills, knowledge and experience to the Board.

Our Board focuses on three key areas, namely:-

(a) setting the corporate strategy and direction;

(b) ensuring that there is effective entrepreneurial leadership and management; and

(c) supervising the proper conduct of matters.

The Board has eight directors comprising five non-executive directors, of whom four are independent directors. The independent directors at the date of this report are Ms Josephine Price, Mr Anthony Michael Dean ("Mike Dean"), Mr Koh Poh Tiong and Mr Pedro Mata-Bruckmann, who is also the Chairman of the Board. Mr Davinder Singh is deemed a non-executive non-independent director.* Mr Chuang Tiong Choon ("John Chuang") is the CEO and MD. Profiles of the directors are found in pages 18 to 23. The assessment of "independence" is covered in the paragraphs immediately following, and further under Principle 5 below.

[1] All references to Petra Foods or the Company refers to the "Petra Foods Group" or the "Group" which is inclusive of Petra Food Limited and all its subsidiary companies.

[2] All references to Management shall mean the CEO, CFO, COO, key executives and managers of Petra Foods Limited.

(I) BOARD MATTERS (continued)

* For the financial year ended 31 December 2014, Mr Davinder Singh is deemed a non-executive non-independent director by virtue of his relationship with the Company in respect of Guidance Note 2.3 (d) and his position as Managing Director of Drew and Napier LLC and director of DrewCorp Services Pte Ltd, which collectively rendered professional services to the Company in fees aggregating more than S$200,000 (in 2014). Notwithstanding that, we are confident that Mr Singh is able to exercise strong independent judgment in the best interests of the Company. The rest of the Board is unanimous and remains steadfast in its view that he has maintained a high standard of conduct, care and duty and has observed the ethical standards of his profession and is conscious of the need to disclose any conflict of interests arising from any other engagements.

The Board has also carried out its annual evaluation of the independence of each of its non-executive directors, taking into account the relevant provisions of the Code, namely, whether the directors are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgement. The Board has concluded that all of the four non-executive independent directors are independent and that no one individual or one grouping exerts an undue influence on others.

In its evaluation, the Board notes that Ms Josephine Price, Mr Mike Dean and Mr Pedro Mata-Bruckmann have been Directors for a period exceeding nine years flagged under the Code. However, this is by no means a critical factor in determining their independence, as the other members of the Board are unanimous in their opinion that each of these Directors' professionalism, lack of conflicts of interest and high standing in their respective fields of expertise, in commerce and society, enables them to exercise strong independent judgement and act in the best interests of the Company.

The strategic policies of the Company and significant business transactions and projects are reviewed and deliberated on by the Board. The Board approves the annual budget, reviews the performance of the business and approves the release of the quarterly and full year financial results at its regular Board meetings. As part of this process, the Board reviews the financial and human resources of Petra Foods and assesses (a) whether changes to these are needed and (b) whether the proposed strategy can be realistically executed with such existing or planned increased resources.

The Board has delegated its authority to the Audit Committee to review and recommend to the Board the release of the quarterly and full year financial results.

The Board delegates specific responsibilities to committees namely:-

(a) the Audit Committee ("AC");

(b) the Nominating Committee ("NC");

(c) the Remuneration Committee ("RC");

(d) the Executive Committee ("EC"); and

(e) the Risk Management Committee ("RMC").

Information on each of the Committees given below. The Board accepts that while these Committees have been mandated to examine specific areas or issues, and make decisions or recommendations, ultimate authority and responsibility on all matters rests with the Board.

CORPORATE GOVERNANCE REPORT

(I) BOARD MATTERS (continued)

The composition of the Board and each committee as at the date of this report are illustrated immediately below:-

	Board	AC	NC	RC	RMC	EC
Pedro Mata-Bruckmann	Chairman & ID	Member	Member	Member	Member	NA
John Chuang	CEO, MD & ED	NA	Member	NA	Member	Member
Chuang Tiong Liep	ED	NA	NA	NA	NA	Member
Chuang Tiong Kie	ED	NA	NA	NA	NA	Member
Mike Dean	ID	Chairman	NA	NA	Chairman	NA
Davinder Singh	NED	NA	Member	Member	NA	NA
Josephine Price	ID	NA	Chairperson	Member	NA	NA
Koh Poh Tiong	ID	Member	Member	Chairman	Member	NA

Notes:
1. CEO – Chief Executive Officer
2. ED – Executive Director
3. ID – Independent Director
4. NED – Non-Executive, Non Independent Director
5. MD – Managing Director
6. NA – Not Applicable

The attendance of the Board at meetings during the financial year 2014 is given in the matrix below:-

	Board		Committees							
			Audit		Nominating		Remuneration		Risk Management	
	A	B	A	B	A	B	A	B	A	B
Pedro Mata-Bruckmann	5	5	4	3	1	1	2	2	2	2
John Chuang	5	5	4	4*	1	1	2	2*	2	2
Chuang Tiong Liep	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Chuang Tiong Kie	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Mike Dean	5	5	4	4	NA	NA	NA	NA	2	2
Davinder Singh	5	5	NA	NA	1	1	2	2	NA	NA
Josephine Price	5	5	NA	NA	1	1	2	2	NA	NA
Koh Poh Tiong	5	5	4	4	1	1	2	2	2	2

Notes:
A – number of meetings held;
B – meetings attended;
* – by invitation

(I) BOARD MATTERS (continued)

The Risk Management Committee was established on 1 January 2014.

The Company conducts regular Board meetings, and where directors are not able to be physically present, they attend and participate through telephonic or video-conferencing, enabling the Board to provide direction, guidance and advice to Management quickly and sometimes at short notice (as and when the need arises), in the best interests of the Company and our businesses. Attendance at Board meetings via audio and visual means are provided for in our Articles of Association.

The Board's responsiveness has allowed the Management of Petra Foods to manage business and corporate matters effectively in an increasingly competitive business environment. Individual directors make themselves available and accessible to Management for discussion and consultation outside the formal framework of Board, committee and Management meetings. The majority of the non-executive directors are resident in Singapore.

The Board is regularly provided with information and updates on the Company's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information.

The Board is conscious that our staff are individuals and as an organisation, do not live or work in isolation. As such, the Board emphasises the need for Petra Foods to live up to its corporate and social responsibilities. This is important to us and we have embedded these values in our code of conduct as well as our Best Practices manual, which the Company and staff are committed to upholding. Everyone is urged to promote a conducive, healthy and safe work environment, as well as to be socially and environmentally conscious.

The Board endorses the maxim that awareness and being engaged in relevant and current issues help us in knowing and embracing what is right and what needs to be done, and helps us to assess and decide how we can respond appropriately and within our means as good corporate citizens.

We recognise that the future of our branded consumer and chocolate products will be affected by developments in the drive to make cocoa a fully sustainable industry. This is a strategic issue for our business. Petra Foods' initiatives and programs launched in cooperation with other industry players and other bodies undertaken for several years now, seek to improve product quality, the livelihoods of farmers and industry sustainability. Our programs and initiatives are highlighted in page 34.

The Board has given Management clear direction through prescribed written guidelines, that the following matters should be reserved for the Board's decision, namely: (a) appointment of directors or company secretary; (b) removal of the Chief Executive Officer or Managing Director; (c) establishing committees; (d) entering into leases, tenders and/or contracts not in the ordinary course of business; (e) approval of material acquisitions or disposals; (f) approving the annual business plan and/or budget; (g) approving capital expenditure which is not budgeted in or in excess of that budgeted in, the approved annual business plan and such amount or excess amount is in excess of US$3,000,000; (h) accepting bank facilities that are in excess of US$20,000,000; (i) accept loans or approve guarantees that are in excess of US$20,000,000 for the purpose of financing projects (j) approving announcements in relation to the Company's financial results or announcements that are price sensitive; (k) initiate or settle litigation involving amounts in excess of US$1 million; (l) allot new shares or debentures of any class; (m) reduce capital; and (n) declare dividends and/or other returns to shareholders.

Letters of appointment have been issued to the independent directors and NED, setting out their duties and responsibilities.

(I) BOARD MATTERS (continued)

Principle 2 – Board Composition and Guidance: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Policy and Practice

There is a harmonious and professional relationship between the Board and Management. This has helped to keep the Company's focus on efficiency and effectiveness sharp. The combined expertise in business, commerce, finance and law, as well as the diverse depth of experience of the directors, provides for informative discussions and a lively exchange of ideas that has assisted Management in the performance of its role and function.

The Board is supported by key committees to provide proper oversight of the Board itself and Management. The AC, NC, RC and RMC are each chaired by independent directors. Committees or sub-committees may be formed from time to time to address specific areas as and when the need arises. Leadership of the committees is based on the notion of fair distribution of responsibilities and to draw on the relevant experience of the directors.

The Board places great emphasis on ensuring that each and every one of our four independent directors are truly independent, in substance and not just form. See further details on this under Principle 5 below. As a result, the Board is of the opinion that there is a proven framework for ensuring that Management is able to exercise entrepreneurial drive within the context of a constructively challenged supervisory environment to ensure that overall strategy is both sound and realistically achievable. In parallel with this, potential conflicts of interest, in respect of the majority shareholder group and also Management, are identified and appropriately managed.

The independent directors and NED regularly meet and communicate without the presence of Management.

Principle 3 - Chairman and Chief Executive Officer: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Policy and Practice

Mr Pedro Mata-Bruckmann is the Chairman of the Board. There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman acts independently in the best interests of the Company and its shareholders. The Chairman helps ensure that there is mentorship, unity of purpose within the Board and that the Board engages in productive discussions on strategic, tactical, business and planning issues. The Chairman often takes the lead in discussions on strategy, facilitating a lively exchange of ideas at the Board, open constructive debate, eliciting the contribution of directors, encouraging constructive relations between Board and Management and effective communication with shareholders. The Chairman and CEO jointly oversee the observance of high standards in corporate governance and compliance with the Code.

The CEO and MD, Mr John Chuang drives the Company's businesses with full executive responsibility over the business executive decisions of the Company.

The CEO makes sure that the information that is shared with the Board is timely, adequate and of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

(I) BOARD MATTERS (continued)

Principle 4 – Board Membership: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Policy and Practice

Nominations for and appointment of directors are within the rights of the shareholders. Every director in the Company will be due for re-election at least once every three years. The Company's Articles of Association require one-third of the directors to retire and submit themselves for re-election by the shareholders at every annual general meeting ("AGM").

The NC oversees the nomination of directors for election or re-election. The NC seeks to balance Board renewal, which brings in fresh insights with maintenance of knowledge and experience of the Company's operations, both of which are good for the Company. The NC strives to ensure that the Board and its committees comprise individuals who are best able to discharge their duties and responsibilities as directors with regard to the highest standards of corporate governance. The NC also reviews candidates for senior management positions for Petra Foods. The terms of reference for the NC (including its framework for considering and determining if a director is independent) are set out under Principle 5, below.

Petra Foods adopts a comprehensive and detailed process in the selection of new directors. Candidates are first sourced through an extensive network of contacts and identified based on the needs of the Company. Once the NC Chairperson, the CEO, the Chairman of the Board and the other NC members have interviewed the candidates, the candidates are further shortlisted for the NC's formal consideration for appointment to the Board. The NC complies with the following criteria when reviewing a nomination for a proposed Board appointment:-

(a) a determination of the candidate's independence; and

(b) whether the candidate is a fit and proper person taking into account the Company's guidelines and his/her track record, age, experience and capabilities and such other relevant experience as may be determined by the NC.

The Company's guidelines on a fit and proper person broadly take into account the candidate's honesty, integrity and reputation; his or her competence and capability; and financial soundness. The NC oversees the induction, orientation and training for any new and existing directors. Training for the Board generally comprises briefings, talks and the circulation of articles and updates.

Principle 5 - Board Performance: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Policy and Practice

The NC was established on 13 July 2004. Since January 2014 it comprises Mr John Chuang, Mr Pedro Mata-Bruckmann, Mr Davinder Singh, Ms Josephine Price and Mr Koh Poh Tiong. The Chairperson of the NC is Ms Josephine Price. The NC applies objective performance criteria when it assesses the performance and contributions of individual directors, the committees of the Board and the Board. This process has been endorsed by the Board as an effective means of self-assessment and evaluation.

(I) BOARD MATTERS (continued)

The terms of reference for the NC are as follows:-

(i) To establish the criteria and desirable attributes of new appointees to the Board and to make recommendations to the Board on all Board appointments.

(ii) To consider and make recommendations on all nominations of Directors (including the independent directors) for re-election having regard to the Director's past contributions and performance.

(iii) To determine annually whether or not a Director is independent, bearing in mind the salient factors set out in the Code (as may from time to time be amended or supplemented) for determining independence as well as all other relevant circumstances and facts.

(iv) To assess each Director's contribution and performance and this may involve the following matters:-

- Attendance;
- Preparedness;
- Participation; and
- Candour.

(v) To recommend to the Board objective performance criteria for the purpose of evaluating the Board's performance as a whole and to implement performance evaluation established by the Board.

(vi) To evaluate the Board's performance as a whole.

Under the mentorship of the Chairman and the guidance of the NC, the Board conducts regular self-assessments at the individual and collective levels, to establish if a director is contributing effectively, applying the following criteria:-

1. Contribution towards development of company strategy
2. Constructive discussion/interaction among directors
3. Board's response to urgent matters/issues
4. Profitability *
5. Return on Investments/Sales *
6. Attendance at Board meetings
7. Number of meetings held in a year
8. Understanding the macro-environment (countries & sector)
9. Understanding & monitoring risks
10. Compliance & governance
11. Board/Management succession planning
12. Communication between Directors and Management

* Criteria 4 and 5 (above) do not apply to the independent directors and NED.

CORPORATE GOVERNANCE REPORT

(I) BOARD MATTERS (continued)

The NC reviews the Board's composition to maintain a mix of talent, expertise, knowledge and experience. The NC aims to ensure that the directors have a good mix of backgrounds so that different insights can be brought to the Board deliberations.

Whilst each independent director and NED is required to reflect on and sign a declaration of independence based on the substantive requirements of the Code, the NC makes it a point to review the declarations, to satisfy itself that the substantive principles in the Code on independence are indeed fulfilled, and the NC asks each independent director to confirm in writing that they consider each of the other independent directors to be acting independently.

The NC and the Board are of the view that in cases where a director's service as an independent director may well have reached or exceeded the 9 year threshold, that this is not necessarily a critical factor in determining independence, since our independent directors' professionalism and high standing in commerce and society, enable them to exercise strong independent judgment in the best interests of the Company. It follows that the Board is confident and remains steadfast in its view that our independent directors and NED have maintained a high standard of conduct, care and duty and have observed the ethical standards and independence, and all our independent directors and NED are conscious of the need to disclose any conflict of interests arising from any other engagements or interests. In consultation with the NC, the Board has prescribed that its independent directors and NED may not hold more than 6 directorships in other public listed companies.

The performance of the executive directors is assessed not only on the basis of short term financial indicators, which while relevant, are not always indicative of long term growth, but also on the basis of people development or value creation within the Company. The performance of executive directors is assessed also by reference to factors such as long term vision, strategic focus on shareholder value and risk management.

It is an established practice that each member of the NC abstains from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a director.

Principle 6 - Access to information: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Policy and Practice

The Board is aware that it has full and free access to Management, the Company Secretaries and information in the Company. Management understands the importance of responding to directors' requests for information. The Board takes independent advice if necessary to enable it to better discharge its responsibilities and duties.

The Board is furnished with timely, comprehensive and relevant information on matters which require its attention and decision. This is done in response to specific requests, by way of regular updates and at Board and Committee meetings.

It is an annual practice for members of the AC to meet the external and internal auditors at least once a year without the presence of the CEO and other members of the Management team to ensure that there is a free and uninhibited flow of information relevant to the AC's tasks in the Company's best interests.

The Board has full and free access to the company secretary for information, advice and consultation and the appointment or removal of the company secretaries is a matter for consideration and approval of the Board as a whole.

(II) REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8 – Level and Mix of Remuneration: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Policy and Practice for Principles 7 and 8

The RC which has oversight of procedures for developing remuneration policies and the level and mix of remuneration, was established on 6 July 2001. Since January, 2014 it comprises three independent directors and one non-executive non-independent director. The RC is chaired by Mr Koh Poh Tiong and comprises Mr Pedro Mata-Bruckmann, Ms Josephine Price and Mr Davinder Singh.

The terms of reference for the RC are:-

(i) Oversee the development of talent, expertise and leadership in the Company;

(ii) Oversee the development and management of appropriate compensation policies and practices, including (but not limited to) a compensation structure and programme for directors, senior management and staff to attract, retain and motivate talent;

(iii) Ensure that the Company has competitive compensation packages, programmes and schemes with a view to building long term sustainable growth and returns for shareholders;

(iv) Administer the Petra Foods share option scheme and Petra Foods share incentive plan (collectively "the Schemes") and to decide on all options, grants, awards, rewards and allocation under the Schemes; and

(v) Refer all matters concerning, related to or in any way connected to the above terms of reference, for the Board's written approval.

The RC has access to expert professional advice on human resource matters and it takes into consideration industry practices and norms in determining compensation. The HayGroup has advised Management and the RC on human resource and remuneration matters. Petra Foods' relationship with HayGroup is purely on an arm's length professional basis. The RC oversees the remuneration policies of the senior management and strives to ensure that the Board and Management have the leadership and expertise needed to sustain and grow the Company's business. The RC sets incentive compensation targets for key executives and senior management.

The RC reviews the remuneration of each director. In the case of directors, key executives and senior management, it makes recommendations to the Board for approval. The CEO, Mr John Chuang works closely with the RC and attends the RC meetings as an advisor. He gives his views on human resource, compensation issues, performance measures and policies. Mr John Chuang is always excluded from RC discussions on his own remuneration.

Each member of the RC abstains from voting on any resolution in respect of his/her remuneration.

(II) REMUNERATION MATTERS (continued)

The Company adopts a remuneration policy that is performance based for staff, comprising a fixed component and a variable component. The fixed component is in the form of a base salary and benefits. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The RC endorses the bonus for distribution to key executives and directors based on individual performance, and presents its recommendations to the Board for approval. In determining remuneration and bonus awards, Management makes recommendations to the RC, having regard to key performance indicators, such as, (a) sales & profit targets, (b) strategic requirements and goals of the Company, (c) investment in future growth, and ultimately (d) the individual executive's contribution to these objectives.

There are no restrictions on the independent directors and/or the NED holding shares in the Company, provided that the shares are not transacted during the no-dealing periods as prescribed by the SGX rules and where they are in possession of price sensitive information. Nevertheless, the independent directors and NED are encouraged to hold shares in the Company, in order to align their interests with that of the shareholders.

While the Schemes were approved by Shareholders at the last AGM, the Schemes were not activated and no awards were made under the Schemes. The Schemes have since expired from end September 2014. The principles underpinning the Schemes are being reviewed by the RC and the Board, in consultation with HayGroup, with a view to designing and adopting a new scheme.

Principle 9 - Disclosure on Remuneration: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Policy and Practice

The executive directors do not receive directors' fees. The independent directors' and NED fees are set in accordance with a framework of basic fees reflecting membership and Chairmanship of the Board and the Committees. A breakdown (in percentage terms) showing the level and mix of each key executive's and director's remuneration paid and payable for this financial year is set out in page 163. The remuneration (in incremental bands of S$50,000) of employee(s) who is/are immediate family member(s) of a director or CEO is also set out in page 163.

The remuneration of our executive directors and key executives are set out in incremental bands of $250,000. We are of the view that disclosure in incremental bands is sufficient and adequate, because any further disclosure could be detrimental to the Group's interests, as it may lead to poaching of key executives, or the revelation of the Group's trade practices or tactics to competitors, in a highly competitive industry.

The Board is of the view that as the Group pays bonuses on the actual results of the Company (and not on possible future results) and results that have actually been delivered by its executive directors and key executives, "claw back" provisions in employment contracts may not be relevant or appropriate.

(III) ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Policy and Practice

The Board strives in its communications with shareholders to give them an objective, balanced and clear assessment of the Company's results. Our view is that regular communication with shareholders enhances the Company's transparency.

(III) ACCOUNTABILITY AND AUDIT (continued)

All shareholders of the Company receive the annual report and a notice of the AGM and the notice is advertised in the main Singapore newspapers.

The Company conveys its financial performance, position and outlook on a quarterly basis via announcements to the SGX-ST and the Company's website. Additional disclosures, when required, are also made through the same communication channels.

In accordance with applicable regulations, all financial results comprising financial performance, position and prospects as well as price sensitive information are also released through various media including press releases, SGXNET and/or the Company's website at http://www.petrafoods.com. We hold briefing sessions with the investment community following the announcement of financial results and the Company's investor relations team meets with key investors regularly and answers queries from shareholders.

Communications with shareholders are overseen by the Investor Relations and Corporate Communications Department, headed by the Group Chief Financial Officer. This Department communicates with investors on a regular basis and attends to their queries.

Principle 11 – Risk Management and Internal Controls: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Policy and Practice

The Board and the Management of Petra Foods are committed to maintaining throughout the company a culture of risk awareness.

The Board retains the responsibility for determining the type and level of business risks that the Group undertakes on an integrated basis to achieve its business strategy.

Management is responsible for the design, execution and reporting of the Petra Foods Risk Management Program. Additionally, Management is responsible to propose to the Board medium/long strategic plans with risk/reward analysis, annual plans and updates on the strategies and updates on the associated risk levels. The Board's responsibility will be to accept, modify or reject the plans proposed by the management.

Management is responsible to report to the board on significant progress or deviations of the plans, and to report on events that represent new risks to the company.

The Board:

a. Is responsible to ensure that proper risk management is in place.

b. Will provide the necessary support to Management to perform its duties.

c. Will satisfy itself that Management is executing the agreed plans and properly reporting to the Board.

d. That Management is operating within the framework of the approved strategies and risk tolerance levels.

In discharging this responsibility, the Board continually monitors the threat and impact of risks to the Company's business and in parallel, assesses the Company's internal systems and procedures that monitor, control and mitigate these risks.

(III) ACCOUNTABILITY AND AUDIT (continued)

The Board has determined areas where it takes a zero tolerance to risk and those areas of less materiality where risk management may be flexed to reflect the lessened likely impact.

Based on this assessment, the Board has determined a three level approach to risk management:-

1. Risks whose responsibility falls to Management to manage and to report to the Board on an exceptions basis;

2. Risks whose responsibility falls to Management to manage but which must be reported on periodically to the Board; and

3. Risks where specialist input is required in the assessment and/or management as required. This latter group may involve third parties, for example in areas such as food health and safety, IT or insurance. It may also involve delegation to the AC, RC, RMC or NC.

To assist the Board in its supervision of risk management the RMC was established in January 2014, The RMC is chaired by Mr Mike Dean and comprises Mr Pedro Mata-Bruckmann, Mr John Chuang and Mr Koh Poh Tiong.

The RMC works closely with Management to review the Petra Foods Risk Management Program and ensure that it is brought to the Board for periodic assessment as to its appropriateness and adequacy. In this regard the Board undertook an enterprise wide assessment of the universe of risks that the Petra Foods Group faces together with the mitigating factors and risk management policies to determine the net residual risk. From this the RMC agreed with the Board and Management a range of the specific risks that Management needs to present to the Board on regular intervals to ensure that the Board is kept closely in touch with the risks, the mitigating factors and risk management policies and the net residual risk. Since the RMC's creation, Management has adhered to this schedule of presentations to the Board.

In addition to formal meetings, Management keeps the RMC and the Board informed on developments in the industry and the Group's operations which may have an impact on the Group's risk profile.

The terms of reference for the RMC are to:

(a) Assist the Board in overseeing the Company's risk management framework, policies and initiatives;

(b) Represent the Board in working closely with Management in fostering a culture of risk awareness and consciousness, throughout the Company;

(c) Work closely with Management in the Company, to ensure that proper management is in place;

(d) Through the RMC, the Board will satisfy itself that Management in the Company is executing the agreed-upon plans and reporting the progress to the Board, regularly and properly; and

(e) Ensure that Management is operating within the framework of approved strategies and initiatives in keeping with the risk tolerance levels.

The Board is of the opinion that the risk management framework and the internal controls (including information technology controls) and systems maintained by Management provide reasonable but not absolute safeguards against material loss and/or financial misstatements. The Board further acknowledges that no cost effective internal control framework will provide an infallible system to serve as an absolute safeguard against all risks, losses, financial misstatements, errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The system is designed to manage rather than to totally eliminate such risks.

CORPORATE GOVERNANCE REPORT

(III) ACCOUNTABILITY AND AUDIT (continued)

The Board, with the concurrence of the AC, is of the opinion that the Company's risk management framework and internal controls including financial, operational, compliance and information technology controls, were adequate and appropriate given the financial, operational and compliance risks that were faced by Petra Foods.

As required under the Code, the Board has been assured by the Group's CEO and CFO:-

- that the Company's financial records have been properly maintained and the financial statements give a true and fair view of its operations and finances; and
- that the Company's risk management and internal control systems have both been appropriately established and also tested to ensure that they are effective.

The Board is of the view that Petra Foods' risk identification and management framework are sufficient and adequate.

Principle 12 - Audit Committee: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Policy and Practice

The AC was formed on 6 July 2001 under a written charter ("AC Charter"). Since January 2014 the members of the AC are Mr Mike Dean (Chairman), Mr Pedro Mata-Bruckmann and Mr Koh Poh Tiong. The AC Chairman and all the members of the AC are independent. None of the members of the AC was a former partner or director of the External Auditors, PricewaterhouseCoopers LLP.

The AC Charter is periodically reviewed and updated to ensure that evolutions in business risks and corporate governance matters delegated to it are properly identified and managed.

The present AC Charter defines the AC's duties as follows:-

1. STATUTORY DUTIES

1.1 To review:-

(a) with the statutory auditors of the Company (the "External Auditors"), the audit plan;

(b) with the External Auditors, their evaluation of the system of internal accounting controls;

(c) with the External Auditors, their audit report;

(d) the assistance given by the Company's officers to the External Auditors;

(e) the scope and results of the internal audit procedures; and

(f) the financial statements of Petra Foods and thereafter to submit the same to the directors of Petra Foods for approval.

2. INTERNAL CONTROLS

2.1 To review and report to the Board at least annually on the adequacy and effectiveness of the internal financial controls, operational and compliance controls and information technology controls and those areas of the risk management policies and systems that are delegated to it by the Board (collectively "Internal Controls").

2.2 To commission an independent audit on Internal Controls for its assurance or where it is not satisfied with the systems of internal control.

(III) ACCOUNTABILITY AND AUDIT (continued)

The present AC Charter defines the AC's duties as follows:- (continued)

3. INTERNAL & EXTERNAL AUDIT

3.1 To review at least annually the adequacy and effectiveness of Petra Foods' internal audit function.

3.2 To hire, remove, evaluate and compensate internal auditors (the "Internal Auditors"). These may be employees of the Company and/or a suitably qualified independent firm of auditors.

3.3 To ensure that the internal audit function is adequately resourced and has appropriate standing within Petra Foods.

3.4 To review and approve the audit plans of the Internal Auditors in ensuring that audit resources are allocated according to the key business and financial risk areas, focusing on optimum coverage of the risks.

3.5 To review the Internal Auditors' evaluation of the system of internal accounting controls.

3.6 To review the reports of the Internal Auditors and consider the effectiveness of responses / actions taken by Management on the audit recommendations and observations.

3.7 To review the scope, results and cost effectiveness of the external audit, and the independence and objectivity of the External Auditors and the non-audit services provided by the External Auditors.

3.8 To recommend to the Board on the proposals to shareholders regarding the appointment, reappointment, termination, terms of engagement and remuneration of the External Auditors.

3.9 To meet with the Internal and External Auditors, in each case, without the presence of Management annually.

3.10 Review the audit representation letters given by Management to the External Auditors before consideration by the Board.

3.11 Review the content of the External Auditor's Management letter to assess whether it is based on a good understanding of the Company's business and monitor the responsiveness of Management to the recommendations made (or the reasons why they have not been acted upon).

4. FINANCIAL REPORTING

4.1 To review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance.

4.2 To keep abreast of changes to accounting standards and issues which have a direct impact on the financial statements.

4.3 Together with the External Auditors review the relevance and consistency of the accounting standards used by the Company.

4.4 To review the Company's financial results, including annual financial statements and financial announcements to shareholders and the Singapore Exchange Securities Trading Limited prior to their submission to the Board.

(III) ACCOUNTABILITY AND AUDIT (continued)

The present AC Charter defines the AC's duties as follows:- (continued)

5. INTERESTED PERSON TRANSACTIONS

5.1 To review interested person transactions ("IPTs").

5.2 To consider whether the IPTs are on normal commercial terms and not prejudicial to the interests of the Company or its minority shareholders.

5.3 To consider the need for a general mandate for IPTs.

5.4 To recommend the appointment of an independent financial adviser ("IFA") and its fees in respect of IPTs and any other transaction, matter or any other corporate action taken by the Company where such IFA is required.

6. WHISTLE BLOWING

6.1 To review with the External Auditors and the Internal Auditors and report to the Board, findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of Internal Controls or infringement of any law, rule or regulation applicable to the Company or its subsidiaries which has or is likely to have a material impact on the Group's operating results and/or financial position.

6.2 To review the arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that there is independent investigation of such matters and appropriate follow up actions.

The AC Charter sets out its functions and responsibilities in greater detail. The AC agrees and reviews its key performance metrics with the NC, with respect to how it discharges its role and responsibilities.

During 2014 the second edition of the "Guidelines for Audit Committees in Singapore" was issued. The AC has reviewed its Charter and practises in the light of this and has satisfied itself that it is following the best practices espoused by this guideline.

The AC meets regularly. In addition, as and where necessary, it holds informal discussions and meetings with Management. The AC has full discretion to invite any director or executive officer to attend its meetings. Access to and the full co-operation of the Company's Management has been accorded to the AC. In practise, all AC meetings will be attended by the CFO and CEO so that they are better able to give a complete account of the issues being reviewed and answer questions from the AC members. However, where there are matters of potential sensitivity, Management will be asked to excuse themselves from the meeting so that the AC may discuss matters openly.

In addition, both the External and Internal Auditors have unrestricted access to the AC and at least once each year meet the AC without Management being present to discuss matters concerning the Company in addition to periodic informal meetings with the AC Chairman. The AC has kept abreast of accounting standards and issues that could potentially impact financial reporting, through in-house training, briefing sessions, and regular updates and advice from its Internal and External Auditors.

KPMG LLP ("KPMG") helps the AC in its objective of being continuously vigilant and transparent, by fulfilling their role as Internal Auditors. (Please also see Principle 13 below). Petra Foods understands the need for continuing vigilance and transparency so that corporate governance principles are upheld.

(III) ACCOUNTABILITY AND AUDIT (continued)

The present AC Charter defines the AC's duties as follows:- (continued)

The Company has reviewed the suitability of the External Auditors for their role by assessing a wide range of factors including the quality of their work, their expertise and resources for a job involving the size and complexity of the Company's operations, and their own quality control procedures. The fees paid to the External Auditors are disclosed in page 168. There were also non-audit services provided by the External Auditors, and the non-audit fees are disclosed in page 168. The AC is pleased to recommend the re-appointment of the External Auditors, PricewaterhouseCoopers LLP.

The AC has also reviewed the volume of non-audit services to Petra Foods by the External Auditors, and is satisfied that the nature and extent of such services will not prejudice the professionalism, independence and objectivity of the External Auditors.

The Company has complied with the rules relating to appointment of External Auditors as set out in Rule 712, 715 and 716 of the Listing Manual.

Principle 13 - Internal Audit: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Policy and Practice

With the concurrence of the AC, the Board is of the opinion that Petra Foods' internal controls (including information technology controls) are adequate and appropriate given the financial, operational and compliance risks that face the Company.

The Board recognises that it has overall responsibility to ensure accurate financial reporting for the Company and for the Company's overall internal control framework, including financial, operational and compliance and information technology controls, risk management policies and systems needed to safeguard the shareholders' investments and assets of the Company.

The Internal and External Auditors together with Management, assist the AC in its review of the adequacy of the internal controls, through regular evaluation of the Company's internal controls, financial and accounting policies and risk management policies and procedures. Among other things, the aim is to ensure that the internal controls are adequate.

Our Internal Auditors, KPMG, work closely with the AC and the Company to closely monitor the internal audit framework. The Internal Auditors report directly to the AC on audit matters and to the Group Chief Financial Officer on administrative matters.

The Board is of the opinion that, the internal controls (including information technology controls) and systems maintained by Management provide reasonable but not absolute safeguards against material loss and/or financial misstatements. The Board further acknowledges that no cost effective internal control framework will provide an infallible system to serve as an absolute safeguard against all losses, financial misstatements, errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The system is designed to manage rather than to totally eliminate such risks.

As Petra Foods operates internationally, it could be affected by a number of risks, including industry and/or the country risks, as well as risks that may generally arise from, inter alia, the use and application of cocoa ingredients, and/or the production, use and consumption of chocolate and other confectionery products, availability of talent, business risks, market risks, a downturn in the economy and political factors such as instability or anarchy in any country that Petra Foods operates in.

(III) ACCOUNTABILITY AND AUDIT (continued)

The present AC Charter defines the AC's duties as follows:- (continued)

There may also be additional risks not presently known to the industry or the Company, or that the Company may, with the information presently available, currently deem immaterial, which could affect its business and operations. New and/or other risks may well emerge due to environmental, economic, technological, biological and/or other developments.

While the Board and the AC have made every reasonable effort to place a robust and effective system of internal controls to address financial, operational and compliance risks and to prevent, manage and/or buffer risks, should some risks develop into actual events, the business, results of operations, financial condition and prospects of Petra Foods could be materially and/or adversely affected.

(IV) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 – Shareholder Rights: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company respects and upholds shareholders' rights, and tenders its communication with shareholders with care. The Board recognises and exercises its overall responsibility to shareholders, by ensuring accurate financial reporting for Petra Foods and for the Company's overall internal control framework, including financial, operational and compliance controls, risk management policies and through systems needed to safeguard the shareholders' investments and assets of Petra Foods. The Company's articles were amended to provide for the attendance by nominees of shareholders' at general meetings.

We encourage and facilitate shareholder engagement and participation through our meetings and briefings referred to in Principle 15 (below).

Principle 15 – Communication with Shareholders: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Policy and Practice

The Company conveys its financial performance, position and outlook on a quarterly basis via announcements to the SGX-ST and the Company's website. Regular communication with shareholders enhances the Company's transparency. We also hold briefing sessions with the investment community when financial results are announced.

The Company's Investor Relations and Corporate Communications Department meets with key investors regularly and answers queries from shareholders.

In accordance with applicable regulations, all financial results comprising financial performance, position and prospects as well as price sensitive information are released through various media including press releases, SGXNET and/or the Company's website at http://www.petrafoods.com.

The Company has clear policies and guidelines for dealings in securities of the Company by directors and officers, in conformity with the rules relating to dealings in securities in Rule 1207(19) of the Listing Manual. The Company prohibits selected employees from trading in its securities for a period commencing 1 month before the announcement of full year financial results and two weeks from the release of quarterly financial results.

(IV) SHAREHOLDER RIGHTS AND RESPONSIBILITIES (continued)

The Company's dividend policy is integral to Petra Foods' investment story. We seek to distribute a sensible portion of the Company's cash profit each year taking into account numerous factors including the prevailing economic conditions and prospects in the markets in which we operate, anticipated capital expenditure, likely acquisition opportunities, the availability and cost of borrowings and the need to reward shareholders for their investment in the Company.

Principle 16 – Conduct of Shareholder Meetings: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Policy and Practice

The majority of our directors attended our annual general meeting held last year on 29 April 2014. Our directors endeavour to attend the annual general meeting and shareholders are given the opportunity to share their thoughts and ideas or ask questions relating to matters which are the subject of the resolutions to be passed.

The Company's articles provide for shareholders to participate and vote at general meetings, and shareholders are encouraged to do so. As a matter of good order, we will continue to propose and table separate resolutions in respect of each issue referred to shareholders for approval at general meetings.

Our lawyers, auditors and consultants make it a point to attend our general meetings; and the Company's Chairman and chairmen of committees are always urged to attend the AGM.

As a matter of policy and practice, minutes of general meetings including comments from shareholders, on all or any issues on the agenda, and responses from the Board and Management, are always available to shareholders upon request.

17 March 2015

DIRECTORS' REPORT

for the financial year ended 31 December 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

DIRECTORS

The directors of the Company in office during the financial year and at the date of this report are as follows:

Pedro Mata-Bruckmann (Chairman)
Chuang Tiong Choon
Chuang Tiong Liep
Chuang Tiong Kie
Anthony Michael Dean
Davinder Singh
Josephine Price
Koh Poh Tiong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations (other than wholly-owned subsidiaries), except as follows:

	Holdings registered in the name of a director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2014	At 1.1.2014	**At 31.12.2014**	At 1.1.2014
The Company				
(No. of ordinary shares)				
Pedro Mata-Bruckmann	**177,000**	177,000	**–**	–
Chuang Tiong Choon	**384,000**	384,000	**311,827,000**	311,827,000
Chuang Tiong Liep	**70,000**	70,000	**308,741,000**	308,741,000
Chuang Tiong Kie	**110,000**	110,000	**–**	–
Anthony Michael Dean	**50,000**	50,000	**–**	–
Davinder Singh	**100,000**	100,000	**–**	–
Josephine Price	**319,000**	319,000	**–**	–
Koh Poh Tiong	**–**	–	**–**	–

DIRECTORS' REPORT

for the financial year ended 31 December 2014

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in the name of a director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2014	At 1.1.2014	**At 31.12.2014**	At 1.1.2014
Cocoa Specialities, Inc.				
(Ordinary shares of Pesos 100 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Delfi Foods, Inc.				
(Ordinary shares of Peso 1 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Delfi Marketing, Inc.				
(Ordinary shares of Pesos 100 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Chuang Tiong Liep	**1**	1	**–**	–
Springbright Investments Limited				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**51**	51
Chuang Tiong Liep	**–**	–	**30**	30
Chuang Tiong Kie	**–**	–	**19**	19
Berlian Enterprises Limited				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**51**	51
Chuang Tiong Liep	**–**	–	**30**	30
Chuang Tiong Kie	**–**	–	**19**	19
Aerodrome International Limited *				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**10**	10
Ceres Super Pte Ltd				
(Ordinary shares of S$1 each)				
Chuang Tiong Choon	**–**	–	**900,000**	900,000
Chuang Tiong Liep	**–**	–	**900,000**	900,000

* Aerodrome International Limited ("AIL") is held by Johnsonville Assets Limited ("JAL") (70%) and Johnsonville Holdings Limited ("JHL") (30%). Credit Suisse Trust Limited ("CST") is a Singapore registered public trust company. CST's deemed interest arises from its 100% shareholding in AIL as the trustee of JAL and JHL. Mdm Lim Mee Len (wife of Mr Chuang Tiong Choon) is the beneficiary of Johnsonville Assets Trust of which CST has been appointed as the trustee. Mdm Lim Mee Len and Mr Chuang Tiong Choon are beneficiaries of Johnsonville Holdings Trust of which CST has been appointed as the trustee.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

(b) Chuang Tiong Choon and Chuang Tiong Liep who by virtue of their interest of not less than 20% of the issued capital of the Company, are deemed to have interests in the whole of the share capital of the Company's wholly-owned subsidiaries.

(c) The directors' interests in the shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014 for all the directors.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

SHARE OPTIONS

Share-based incentive schemes

The Petra Foods Employees Share Option Scheme and the Petra Foods Share Incentive Plan (collectively, the "Schemes") were approved by the shareholders at an Extraordinary General Meeting of the Company held on 22 September 2004. The Schemes are administered by the Remuneration Committee of the Board. The members of the Remuneration Committee at the end of the financial year were:

Koh Poh Tiong (Chairman)
Davinder Singh
Pedro Mata-Bruckmann
Josephine Price

The Schemes will provide an opportunity for executive directors, non-executive directors, and employees of the Company, its subsidiaries and associated companies (the "Group Employees") who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company.

The Schemes, which have not been activated through shareholders approval, are designed to reward and retain Group Employees whose services are vital to the Group's well-being and success.

- **Participants**

  To participate in the Schemes, Group Employees must attain the age of 21 years on or prior to the relevant offer date and, must have been in the employment of the Group for a period of at least twelve months, or such shorter period as the Remuneration Committee may determine.

- **Exercise price**

  The options that are granted under the Share Option Scheme, have an exercise price, which at the Remuneration Committee's discretion, is either set at a price (the "Market Price") equal to the average of the last dealt prices for the Company's shares published on the SGX-ST daily official list for the five consecutive market days immediately preceding the date of grant of the relevant option or at a discount to the Market Price (subject to a maximum discount of 10%).

DIRECTORS' REPORT

for the financial year ended 31 December 2014

SHARE OPTIONS (continued)

Share-based incentive schemes (continued)

- **Exercise period**

  Options granted under the Share Option Scheme which are fixed at the Market Price may be exercisable after the first anniversary of the date of grant of such options while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date of grant of the options.

  Options granted under the Share Option Scheme to Group Employees (other than non-executive directors and/or employees of associated companies) will have a life span of ten years from the date of grant and options granted to non-executive directors and/or employees of associated companies will have a life span of five years from the date of grant.

- **Grant of options**

  Options may be granted at any time during the period when the Share Option Scheme is in force, except that no options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim or final results. In the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

- **Awards under the Share Incentive Plan**

  The Remuneration Committee shall at its discretion at any time during the period when the plan is in force grant an Award to any participant. An Award represents the right of a participant to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free-of-charge.

  The Remuneration Committee shall at its discretion decide at the point of an Award of shares, the grant date, the vesting period, the number of ordinary shares to be awarded and the retention period. New ordinary shares allotted and issued on the release of an Award shall rank pari passu in all respects with the previously issued shares.

There were no options granted during the financial year to subscribe for unissued shares of the Company or any subsidiary.

There was no Award under the Share Incentive Plan granted during the financial year.

There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' REPORT

for the financial year ended 31 December 2014

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were:

Anthony Michael Dean (Chairman)
Pedro Mata-Bruckmann
Koh Poh Tiong

All members of the Audit Committee, including the Chairman, were independent directors. The Audit Committee performed its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap 50, the SGX-ST Listing Manual, and the Code of Corporate Governance 2012.

The Audit Committee has reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It has met the Company's internal and independent auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls.

The Audit Committee has also reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014, as well as the Independent Auditor's Report thereon prior to their submission to the Board of Directors for approval.

The Company renewed its Shareholders' Mandate for it to enter into certain categories of transactions with specified classes of the Company's Interested Persons. The Audit Committee has also reviewed the interested person transactions of the Group during the financial year in accordance with established procedures.

The Audit Committee has nominated PricewaterhouseCoopers LLP for re-appointment as the independent auditor of the Company at the forthcoming Annual General Meeting. The Audit Committee has conducted an annual review of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

CHUANG TIONG CHOON
Director

CHUANG TIONG KIE
Director

STATEMENT BY DIRECTORS

for the financial year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 75 to 148 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

CHUANG TIONG CHOON
Director

CHUANG TIONG KIE
Director

INDEPENDENT AUDITOR'S REPORT

to the members of Petra Foods Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Petra Foods Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 148, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2014, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 23 March 2015

CONSOLIDATED INCOME STATEMENT

for the financial year ended 31 December 2014

	Note	The Group 2014 US$'000	2013 US$'000
Continuing operations			
Revenue	4	**503,977**	508,800
Cost of sales		**(343,223)**	(345,954)
Gross profit		**160,754**	162,846
Other operating income	4	**3,557**	6,913
Expenses			
Selling and distribution costs		**(68,206)**	(64,562)
Administrative expenses		**(19,974)**	(20,042)
Finance costs	6	**(3,121)**	(1,651)
Other operating expenses		**(1,923)**	(600)
Exceptional items	11	**(1,517)**	–
Share of profit/(loss) of associated companies	19(a)	**501**	(81)
Profit before income tax		**70,071**	82,823
Income tax expense	8	**(21,340)**	(23,514)
Profit from continuing operations		**48,731**	59,309
Discontinued operations			
Loss from discontinued operations after income tax	10	**–**	(38,754)
Total profit		**48,731**	20,555
Profit/(loss) attributable to:			
Equity holders of the Company		**48,783**	20,593
Non-controlling interest		**(52)**	(38)
		48,731	20,555
Earnings/(losses) per ordinary share [1] (expressed in US cents per share)			
Basic and Diluted	12		
– From continuing operations		**7.98**	9.71
– From discontinued operations		**–**	(6.34)

Note:

[1] Diluted earnings per share for financial years 2014 and 2013 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

	The Group	
	2014 US$'000	2013 US$'000
Profit for the year	**48,731**	20,555
Other comprehensive income/(loss):		
Continuing operations		
Items that may be reclassified to profit or loss:		
Foreign currency translation reserve		
– Currency translation differences arising from consolidation	**(2,806)**	(35,674)
Items that will not be reclassified to profit or loss:		
Defined pension benefits obligation		
– Remeasurements of defined pension benefits obligation (Note 29 (a))	**(726)**	2,484
– Tax on remeasurements (Note 8 (b))	**178**	(623)
– Share of other comprehensive loss of associated companies	**(50)**	–
	(598)	1,861
Discontinued operations		
Items that were reclassified to profit or loss:		
Cash flow hedges		
– Fair value losses	**–**	(9,458)
– Transfer to profit or loss	**–**	5,276
– Tax on fair value adjustments	**–**	26
– Disposal of subsidiaries	**–**	2,451
	–	(1,705)
Foreign currency translation reserve		
– Reclassification on disposal of subsidiaries	**–**	4,117
Other comprehensive loss, net of tax	**(3,404)**	(31,401)
Total comprehensive income/(loss) for the year	**45,327**	(10,846)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	**45,385**	(10,799)
Non-controlling interest	**(58)**	(47)
	45,327	(10,846)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

as at 31 December 2014

		The Group		The Company	
	Note	**2014 US$'000**	2013 US$'000	**2014 US$'000**	2013 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**171,953**	196,707	**159,985**	186,862
Derivative assets	16	**40**	25	**30**	25
Trade receivables	14	**82,055**	76,742	**1,682**	4,284
Inventories	15	**72,750**	65,506	**105**	17
Tax recoverable		**2,753**	2,500	**–**	–
Other current assets	17	**18,275**	31,557	**5,681**	24,310
		347,826	373,037	**167,483**	215,498
Non-current assets					
Investments in subsidiaries	18	**–**	–	**32,942**	42,996
Investments in associated companies and joint venture	19	**3,145**	2,604	**3,000**	3,000
Loans to associated company and joint venture	20	**2,968**	2,925	**310**	351
Property, plant and equipment	21	**111,138**	81,796	**1,303**	1,519
Intangible assets	22	**4,897**	4,982	**4,793**	4,616
Deferred income tax assets	8(b)	**418**	340	**–**	–
Other non-current assets	24	**100**	212	**3,035**	–
		122,666	92,859	**45,383**	52,482
Total assets		**470,492**	465,896	**212,866**	267,980
LIABILITIES					
Current liabilities					
Trade payables	25	**31,931**	42,165	**1,400**	2,936
Other payables	26	**52,023**	77,508	**21,338**	67,845
Current income tax liabilities		**1,265**	3,004	**–**	–
Derivative liabilities	16	**–**	12	**–**	–
Borrowings	27	**64,806**	38,989	**139**	85
		150,025	161,678	**22,877**	70,866
Non-current liabilities					
Borrowings	27	**9,204**	400	**399**	245
Deferred income tax liabilities	8(b)	**4,340**	5,367	**–**	4
Provisions for other liabilities and charges	29	**9,597**	8,065	**–**	–
		23,141	13,832	**399**	249
Total liabilities		**173,166**	175,510	**23,276**	71,115
NET ASSETS		**297,326**	290,386	**189,590**	196,865
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	**155,951**	155,951	**155,951**	155,951
Foreign currency translation reserve	31(a)	**(45,677)**	(42,877)	**–**	–
Other reserves	31(b)	**2,002**	2,515	**–**	–
Retained earnings	32	**184,907**	174,596	**33,639**	40,914
		297,183	290,185	**189,590**	196,865
Non-controlling interest		**143**	201	**–**	–
TOTAL EQUITY		**297,326**	290,386	**189,590**	196,865

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Note	Attributable to equity holders of the Company								
		Share capital US$'000	Foreign currency translation reserve US$'000	Cash flow hedge reserve US$'000	General reserve US$'000	Defined pension benefits obligation US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
The Group										
Balance at 1 January 2014		**155,951**	**(42,877)**	**–**	**1,987**	**528**	**174,596**	**290,185**	**201**	**290,386**
Profit for the year		–	–	–	–	–	48,783	48,783	(52)	48,731
Other comprehensive loss for the year		–	(2,800)	–	–	(598)	–	(3,398)	(6)	(3,404)
Total comprehensive (loss)/income for the year		**–**	**(2,800)**	**–**	**–**	**(598)**	**48,783**	**45,385**	**(58)**	**45,327**
Transfer to general reserve	32(a)	–	–	–	85	–	(85)	–	–	–
Final and special dividend relating to 2013 paid	33	–	–	–	–	–	(24,996)	(24,996)	–	(24,996)
Interim dividend relating to 2014 paid	33	–	–	–	–	–	(13,391)	(13,391)	–	(13,391)
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**85**	**–**	**(38,472)**	**(38,387)**	**–**	**(38,387)**
Balance at 31 December 2014		**155,951**	**(45,677)**	**–**	**2,072**	**(70)**	**184,907**	**297,183**	**143**	**297,326**
Balance at 1 January 2013		**155,951**	**(11,329)**	**1,705**	**1,890**	**(1,333)**	**179,685**	**326,569**	**248**	**326,817**
Profit for the year		–	–	–	–	–	20,593	20,593	(38)	20.555
Other comprehensive (loss)/income for the year		–	(31,548)	(1,705)	–	1,861	–	(31,392)	(9)	(31,401)
Total comprehensive (loss)/income for the year		**–**	**(31,548)**	**(1,705)**	**–**	**1,861**	**20,593**	**(10,799)**	**(47)**	**(10,846)**
Transfer to general reserve	32(a)	–	–	–	97	–	(97)	–	–	–
Final dividend relating to 2012 paid	33	–	–	–	–	–	(11,368)	(11,368)	–	(11,368)
Interim dividend relating to 2013 paid	33	–	–	–	–	–	(14,217)	(14,217)	–	(14,217)
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**97**	**–**	**(25,682)**	**(25,585)**	**–**	**(25,585)**
Balance at 31 December 2013		**155,951**	**(42,877)**	**–**	**1,987**	**528**	**174,596**	**290,185**	**201**	**290,386**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Cash flows from operating activities			
Total profit		**48,731**	20,555
Adjustments:			
Income tax expense	8(a)	**21,340**	26,080
Depreciation and amortisation		**7,809**	8,271
Property, plant and equipment written off		**–**	292
Gain on disposal of property, plant and equipment		**(95)**	(270)
Gain on disposal of subsidiaries	10(b)	**–**	(80,949)
Interest income		**(1,650)**	(1,230)
Interest expense		**3,121**	15,809
Fair value gain on derivatives		**(27)**	(10,796)
Share of (profit)/loss from associated companies		**(501)**	81
Operating cash flow before working capital changes		**78,728**	(22,157)
Change in working capital, net of effects from disposal of subsidiaries:			
Inventories		**(7,244)**	161,521
Trade and other receivables		**8,081**	(34,193)
Trade and other payables		**(34,779)**	(95,200)
Cash provided by operations		**44,786**	9,971
Interest received		**1,650**	1,230
Income tax paid		**(24,193)**	(18,488)
Net cash provided by/(used in) operating activities		**22,243**	(7,287)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(29,016)**	(35,371)
Payments for patents and trademarks		**(342)**	(107)
Disposal of subsidiaries, net of cash disposed	13	**–**	645,133
Proceeds from disposal of property, plant and equipment		**365**	370
Net cash (used in)/provided by investing activities		**(28,993)**	610,025
Cash flows from financing activities			
Proceeds from bank borrowings		**22,071**	3,675
Proceeds from/(repayment of) trade finance and short term advances		**2,843**	(162,215)
Repayment of bank borrowings		**(859)**	(80,854)
Repayment of Medium Term Notes		**–**	(160,032)
Repayment of lease liabilities		**(4,402)**	(2,597)
Interest paid		**(3,135)**	(19,775)
Dividends paid to equity holders of the Company		**(38,387)**	(25,585)
Net cash used in financing activities		**(21,869)**	(447,383)
Net (decrease)/increase in cash and cash equivalents		**(28,619)**	155,355
Cash and cash equivalents			
Beginning of financial year		**177,781**	23,118
Effects of currency translation on cash and cash equivalents		**50**	(692)
End of financial year	13	**149,212**	177,781

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Petra Foods Limited (the "Company") is incorporated and domiciled in Singapore and is publicly traded on the Singapore Exchange Securities Trading Limited. The address of its registered office is 111 Somerset Road, #08-05 TripleOne Somerset, Singapore 238164.

The principal activities of the Company are the manufacturing, marketing and distribution of chocolate, chocolate confectionery, consumer products and investment holding. The principal activities of each of the subsidiaries are set out in Note 18.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of critical accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made, as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 *Disclosures of Interests in Other Entities*

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequently to the issuance of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 January 2014. The Group has incorporated the additional required disclosures into the financial statements.

The adoption of the new standard had no impact on the consolidated statement of cash flows, prior year balance sheets and earnings per share of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non–controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to Note 2.13(a) for the accounting policy on goodwill subsequent to initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.11 for the Company's accounting policy on investments in subsidiaries.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies or joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.11 for the Company's accounting policy on investments in associated companies and joint ventures.

2.3 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment in the foreign operation are repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other operating income" or "Other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair value measurements are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in the other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue and other operating income recognition

Revenue for the Group comprises the invoiced amount, at fair value, for the sale of goods and rendering of services, net of value added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue and other operating income when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer and collectability of the related receivables is reasonably assured.

(b) Interest income

Interest income is recognised on a time-proportion basis, using the effective interest method.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.6 Exceptional items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Income taxes (continued)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities. Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax on temporary differences arising from the fair value gains and losses on cash flow hedges are charged or credited directly to equity in the same period the temporary differences arise. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.9 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables comprise cash and cash equivalents, trade receivables, other receivables, deposits, loans to associated company and joint venture and loans to subsidiaries.

Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses. An allowance for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the loans and receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing each product to its present location and condition. Inventories comprise manufactured and purchased inventories.

The cost of manufactured inventories includes raw material cost, direct labour cost and production overheads based on the normal level of activity but excludes borrowing costs. The raw material cost, which comprises primarily cocoa ingredients, milk, sugar and packaging materials, includes their purchase price, inward shipping costs and import duties and charges. Direct labour cost comprises primarily manufacturing staff cost. Production overheads comprise primarily utilities charges, rental costs, depreciation of plant and machinery and indirect costs relating to the manufacturing of the inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Inventories (continued)

Work-in-progress inventories include direct material cost and direct labour cost incurred to the date of the financial statements. The amount also includes an allocated amount of production overheads by applying an overhead rate to the estimated stage of completion.

The cost of goods purchased includes their purchase price, inward shipping costs and import duties and charges.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.11 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses (Note 2.14(c)) in the Company's balance sheet. On disposal of investments in subsidiaries, associated companies and joint ventures, the differences between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

2.12 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.14(c)).

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.5 on borrowing costs). The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the assets or using the assets for purposes other than to produce inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and construction work-in-progress are not depreciated.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold land	30 years
Buildings and improvements	10 – 30 years
Machinery and equipment	10 – 15 years
Motor vehicles	5 years
Office equipment	5 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of acquisition of subsidiaries or associated companies or joint ventures over the fair value of the Group's share of the identifiable net assets and contingent liabilities of the acquired subsidiaries or associated companies or joint ventures at the date of acquisition.

Goodwill is recognised separately as an intangible asset and carried at cost less accumulated impairment losses (Note 2.14(a)).

Negative goodwill represents the excess of the fair value of the identifiable net assets of subsidiaries or associated companies or joint ventures when acquired over the cost of acquisition. Negative goodwill is recognised immediately in profit or loss.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Brands, patents and trademarks

Brands acquired as part of business combinations are recognised when they arise from contractual or other legal rights, or are separable.

Such brands are recognised at their fair values at the acquisition date and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses.

Brands that are regarded as having indefinite useful lives are not amortised and are subsequently tested for impairment annually (Note 2.14(b)).

Brands that are regarded as having limited useful lives are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.14(c)). Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful lives of 5 years.

Patents and trademarks are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.14(c)). Amortisation is calculated using the straight-line method to allocate the cost of patents and trademarks over their estimated useful lives of up to 5 years.

The useful lives of brands, patents and trademarks are assessed at each balance sheet date and adjustments are included in profit or loss in the financial year in which the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Intangible assets (continued)

(c) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the assets for its intended use. Costs associated with maintaining the computer software are expensed when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of period of license, or 5 years, whichever is shorter.

2.14 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually, and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies of the business combination.

An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of the CGU's fair value less costs to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Brands with indefinite useful lives

Brands that are regarded as having indefinite useful lives are tested annually for impairment, as well as when there is any indication that the carrying amounts may not be recoverable.

An impairment loss is recognised in profit or loss when the carrying amount of the acquired brand exceeds the recoverable amount of the acquired brand. The recoverable amount of the brand is the higher of a brand's fair value less costs to sell and value-in-use.

An impairment loss on brand is recognised as an expense and is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the brand's carrying amount does not exceed the carrying amount that would have been determined; if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of non-financial assets (continued)

(c) Other intangible assets
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Other intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less costs to sell and value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from the other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for these assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for these assets is recognised in profit or loss.

2.15 Derivative financial instruments and hedging activities

Prior to the completion of the disposal of the Cocoa Ingredients business on 30 June 2013, derivatives were used by the Group to manage exposure to cocoa bean price risks arising from operational and financing activities. Derivatives are also used by the Group to manage exposure arising from operational and financing activities.

Derivatives are initially recognised at fair value on the dates the contracts are entered into and are subsequently carried at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At the inception of a hedge relationship, the Group formally designates and documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Derivative financial instruments and hedging activities (continued)

Where the derivative qualifies for hedge accounting, recognition of any resultant gain or loss is based on the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

Cash flow hedges refer to hedges against exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Upon discontinuation of hedge accounting, any cumulative gains or losses on the hedging instrument that remain recognised in the cash flow hedge reserve from the period when the hedge was effective should remain in equity and are transferred to profit or loss in the periods when the forecast transactions are recognised in profit or loss. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss is immediately recognised in profit or loss.

Derivatives that are not designated or do not qualify for hedge accounting are categorised as financial assets at fair value through profit or loss. Fair value changes on these derivatives were recognised within other operating income or other operating expenses.

The fair value changes of derivatives that were entered into mainly in relation to the divested Cocoa Ingredients business were recorded within the loss from discontinued operations in the consolidated income statement.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

2.18 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair value plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are also presented as current liabilities when the Group has the intention to repay the borrowings within 12 months after the balance sheet date.

2.20 Leases

Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.21 Employee compensation

(a) Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related post-employment benefit obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee compensation (continued)

(a) Defined benefit plans (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis.

The Group's obligation, in regard to the defined contribution plans, is limited to the amount it contributes to the fund. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.22 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved for payment by the shareholders.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

The fair values of borrowings carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

2.26 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

On 30 June 2013, the Group completed the disposal of the Cocoa Ingredients business to Barry Callebaut (Note 10). The continuing business of the Group comprises the Branded Consumer business.

2.27 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to expenses are deducted against the related expenses.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(i) Cash and cash equivalents and estimated gain on disposal of subsidiaries

Included in the cash and cash equivalents are net proceeds received from Barry Callebaut on 1 July 2013 for the disposal of the Group's entire interest in the Cocoa Ingredients business. 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. Thus, the net cash on disposal and net gain on disposal of discontinued operations (Note 10 and Note 13) will only be finalised upon the resolution of the dispute. The net proceeds received and net gain on disposal of subsidiaries has not included the effect of the outcome of the dispute, if any.

The Company's position remains consistent with prior year.

Notification of Tax Claims

As announced on 24 February 2015, pursuant to the SPA, on 30 June 2013, the Company and Barry Callebaut entered into a Tax Deed of Covenant ("Tax Deed"). Under the Tax Deed, Barry Callebaut is required to notify the Company of any claim for taxation which could give rise to a liability after completion of the sale of the Cocoa Ingredients business to Barry Callebaut. Barry Callebaut has notified the Company of various claims from the Brazil tax authorities against Delfi Cacau Brazil Ltda, which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business, which are:

(1) a claim of Brazilian Real ("BRL") 18,588,593.72 in connection with a tax assessment of the "Social Integration Program / Public Employee Savings Program" and the "Contribution for the Financing of Social Security";

(2) a claim of BRL 227,440.04 for unpaid import tax arising from the import of a bean roaster; and

(3) a claim of BRL 15,643,285.54 for unpaid tax duties arising from the import of cocoa beans.

As at 31 December 2014, the claims amounted to BRL 34,459,319.30 (which is equivalent to US$12.8 million) in total.

While reserving its rights in relation to the notifications, the Company has requested Barry Callebaut to defend these claims. The management believes that there are grounds to resist these claims and, therefore, no provision has been made.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(ii) Estimated impairment of brands

As at 31 December 2014, the carrying amounts of brands with indefinite useful lives were US$3,764,000 (2013: US$3,764,000). Brands with indefinite useful lives are tested for impairment annually, in accordance with the accounting policy stated in Note 2.14.

The recoverable amount of the brands has been determined based on the Royalty Relief Approach. Estimating the recoverable amounts requires the Group to estimate future cash flows and suitable royalty and discount rates in order to calculate the present value of those cash flows (Note 23).

If management's estimated royalty rate of the brands at 31 December 2014 was lowered by 1% (2013: 1%), the recoverable amount of these brands would be reduced by US$10,239,000 (2013: US$6,187,000). However, this change in assumption would not cause the carrying amount of these brands to exceed their recoverable amount.

If management's estimated pre-tax discount rate of the brands at 31 December 2014 was increased by 1% (2013: 1%), the recoverable amount of these brands would be reduced by US$3,789,000 (2013: US$2,020,000). However, this change in assumption would not cause the carrying amount of these brands to exceed their recoverable amount.

(iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such final determination is made.

In 2009, the Indonesian Director General of Taxation ("DGT") imposed an additional tax assessment amounting to IDR72.5 billion (US$7,238,000) on PT General Food Industries ("GFI"), a wholly owned subsidiary of the Company, pertaining to the issue of transfer pricing.

GFI contested the additional tax assessment on the grounds that the transfer pricing between GFI and the Company is at arm's length based on the methods prescribed in the OECD Transfer Pricing Guidelines and filed an appeal with the Indonesian Tax Court against the additional tax assessment.

On 17 October 2012, the Indonesian Tax Court ruled in favour of GFI's appeal against the DGT's additional tax assessment. The DGT refunded the full amount to GFI in January and February 2013.

On 6 February 2013, the DGT filed an appeal to the Supreme Court against the judgement. GFI received an initial and final letter of appeal from the Supreme Court on 7 March 2014 and 8 April 2014 respectively. GFI has filed its response to both letters of appeal and is currently waiting for the judgement from the Supreme Court.

The management believes that the Group's position on this matter is sustainable.

4. REVENUE AND OTHER OPERATING INCOME

	The Group	
	2014 US$'000	2013 US$'000
Sale of goods	**503,977**	508,800
Other operating income:		
– Interest income	**1,650**	1,094
– Foreign exchange gain – net	**–**	4,387
– Miscellaneous income	**1,907**	1,432
Total other operating income	**3,557**	6,913

Miscellaneous income comprises mainly sales of scrap.

5. EMPLOYEE COMPENSATION

	The Group	
	2014 US$'000	2013 US$'000
Wages and salaries	**40,363**	58,063
Employer's contribution to defined contribution plans	**1,173**	3,276
Defined benefit plans (Note 29(a))	**1,698**	1,650
	43,234	62,989
Less: Government grant	**(7)**	–
	43,227	62,989
Less: Amount attributable to discontinued operations	**–**	(21,996)
Amount attributable to continuing operations (Note 7)	**43,227**	40,993

6. FINANCE COSTS

	The Group	
	2014 US$'000	2013 US$'000
Interest expense:		
– Bank borrowings and overdrafts	**3,315**	1,372
– Trade finance	**253**	192
– Finance lease liabilities	**172**	87
	3,740	1,651
Less: Borrowing costs capitalised as cost of property, plant and equipment (Note 21)	**(619)**	–
	3,121	1,651

7. EXPENSES BY NATURE

The following items have been included in arriving at profit before tax:

	The Group	
	2014 **US$'000**	2013 US$'000
Advertising and promotion	**30,850**	31,232
Amortisation of intangible assets (Note 22(c))	**94**	100
Cost of inventories recognised as an expense	**302,711**	306,846
Depreciation of property, plant and equipment (Note 21)	**7,715**	8,171
Employee compensation (Note 5)	**43,227**	40,993
Foreign exchange loss - net	**1,335**	–
Gain on disposal of property, plant and equipment	**(95)**	(308)
Inventories written off	**1,057**	1,174
Allowance made for inventory obsolescence	**1,374**	841
Impairment loss on trade receivables	**171**	50
Logistics and insurance	**18,357**	16,825
Professional fees	**1,502**	1,365
Rentals on operating leases	**1,684**	1,398
Travelling expenses	**2,428**	2,622

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8. INCOME TAXES

(a) Income tax expense

	The Group	
	2014 US$'000	2013 US$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
From continuing operations		
Current income tax		
– Foreign	**22,134**	21,865
Deferred income tax (Note 8(b))	**(766)**	1,755
	21,368	23,620
From discontinued operations		
Current income tax		
– Foreign	**–**	4,630
Deferred income tax	**–**	(2,266)
	–	2,364
Under/(over) provision in prior financial years:		
From continuing operations		
– Current income tax	**36**	(211)
– Deferred income tax (Note 8(b))	**(64)**	105
	(28)	(106)
From discontinued operations		
– Current income tax	**–**	(121)
– Deferred income tax	**–**	323
	–	202
Total income tax expense	**21,340**	26,080
Tax expense is attributable to:		
– Continuing operations	**21,340**	23,514
– Discontinued operations (Note 10)	**–**	2,566
Total income tax expense	**21,340**	26,080

The tax liabilities of the Company and its subsidiaries have been measured based on the corporate tax rate and tax laws prevailing at balance sheet date.

On 23 February 2015, the Singapore Minister of Finance announced changes to the Singapore tax laws, which included new incentives that might be available to certain entities with effect from the Year of Assessment 2015. The tax expense of the Company and its subsidiaries incorporated in Singapore for the financial year ended 31 December 2014 has not taken into consideration the effect of these incentives as these incentives were not enacted or substantively enacted by the balance sheet date.

8. INCOME TAXES (continued)

(a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2014 US$'000	2013 US$'000
Profit/(loss) before tax		
– Continuing operations	**70,071**	82,823
– Discontinued operations (Note 10)	**–**	(36,188)
	70,071	46,635
Share of (profit)/loss of associated companies, net of tax	**(501)**	81
Profit before tax and share of (profit)/loss of associated companies	**69,570**	46,716
Tax calculated at a tax rate of 17% (2013: 17%)	**11,827**	7,942
Effects of:		
– Tax concessions	**–**	(2,554)
– Different tax rates in other countries	**5,575**	5,983
– Income not subject to tax [(1)]	**(53)**	(8,437)
– Expenses not deductible for tax purposes	**2,085**	2,920
– Withholding tax on dividends paid by foreign subsidiaries	**1,756**	5,239
– Deferred tax assets not recognised [(2)]	**425**	15,438
– Utilisation of previously unrecognised tax losses and capital allowances	**(247)**	(547)
– (Over)/under provision in prior financial years	**(28)**	96
Tax charge	**21,340**	26,080

Notes:

(1) In 2013, the amount relates mainly to the Company's gain on disposal of its Cocoa Ingredients business.

(2) In 2013, deferred tax assets not recognised mainly related to unutilised tax losses from the discontinued Cocoa Ingredients business.

8. INCOME TAXES (continued)

(b) Deferred income taxes

Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the balance sheets as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Deferred income tax assets				
To be recovered within 1 year	**(139)**	(51)	**–**	–
To be recovered after 1 year	**(279)**	(289)	**–**	–
	(418)	(340)	**–**	–
Deferred income tax liabilities				
To be recovered within 1 year	**–**	691	**–**	4
To be recovered after 1 year	**4,340**	4,676	**–**	–
	4,340	5,367	**–**	4

The movement in deferred income tax account is as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Beginning of financial year	**5,027**	3,592	**4**	469
Tax (credited)/charged to:				
– Profit or loss				
– Continuing operations	**(830)**	1,860	**(4)**	(18)
– Discontinued operations	**–**	614	**–**	205
	(830)	2,474	**(4)**	187
– Other comprehensive income [(1)]				
– Continuing operations	**(178)**	623	**–**	–
– Discontinued operations	**–**	(651)	**–**	(652)
	(178)	(28)	**–**	(652)
Currency translation differences	**(97)**	(1,011)	**–**	–
End of financial year	**3,922**	5,027	**–**	4

Note:

(1) This relates to tax (credit)/charge on remeasurements of defined pension benefits obligation for continuing operations, and fair value losses/gains and transfers on cash flow hedges for discontinued operations.

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

Deferred income tax assets are recognised for capital allowances and tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised capital allowances of US$4,140,000 (2013: US$3,112,000) and unrecognised tax losses of US$90,516,000 (2013: US$91,881,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in the respective countries of incorporation of those companies with unrecognised capital allowances and tax losses. The Company has unrecognised capital allowances of US$2,281,000 (2013: US$1,141,000) and unrecognised tax losses of US$80,779,000 (2013: US$82,886,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Singapore.

These capital allowances and tax losses do not have any expiry dates, except for tax losses of US$2,068,000 (2013: US$1,834,000) incurred by certain subsidiaries which will expire in 2016 and 2017.

Deferred income tax liabilities of the Group of US$15.0 million (2013: US$12.7 million) have not been recognised for the withholding taxes that will be payable on the earnings of the overseas subsidiaries if remitted to the holding company. The Company has determined that these unremitted earnings, which amount to US$151.6 million (2013: US$128.6 million) at the balance sheet date, will not be distributed in the foreseeable future.

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year is as follows:

The Group

Deferred income tax liabilities

	Unrealised exchange and fair value gains US$'000	Accelerated tax depreciation US$'000	Other taxable temporary differences US$'000	Total US$'000
2014				
Beginning of financial year	1,272	7,002	941	9,215
(Credited)/charged to:				
– Profit or loss	(1,272)	3,214	(122)	1,820
Currency translation differences	–	(269)	–	(269)
End of financial year	–	9,947	819	10,766
2013				
Beginning of financial year	675	9,323	921	10,919
Charged/(credited) to:				
– Profit or loss				
– Continuing operations	1,268	(652)	121	737
– Discontinued operations	(20)	59	(101)	(62)
– Other comprehensive income [1]				
– Discontinued operations	(651)	–	–	(651)
Currency translation differences	–	(1,728)	–	(1,728)
End of financial year	1,272	7,002	941	9,215

Note:

[1] This relates to tax (credit)/charge on remeasurements of defined pension benefits obligation for continuing operations, and fair value losses/gains and transfers on cash flow hedges for discontinued operations.

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

The Group (continued)

Deferred income tax assets

	Provisions US$'000	Unutilised tax losses and tax allowances US$'000	Unrealised exchange losses US$'000	Total US$'000
2014				
Beginning of financial year	**(4,150)**	**–**	**(38)**	**(4,188)**
(Credited)/charged to:				
– Profit or loss	**(2,707)**	**7**	**50**	**(2,650)**
– Other comprehensive income [1]	**(178)**	**–**	**–**	**(178)**
Currency translation differences	**173**	**(2)**	**1**	**172**
End of financial year	**(6,862)**	**5**	**13**	**(6,844)**
2013				
Beginning of financial year	(6,789)	(538)	–	(7,327)
Charged/(credited) to:				
– Profit or loss				
– Continuing operations	714	415	(6)	1,123
– Discontinued operations	588	120	(32)	676
– Other comprehensive income [1]				
– Continuing operations	623	–	–	623
Currency translation differences	714	3	–	717
End of financial year	(4,150)	–	(38)	(4,188)

The Company

Deferred income tax liabilities

	Fair value gains US$'000	Accelerated tax depreciation US$'000	Other taxable temporary differences US$'000	Total US$'000
2014				
Beginning of financial year	**–**	**72**	**–**	**72**
Credited to:				
– Profit or loss	**–**	**(72)**	**–**	**(72)**
End of financial year	**–**	**–**	**–**	**–**
2013				
Beginning of financial year	652	220	101	973
(Credited)/charged to:				
– Profit or loss				
– Continuing operations	–	(207)	–	(207)
– Discontinued operations	–	59	(101)	(42)
– Other comprehensive income [1]				
– Discontinued operations	(652)	–	–	(652)
End of financial year	–	72	–	72

Note:

[1] This relates to tax (credit)/charge on remeasurements of defined pension benefits obligation for continuing operations, and fair value losses/gains and transfers on cash flow hedges for discontinued operations.

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

The Company (continued)

Deferred income tax assets

	Provisions US$'000	Tax losses US$'000	Total US$'000
2014			
Beginning of financial year	**(68)**	**–**	**(68)**
Charged to:			
– Profit or loss	**68**	**–**	**68**
End of financial year	**–**	**–**	**–**
2013			
Beginning of financial year	(123)	(381)	(504)
(Credited)/charged to:			
– Profit or loss			
– Continuing operations	(9)	198	189
– Discontinued operations	64	183	247
End of financial year	(68)	–	(68)

9. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

EBITDA is a measure of profit determined by the management as follows:

Continuing Operations

	The Group	
	2014 US$'000	2013 US$'000
Profit before tax	**70,071**	82,823
Adjustments for:		
Interest expense (Note 6)	**3,121**	1,651
Interest income (Note 4)	**(1,650)**	(1,094)
Depreciation of property, plant and equipment (Note 21)	**7,715**	8,171
Amortisation of intangible assets (Note 22(c))	**94**	100
Exceptional items (Note 10(b))	**1,517**	–
EBITDA	**80,868**	91,651

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10. DISCONTINUED OPERATIONS

The Group completed the disposal of the Cocoa Ingredients business to Barry Callebaut on 30 June 2013. The financial results of the Cocoa Ingredients business up to the date of completion was presented separately on the consolidated statement of comprehensive income as "discontinued operations". In the consolidated statement of cash flows, the operating cash flows of the Cocoa Ingredients business prior to disposal was also aggregated with those of the continuing operations of the Branded Consumer business, and are shown separately in Note 10(c) below.

(a) The results of the Cocoa Ingredients business are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Revenue [1]	–	444,551
Expenses	–	(547,530)
	–	(102,979)
Finance costs	–	(14,158)
Loss before exceptional items and before income tax	–	(117,137)
Exceptional items (Note 10(b))	–	80,949
Loss before income tax from discontinued operations	–	(36,188)
Income tax (Note 8(a))	–	(2,566)
Total loss from discontinued operations	–	(38,754)
Profit/(loss) attributable to equity holders of the Company		
– From continuing operations	**48,783**	59,347
– From discontinued operations	–	(38,754)
Total	**48,783**	20,593

Note:

[1] Revenue comprises sale of goods and processing fees.

(b) In 2013, the Group recognised a net gain before tax of US$80,949,000 on disposal of the discontinued operations. The Company is currently in a dispute with Barry Callebaut and was also notified by Barry Callebaut of three tax claims from the Brazil tax authorities against Delfi Cacau Brazil Ltda, which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business under the tax deed, the details of which are set out in Note 3(i). 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.

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10. DISCONTINUED OPERATIONS (continued)

(c) The impact of the Cocoa Ingredients business on the cash flows of the Group is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Operating cash outflows	–	(41,207)
Investing cash outflows	–	(3,551)
Financing cash inflows	–	48,945
Total cash inflows	–	4,187

(d) Cumulative income recognised in other comprehensive income relating to the discontinued operations was as follows:

	The Group	
	2014 US$'000	2013 US$'000
Currency translation differences	–	4,117
Net fair value losses on cash flow hedges	–	(1,705)

On 30 June 2013, the cumulative currency translation differences and net fair value gains previously recognised in the cash flow hedge reserve relating to the disposal group were recycled and included in the net gain on disposal of the discontinued operations (Note 10(b)).

11. EXCEPTIONAL ITEMS

In 2014, exceptional items comprised costs incurred by the Company pertaining to the dispute with Barry Callebaut (Note 3(i)).

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12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Continuing Operations		Discontinued Operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
Net profit/(loss) attributable to equity holders of the Company (US$'000)	**48,783**	59,347	**–**	(38,754)	**48,783**	20,593
Weighted average number of ordinary shares ('000)	**611,157**	611,157	**–**	611,157	**611,157**	611,157
Basic earnings/(loss) per share (US cents)	**7.98**	9.71	**–**	(6.34)	**7.98**	3.37

(b) Diluted earnings per share

Diluted earnings per share for financial years 2014 and 2013 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

13. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Cash at bank and on hand	**49,009**	196,578	**39,985**	186,862
Short-term bank deposits	**122,944**	129	**120,000**	–
	171,953	196,707	**159,985**	186,862

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

	The Group	
	2014 US$'000	2013 US$'000
Cash and bank balances (as above)	**171,953**	196,707
Less: Bank overdrafts (Note 27)	**(22,741)**	(18,926)
Cash and cash equivalents per consolidated statement of cash flows	**149,212**	177,781

13. CASH AND CASH EQUIVALENTS (continued)

Disposal of Cocoa Ingredients business

On 30 June 2013, the Group disposed of its entire interests in Delfi Cocoa Investments 1 Pte Ltd, Delfi Cocoa USA Inc, Delfi Cocoa (Malaysia) Sdn Bhd, Siam Cocoa Products Co., Ltd and Petra Europe Holdings Pte Ltd to Barry Callebaut. On 1 July 2013, the Company received net proceeds of US$678.9 million from Barry Callebaut.

The effects of the disposal including the final amount of net proceeds and cash flows of the Group, which can only be finalised after the resolution of the dispute with Barry Callebaut and tax claims from the Brazil tax authorities as set out in Note 3(i), were:

	2013 US$'000
Carrying amounts of assets and liabilities disposed	
Property, plant and equipment	240,295
Intangibles	15,994
Deferred tax assets	27,774
Other non-current assets	543
Cash and cash equivalents	8,236
Derivative assets	1,095
Trade and other receivables	99,378
Inventories	403,860
Tax recoverable	170
Other current assets	24,621
Total assets	821,966
Trade payables	72,949
Derivative liabilities	2
Deferred tax liabilities	1,868
Other payables	20,287
Provisions	411
Borrowings	180,020
Current income tax liabilities	291
Total liabilities	275,828
Net assets disposed	546,138

The aggregate cash inflows arising from the disposal of the Cocoa Ingredients business were:

	The Group 2013 US$'000
Total cash consideration received	678,906
Less: Cash and cash equivalents in subsidiaries disposed	(8,236)
Less: Transactions cost paid	(25,537)
Net cash inflow on disposal	645,133

14. TRADE RECEIVABLES

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Trade receivables				
– Third parties	**82,184**	76,725	**390**	943
– Subsidiaries	**–**	–	**1,292**	3,339
– Associated companies	**36**	1	**–**	–
– Joint venture	**–**	2	**–**	2
– Related parties	**83**	240	**–**	–
	82,303	76,968	**1,682**	4,284
Less: Allowance for impairment of receivables – third parties	**(248)**	(226)	**–**	–
	82,055	76,742	**1,682**	4,284

Related parties represent corporations in which certain directors have substantial financial interests.

15. INVENTORIES

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Raw materials	**14,430**	14,673	**–**	–
Work-in-progress	**587**	1,202	**–**	–
Finished goods	**49,945**	44,296	**105**	17
Packaging materials and others	**7,788**	5,335	**–**	–
	72,750	65,506	**105**	17

16. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative assets or derivative liabilities represent the fair values on the following outstanding derivatives.

	The Group Fair values		The Company Fair values	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
2014				
Not designated for hedge accounting				
Foreign exchange forwards	**40**	**–**	**30**	**–**
2013				
Not designated for hedge accounting				
Foreign exchange forwards	25	12	25	–

Foreign exchange forwards

The notional amounts of the Group's and the Company's foreign exchange forwards denominated in the following currencies are as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Euro				
– Long	**314**	1,116	**–**	593
– Short	**2,386**	–	**2,386**	–
USD				
– Long	**558**	51	**–**	–
SGD				
– Long	**133**	–	**–**	–

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17. OTHER CURRENT ASSETS

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Other receivables				
– Third parties	**11,235**	29,212	**506**	20,038
– Subsidiaries (non-trade)	**–**	–	**2,407**	3,926
– Associated companies (non-trade)	**71**	11	**71**	–
– Related parties (non-trade)	**71**	–	**–**	–
	11,377	29,223	**2,984**	23,964
Less: Allowance for impairment of receivables – third parties	**–**	(3,743)	**–**	–
	11,377	25,480	**2,984**	23,964
Deposits	**1,920**	3,553	**3**	3
Prepayments	**4,978**	2,524	**2,694**	343
	18,275	31,557	**5,681**	24,310

In 2013, included in other receivables due from third parties was a US$19,918,000 loan due from a divested Brazilian subsidiary. The loan was fully repaid in April 2014.

Other non-trade receivables due from subsidiaries, associated companies and related parties are unsecured, interest free and repayable upon demand.

18. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014 US$'000	2013 US$'000
Equity investments, at cost	**40,360**	49,656
Allowance for impairment	**(7,418)**	(6,660)
End of financial year	**32,942**	42,996

On 14 February 2014, the Minister of Law and Human Rights of Indonesia approved the application by GFI to reduce its paid up capital from IDR 57.097 million to IDR 15.510 million. The capital reduction reduced the Company's investment in GFI by US$9,296,000.

Impairment losses of US$758,000 (2013: US$1,582,000) were recognised for certain subsidiaries of the Company as a result of their recoverable amounts being estimated to be less than their carrying amounts, which mainly arose from cumulative losses incurred by these subsidiaries.

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18. INVESTMENTS IN SUBSIDIARIES (continued)

The list of subsidiaries in the Group is as follows:

Name of subsidiary/ Country of incorporation	Principal activities	Country of business	Equity holding 2014 %	Equity holding 2013 %
Held by the Company				
McKeeson Consultants Private Limited ^ (Singapore)	Management consultants	Singapore	**100**	100
PT Perusahaan Industri Ceres *# (Indonesia)	Investment holding, manufacturing and marketing of consumer confectionery	Indonesia	**99.988**	99.988
PT General Food Industries * (Indonesia)	Marketing and distribution of consumer confectionery	Indonesia	**99.936**	99.934
PT Nirwana Lestari *# (Indonesia)	Marketing and distribution of chocolate confections and other consumer products	Indonesia	**99.862**	99.862
Ceres Sime Confectionery Sdn Bhd ∞ (Malaysia)	Dormant	Malaysia	**100**	100
Cocoa Specialities, Inc. * (Philippines)	Administrative services	Philippines	**100**	100
Delfi Chocolate Manufacturing S.A. * (Switzerland)	Administrative services	Switzerland	**100**	100
Petra-SPT Marketing Pte Ltd ^ (Singapore)	Dormant	Singapore	**100**	100
Delfi Cocoa Investments SA (Switzerland) +	Investment holding	Switzerland	**100**	100
Delfi Singapore Pte Ltd ^ (Singapore)	Marketing and distribution of healthcare and other consumer products	Singapore	**100**	100
Ceres Super Pte Ltd ^ (Singapore)	Marketing and distribution of instant 3-in-1 coffeemix products and other convenience beverages	Singapore	**60**	60
Delfi Marketing Sdn Bhd * (Malaysia)	Marketing and distribution of healthcare and other consumer products	Malaysia	**100**	100

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18. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary/ Country of incorporation	Principal activities	Country of business	Equity holding 2014 %	Equity holding 2013 %
Held by the Company (continued)				
Delfi Foods, Inc. * (Philippines)	Manufacturing of finished chocolate confectionery products	Philippines	**100**	100
Delfi Marketing, Inc. * (Philippines)	Marketing and distribution of chocolate confections and other consumer products	Philippines	**100**	100
Held by Ceres Sime Confectionery Sdn Bhd				
Brands of Hudsons Sdn Bhd ∞ (Malaysia)	Marketing of consumer confectionery	Malaysia	**100**	100
Held by McKeeson Consultants Private Limited				
PT Perusahaan Industri Ceres *# (Indonesia)	Investment holding, manufacturing and marketing of consumer confectionery	Indonesia	**0.012**	0.012
PT General Food Industries * (Indonesia)	Marketing and distribution of consumer confectionery	Indonesia	**0.064**	0.066
PT Nirwana Lestari *# (Indonesia)	Marketing and distribution of chocolate confections and other food products	Indonesia	**0.138**	0.138
Delfi Cocoa Ecuador SA (Ecuador) +	Dormant	Ecuador	**0.004**	0.004
Held by Delfi Cocoa Investments SA				
Delfi Cocoa Cote d'Ivoire SA (Ivory Coast) +	Dissolved	Ivory Coast	**–**	100
Delfi Cocoa Ecuador SA (Ecuador) +	Dormant	Ecuador	**99.996**	99.996

^ Audited by PricewaterhouseCoopers LLP, Singapore.
* Audited by PricewaterhouseCoopers member firms outside Singapore.
∞ Audited by Grant Thornton, Malaysia.
+ Not required to be audited by law in country of incorporation.
# Significant subsidiaries of the Group under the SGX-ST Listing Manual.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

(a) Investments in associated companies

	The Company	
	2014 US$'000	2013 US$'000
Equity investment, at cost	**3,000**	3,000

The details of the associated companies are as follows:

Name of company	Place of business/ country of incorporation	Principal activities	Equity holding	
			2014 %	2013 %
Held by the Company				
PT Ceres – Meiji Indotama *#	Indonesia	Manufacturing and marketing of snacks and food products	**40**	40
Held by Delfi Foods, Inc.				
Alsa Industries, Inc. *	Philippines	Leasing of property	**40**	40

* Audited by PricewaterhouseCoopers member firms outside Singapore.

\# The Group's effective interest is 50%, including 10% held by PT Perusahaan Industri Ceres.

Set out below are the summarised financial information for PT Ceres – Meiji Indotama which, in the opinion of the directors, is material to the Group.

Summarised balance sheet

	PT Ceres – Meiji Indotama	
	2014 US$'000	2013 US$'000
Current assets	**5,320**	6,314
Includes:		
– Cash and cash equivalents	**1,882**	1,986
Current liabilities	**(3,992)**	(3,166)
Includes:		
– Financial liabilities (excluding trade payables)	**(2,510)**	(2,287)
Non-current assets	**8,700**	7,591
Non-current liabilities	**(3,738)**	(5,531)
Includes:		
– Financial liabilities	**(3,610)**	(5,084)
– Other liabilities	**(128)**	(125)
Net assets	**6,290**	5,208

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19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(a) Investments in associated companies (continued)

Summarised statement of comprehensive income

	PT Ceres – Meiji Indotama	
	2014 US$'000	2013 US$'000
Revenue	**18,388**	15,515
Interest income	**3**	3
Expenses		
Includes:		
– Depreciation and amortisation	**(768)**	(569)
– Interest expense	**(53)**	(41)
Profit before income tax	**1,389**	253
Income tax expense	**(387)**	(416)
Net profit/(loss)	**1,002**	(163)
Other comprehensive loss	**(100)**	–
Total comprehensive income/(loss)	**902**	(163)

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	PT Ceres – Meiji Indotama	
	2014 US$'000	2013 US$'000
Net assets		
At 1 January	**5,208**	7,157
Profit/(loss) for the year	**1,002**	(163)
Other comprehensive loss	**(100)**	–
Currency translation difference	**180**	(1,786)
At 31 December	**6,290**	5,208
Effective interest in associated company (50%)	**3,145**	2,604
Carrying value of Group's interest in associated companies	**3,145**	2,604

The Group's investment in Alsa Industries, Inc. was fully impaired as at 31 December 2014 and 2013.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(b) Investment in a joint venture

	The Company	
	2014 US$'000	2013 US$'000
Equity investment, at cost	405	405
Allowance for impairment	(405)	(405)
End of financial year	–	–

The details of the joint venture are as follows:

Name of company	Country of incorporation	Principal activities	Equity holding	
			2014 %	2013 %
Held by the Company				
PACTS SA *	Switzerland	Quality and supply control of high quality fermented cocoa beans	33.33	33.33

* Deemed to be a joint venture as the Group shares control of the entity with two other joint venture partners.

The Group has not recognised its share of losses of the joint venture amounting to US$49,000 (2013: US$72,000) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The Group's cumulative share of unrecognised losses with respect to that entity amounts to US$121,000 (2013: US$72,000) at the balance sheet date.

20. LOANS TO ASSOCIATED COMPANY AND JOINT VENTURE

	The Group		The Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Loan to associated company	2,658	2,574	–	–
Loan to joint venture	310	351	310	351
	2,968	2,925	310	351

The loan to an associated company is unsecured and not expected to be repaid within the next 12 months. The loan bears interest at 4.023% (2013: 4.023%) per annum.

The loan to a joint venture is unsecured and not expected to be repaid within the next 12 months. The loan bears interest at 2.082% (2013: 2.225%) per annum.

The carrying amounts approximate their fair values.

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21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land US$'000	Buildings & improvements US$'000	Machinery & equipment US$'000	Motor vehicles US$'000	Office equipment US$'000	Construction in progress US$'000	Total US$'000
The Group							
Cost							
At 1 January 2014	4,299	18,623	68,978	5,744	15,156	22,005	134,805
Currency translation differences	(78)	(258)	(1,257)	(109)	(312)	(2,008)	(4,022)
Additions	–	9	1,495	1,181	778	36,780	40,243
Disposals/written off	–	(864)	(197)	(696)	(425)	–	(2,182)
Reclassification	–	185	1,475	–	669	(2,329)	–
At 31 December 2014	4,221	17,695	70,494	6,120	15,866	54,448	168,844
Accumulated depreciation							
At 1 January 2014	611	7,543	28,532	4,017	12,306	–	53,009
Currency translation differences	(11)	(122)	(662)	(74)	(237)	–	(1,106)
Disposals/written off	–	(670)	(129)	(690)	(423)	–	(1,912)
Depreciation charge (Note 7)	132	1,039	4,566	814	1,164	–	7,715
At 31 December 2014	732	7,790	32,307	4,067	12,810	–	57,706
Net book value							
At 31 December 2014	3,489	9,905	38,187	2,053	3,056	54,448	111,138
Cost							
At 1 January 2013	5,429	21,925	76,638	7,279	16,513	7,370	135,154
Currency translation differences	(1,130)	(3,842)	(16,529)	(1,126)	(2,493)	(4,496)	(29,616)
Additions	–	102	571	585	1,038	29,755	32,051
Disposals/written off	–	(2)	(1,688)	(994)	(100)	–	(2,784)
Reclassification	–	440	9,986	–	198	(10,624)	–
At 31 December 2013	4,299	18,623	68,978	5,744	15,156	22,005	134,805
Accumulated depreciation							
At 1 January 2013	610	7,742	30,681	4,561	13,200	–	56,794
Currency translation differences	(150)	(1,323)	(6,573)	(720)	(1,965)	–	(10,731)
Disposals/written off	–	(8)	(401)	(737)	(79)	–	(1,225)
Depreciation charge (Note 7)	151	1,132	4,825	913	1,150	–	8,171
At 31 December 2013	611	7,543	28,532	4,017	12,306	–	53,009
Net book value							
At 31 December 2013	3,688	11,080	40,446	1,727	2,850	22,005	81,796

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings & improvements US$'000	Machinery & equipment US$'000	Motor vehicles US$'000	Office equipment US$'000	Construction in progress US$'000	Total US$'000
The Company						
Cost						
At 1 January 2014	533	24	1,107	3,786	19	5,469
Additions	1	–	391	43	(19)	416
Disposals	–	(24)	(295)	(114)	–	(433)
At 31 December 2014	534	–	1,203	3,715	–	5,452
Accumulated depreciation						
At 1 January 2014	188	24	695	3,043	–	3,950
Disposals	–	(24)	(292)	(91)	–	(407)
Depreciation charge	157	–	201	248	–	606
At 31 December 2014	345	–	604	3,200	–	4,149
Net book value						
At 31 December 2014	189	–	599	515	–	1,303
Cost						
At 1 January 2013	464	24	1,627	3,454	–	5,569
Additions	69	–	–	343	19	431
Disposals	–	–	(520)	(11)	–	(531)
At 31 December 2013	533	24	1,107	3,786	19	5,469
Accumulated depreciation						
At 1 January 2013	39	24	738	2,728	–	3,529
Disposals	–	–	(293)	(10)	–	(303)
Depreciation charge	149	–	250	325	–	724
At 31 December 2013	188	24	695	3,043	–	3,950
Net book value						
At 31 December 2013	345	–	412	743	19	1,519

(a) In 2014, the additions of property, plant and equipment under finance leases (where the Group is the lessee) amounted to US$11,227,000 (2013: nil).

(b) The carrying amount of property, plant and equipment of the Group and the Company held under finance leases at 31 December 2014 amounted to US$15,975,000 (2013: US$6,005,000) and US$599,000 (2013: US$368,000) respectively.

(c) Bank borrowings are secured on property, plant and equipment and buildings of the Group with a carrying value of US$5,442,000 (2013: US$4,203,000) (Note 27(a)).

(d) The borrowing cost capitalised as cost of property, plant and equipment during the year ended 31 December 2014 amounted to US$619,000 (2013: nil).

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for the financial year ended 31 December 2014

22. INTANGIBLE ASSETS

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Brands, patents and trademarks (Note (a))	**4,698**	4,982	**4,616**	4,616
Computer software licences (Note (b))	**199**	–	**177**	–
	4,897	4,982	**4,793**	4,616

(a) **Brands, patents and trademarks**

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Net book value				
Beginning of financial year	**4,982**	4,884	**4,616**	1,784
Additions	**142**	107	**–**	2,832
Currency translation differences	**(333)**	91	**–**	–
Amortisation	**(93)**	(100)	**–**	–
End of financial year	**4,698**	4,982	**4,616**	4,616
End of financial year				
Cost	**6,014**	6,334	**4,616**	4,616
Accumulated amortisation	**(1,316)**	(1,352)	**–**	–
Net book value	**4,698**	4,982	**4,616**	4,616

Brands that are regarded as having indefinite useful lives are not amortised and are tested for impairment annually (Note 2.13(b)). These brands have a long heritage and are protected in all of the markets where they are sold by trademarks, which are renewed indefinitely without involvement of significant cost.

(b) **Computer software licences**

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Net book value				
Beginning of financial year	**–**	–	**–**	–
Additions	**200**	–	**177**	–
Amortisation	**(1)**	–	**–**	–
End of financial year	**199**	–	**177**	–

22. INTANGIBLE ASSETS (continued)

(c) Amortisation expense included in other operating expenses is analysed as follows:

	The Group	
	2014 US$'000	2013 US$'000
Brands, patents and trademarks	**93**	100
Computer software licences	**1**	–
Total (Note 7)	**94**	100

23. IMPAIRMENT TESTS

Brands

The carrying values of brands that are regarded as having indefinite useful lives are as follows:

	The Group and the Company	
	2014 US$'000	2013 US$'000
Carrying amount of brands	**3,764**	3,764

The recoverable amounts of the brands are determined based on value-in-use using the Royalty Relief Approach.

Key assumptions used for the Royalty Relief Approach:

	2014 %	2013 %
Royalty rates	**2.1 to 4.1**	2.1 to 4.1
Growth rate [(1)]	**3.0**	3.0
Discount rate [(2)]	**7.9 to 8.9**	8.4 to 10.3

Notes:

(1) Weighted average growth rate used to extrapolate cash flows beyond the budget period

(2) Based on weighted average cost of capital, adjusted for country risk premium and brand risk premium

Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a four year period. Management determined a royalty rate for each brand based on a benchmarking study of royalty agreements in the confectionery and food processing sector by an independent valuer. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the principal countries of the brands.

24. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group comprise principally long term prepaid operating rentals and deposits. The carrying amounts of these non-current assets approximate their fair values.

Other non-current assets of the Company comprise cash consideration paid in advance of US$3.0 million (2013: nil) for additional investment in Delfi Marketing, Inc. ("DMI"), a wholly-owned subsidiary in the Philippines, by subscribing for an additional 1.35 million ordinary shares with a par value of PHP 100 in the share capital of DMI. The transaction was completed subsequent to year end (Note 40).

25. TRADE PAYABLES

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Trade payables:				
– Third parties	**28,946**	38,075	**289**	161
– Subsidiaries	**–**	–	**1,111**	2,775
– Associated companies	**1,967**	1,865	**–**	–
– Related parties	**1,018**	2,225	**–**	–
	31,931	42,165	**1,400**	2,936

Related parties represent corporations in which certain directors have substantial financial interests.

26. OTHER PAYABLES

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Other payables:				
– Third parties	**33,015**	54,144	**17,997**	38,745
– Subsidiaries	**–**	–	**622**	26,154
– Associated companies	**82**	20	**–**	–
– Joint venture	**23**	–	**23**	–
	33,120	54,164	**18,642**	64,899
Accrued operating expenses	**18,903**	23,344	**2,696**	2,946
	52,023	77,508	**21,338**	67,845

In 2013, there was a non-trade amount of US$20,138,000 due to a divested Malaysian subsidiary. The amount was fully paid in April 2014.

Other non-trade payables due to subsidiaries, associated companies and joint venture are unsecured, interest free and repayable upon demand.

27. BORROWINGS

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Current				
Secured				
Bank borrowings	**10,034**	6,517	**–**	–
Finance lease liabilities (Note 28)	**5,051**	1,022	**134**	85
Trade finance	**10,414**	7,571	**–**	–
	25,499	15,110	**134**	85
Unsecured				
Bank overdrafts	**22,741**	18,926	**5**	–
Bank borrowings	**16,566**	4,953	**–**	–
	39,307	23,879	**5**	–
Total borrowings (current)	**64,806**	38,989	**139**	85
Non-current				
Secured				
Finance lease liabilities (Note 28)	**3,173**	400	**399**	245
Unsecured				
Bank borrowings	**6,031**	–	**–**	–
Total borrowings (non-current)	**9,204**	400	**399**	245
Total borrowings	**74,010**	39,389	**538**	330

The exposure of borrowings of the Group and of the Company to interest rate changes based on the contractual repricing dates at the balance sheet date is as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
6 months or less	**47,757**	36,394	**15**	–
6 – 12 months	**16,919**	2,503	**–**	–
1 – 5 years	**9,334**	378	**523**	216
Over 5 years	**–**	114	**–**	114
	74,010	39,389	**538**	330

27. BORROWINGS (continued)

(a) Security granted

Bank borrowings of one of the subsidiaries are secured by property, plant and equipment (Note 21). Finance lease liabilities of the Group are secured by the rights to the leased property, plant and equipment (Note 21), which would revert to the lessor in the event of default by the Group.

(b) Maturity of non-current borrowings

The non-current borrowings (excluding finance lease liabilities (Note 28)) have the following maturity:

	The Group	
	2014 US$'000	2013 US$'000
Between one to two years	**3,217**	–
Between two to five years	**2,814**	–
	6,031	–

(c) Carrying amounts and fair value

The carrying amounts of borrowings approximate their fair value as the borrowings bear interest at variable rates.

28. FINANCE LEASE LIABILITIES

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Minimum lease payments due:				
– Not later than one year	**5,230**	1,050	**151**	95
– Between one to five years	**3,249**	398	**424**	242
– Later than five years	**–**	20	**–**	20
	8,479	1,468	**575**	357
Less: Future finance charges	**(255)**	(46)	**(42)**	(27)
Present value of finance lease liabilities	**8,224**	1,422	**533**	330

The present values of finance lease liabilities are analysed as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Not later than one year	**5,051**	1,022	**134**	85
Between one to five years	**3,173**	381	**399**	226
Later than five years	**–**	19	**–**	19
	8,224	1,422	**533**	330

29. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Non-current

	The Group	
	2014 US$'000	2013 US$'000
Employee post-employment defined benefit obligation (Note (a))	**8,839**	7,187
Less: Current portion	**–**	(228)
	8,839	6,959
Others	**758**	1,106
	9,597	8,065

(a) Employee post-employment defined benefit obligation

Certain subsidiaries of the Group in Indonesia and the Philippines operate defined benefit pension plans for severance and service benefits required under the labour laws of the country in which they operate. These defined benefit plans are unfunded.

The amounts recognised in profit or loss are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Current service cost	**872**	1,004
Interest cost	**577**	561
	1,449	1,565
Actuarial gain recognised during the year	**11**	–
Provision for termination benefits	**238**	85
Total, included in employee benefits expenses (Note 5)	**1,698**	1,650

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Remeasurements of defined benefit obligation:		
Actuarial loss/(gain) on experience adjustments	**380**	(218)
Actuarial loss/(gain) on changes in actuarial assumptions	**346**	(2,266)
	726	(2,484)

29. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

(a) Employee post-employment defined benefit obligation (continued)

The movement in the defined benefit obligation recognised in the balance sheet is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Beginning of financial year	**7,187**	10,307
Total, included in employee benefits expenses (Note 5)	**1,698**	1,650
Benefits paid	**(583)**	(384)
Actuarial loss/(gain) recognised in other comprehensive income	**726**	(2,484)
Currency translation differences	**(189)**	(1,902)
End of financial year	**8,839**	7,187

The amounts recognised in the balance sheet are determined as follows:

	The Group	
	2014 US$'000	2013 US$'000
Present value of unfunded obligations	**8,839**	7,187

The significant actuarial assumptions used were as follows:

	The Group	
	2014 %	2013 %
Discount rates (per annum)	**4.7 to 8.6**	4.3 to 9.1
Future salary increases (per annum)	**7.0**	7.0 to 8.0

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Increase/(decrease) in defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2014	2013	**2014 US$'000**	2013 US$'000	**2014 US$'000**	2013 US$'000
Discount rate	**0.5%**	0.5%	**(438)**	(362)	**475**	394
Future salary increases	**0.5%**	0.5%	**466**	391	**(433)**	(359)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

30. SHARE CAPITAL

	Issued share capital	
	Number of shares '000	Share Capital US$'000
2014		
Beginning and end of financial year	**611,157**	**155,951**
2013		
Beginning and end of financial year	611,157	155,951

All issued shares are fully paid. There is no par value for these ordinary shares.

On 16 June 2010, the Company issued 78,880,000 ordinary shares for a total cash consideration of US$61,143,000. The cash proceeds provided the Group with financial capacity to pursue strategic growth opportunities and increased its financial resources for current operations. The intention was to use about 50% of the net proceeds to pursue strategic alliances, mergers and acquisitions, joint ventures and investments as and when they may arise; and the remaining for working capital and general purposes of the Group. The shares issued in 2010 ranked pari passu in all respects with the previously issued shares.

As at balance sheet date, pending utilisation of proceeds allocated for strategic alliances, mergers and acquisitions, joint ventures or investments, the Group has utilised all proceeds to reduce bank borrowings. This disclosure is required by Rule 1207 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to the use of proceeds arising from share offerings.

31. RESERVES

(a) Foreign currency translation reserve

	The Group	
	2014 US$'000	2013 US$'000
Beginning of financial year	**(42,877)**	(11,329)
Reclassification on disposal of subsidiaries	**–**	4,117
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and a joint venture	**(2,806)**	(35,674)
Less: Non-controlling interest	**6**	9
	(2,800)	(35,665)
End of financial year	**(45,677)**	(42,877)

(b) Other reserves

Other reserves comprise general reserve (Note 32 (a)) and defined pension benefits obligations.

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32. RETAINED EARNINGS

(a) Subsidiaries in Indonesia are required under their local laws to set aside an amount from their net profit to a general reserve until this reserve accumulates to amounts of 20% of their fully paid capital. Such reserves are not distributable.

Retained earnings of the Group and the Company are distributable except for retained earnings of subsidiaries in Indonesia amounting to US$1,551,000 (2013: US$2,336,000) which are included in the Group's retained earnings.

(b) Movement in retained earnings for the Company is as follows:

	The Company	
	2014 US$'000	2013 US$'000
Beginning of financial year	**40,914**	49,878
Profit for the year	**31,112**	16,621
Dividends paid (Note 33)	**(38,387)**	(25,585)
End of financial year	**33,639**	40,914

Movement in retained earnings for the Group is shown in the Consolidated Statement of Changes in Equity.

33. DIVIDENDS

	The Group	
	2014 US$'000	2013 US$'000
Declared and paid during the year		
Final dividend for 2013: 1.64 US cents or 2.06 Singapore cents (2012: 1.86 US cents or 2.29 Singapore cents) per share	**10,023**	11,368
Special dividend for 2013: 2.45 US cents or 3.08 Singapore cents (2012: nil) per share	**14,973**	–
Interim dividend for 2014: 2.21 US cents or 2.73 Singapore cents (2013: 2.36 US cents or 2.98 Singapore cents) per share	**13,391**	14,217
	38,387	25,585

At the forthcoming Annual General Meeting on 28 April 2015, a final dividend of 1.92 US cents or 2.58 Singapore cents per share and a special dividend of 1.64 US cents or 2.19 Singapore cents per share amounting to a total of US$21.8 million will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

34. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's immediate holding corporation is Aerodrome International Limited, a corporation that is incorporated in the British Virgin Islands. The Company's ultimate holding corporation is Credit Suisse Trust Limited ("CST"), incorporated in Singapore, in its capacity as trustee of Johnsonville Assets Limited and Johnsonville Holdings Limited. Mdm Lim Mee Len (wife of Mr Chuang Tiong Choon) is the beneficiary of Johnsonville Assets Trust of which CST has been appointed as the trustee. Mdm Lim Mee Len and Mr Chuang Tiong Choon are beneficiaries of Johnsonville Holdings Trust of which CST has been appointed as the trustee.

35. CONTINGENT LIABILITIES

(a) As at the balance sheet date, the Company has issued corporate guarantees to banks for its subsidiaries' bank borrowings as follows:

	2014 US$'000	2013 US$'000
Corporate guarantees	**15,572**	14,134

(b) The Company is currently in a dispute with Barry Callebaut, the details of which are set out in Note 3. In the event of an unfavourable outcome upon finalisation of the arbitration, the Company may have to refund up to US$103.0 million of the sales proceeds and associated interest and legal costs to Barry Callebaut.

(c) The Company was also notified by Barry Callebaut of three tax claims from the Brazil tax authorities against Delfi Cacau Brazil Ltda, which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business, under the tax deed, the details of which set out in Note 3(i). In the event of an unfavourable outcome of the tax claims, and subject to the reservation of rights referred to in Note 3, the Company may have to pay up to BRL 34.5 million (equivalent to US$12.8 million) of the tax claims and associated legal costs to Barry Callebaut.

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36. COMMITMENTS FOR EXPENDITURE

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Expenditure for property, plant and equipment				
– Approved and contracted for	**18,943**	22,986	**–**	10

(b) Operating lease commitments

The Group and the Company lease various warehouses and office premises under operating lease agreements. The leases have varying terms and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Not later than one year	**1,550**	1,575	**1,095**	1,143
Between one and five years	**580**	2,013	**218**	1,367
Later than five years	**126**	202	**–**	–
	2,256	3,790	**1,313**	2,510

37. FINANCIAL RISK MANAGEMENT

Overview

The Group's activities expose it to a variety of financial risks, market risks (including currency risk, price risk and interest rate risk), commodity price risk, credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses derivative financial instruments, such as foreign exchange forwards and foreign currency borrowings, strictly for risk management.

Financial risk management is an integral part of the way the Group is managed. The Board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and the use of derivative and non-derivative financial instruments. Risk management is executed jointly by a central Treasury department ("Group Treasury") and the Group's operating entities in accordance with the established policies and guidelines under close supervision by the Risk Management Committee and senior management. The Group Treasury identifies and evaluates certain financial risks in close co-operation with the Group's operating entities.

(a) Market risk

(i) Currency risk

The Group has transactional currency exposures arising from sales, purchases and operating costs by operating units in currencies other than the respective functional currencies of Group entities, primarily, Indonesian Rupiah ("IDR"), Philippine Pesos ("PHP"), Malaysian Ringgit ("MYR") and Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly the United States Dollar ("USD"), Sterling Pound ("GBP"), SGD and EURO ("EUR").

The operating entities' revenue, financing and a majority of its costs and operating expenditures are denominated in the functional currency in the locations they operate. A majority of the Group's raw material purchases and imports of agency brands are denominated in currencies that are not the entity's functional currency. The Group engages in risk management activities to minimise the impact of volatility of these foreign currencies on the Group's performance. Active management of currency exposures involves an ongoing assessment of the movement of the foreign exchange rate on the Group's profitability and determining the most efficient methods of minimising these risks with the objective of reducing the overall impact of currency risks to the business.

The Group Treasury assists the operating entities in monitoring the foreign exchange exposure on a net basis by monitoring their receipts and payments in each individual foreign currency, and in using foreign exchange forward contracts to manage certain currency exposures arising from transactions that are denominated in foreign currencies. It is the Group's policy not to enter a forward contract until a firm commitment is in place. Such contracts allow the Group to sell or buy currencies at pre-determined forward rates.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investments in Indonesia, Malaysia, the Philippines and Singapore are managed primarily through borrowings denominated in the relevant foreign currencies.

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000	GBP US$'000	SGD US$'000	EUR US$'000	Others US$'000	Total US$'000
At 31 December 2014						
Financial assets	**166,770**	**29**	**7,137**	**862**	**120,941**	**295,739**
Financial liabilities	**(45,006)**	**(511)**	**(12,156)**	**(2,238)**	**(123,611)**	**(183,522)**
Net financial assets/(liabilities)	**121,764**	**(482)**	**(5,019)**	**(1,376)**	**(2,670)**	**112,217**
Adjust: Net financial (assets)/ liabilities denominated in functional currency	**(143,406)**	**–**	**2,829**	**–**	**1,407**	**(139,170)**
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currencies	**(21,642)**	**(482)**	**(2,190)**	**(1,376)**	**(1,263)**	**(26,953)**
Firm commitments in foreign currencies	**(3,764)**	**(759)**	**(300)**	**1,028**	**(16)**	**(3,811)**
Derivative financial instruments						
Foreign exchange forwards	**558**	**–**	**–**	**(2,072)**	**133**	**(1,381)**
Currency Exposure	**(24,848)**	**(1,241)**	**(2,490)**	**(2,420)**	**(1,146)**	**(32,145)**
At 31 December 2013						
Financial assets	248,211	9	6,712	1,065	104,099	360,096
Financial liabilities	(106,002)	(400)	(10,924)	(1,710)	(110,132)	(229,168)
Net financial assets/(liabilities)	142,209	(391)	(4,212)	(645)	(6,033)	130,928
Adjust: Net financial (assets)/ liabilities denominated in functional currency	(160,491)	–	718	–	5,388	(154,385)
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currencies	(18,282)	(391)	(3,494)	(645)	(645)	(23,457)
Firm commitments in foreign currencies	91	(207)	(151)	(2,019)	(33)	(2,319)
Derivative financial instruments						
Foreign exchange forwards	51	–	–	1,116	–	1,167
Currency Exposure	(18,140)	(598)	(3,645)	(1,548)	(678)	(24,609)

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD US$'000	SGD US$'000	GBP US$'000	Others US$'000	Total US$'000
At 31 December 2014					
Financial assets	**163,094**	**1,457**	**28**	**384**	**164,963**
Financial liabilities	**(19,697)**	**(3,417)**	**–**	**(141)**	**(23,255)**
Net financial assets/(liabilities)	**143,397**	**(1,960)**	**28**	**243**	**141,708**
Adjust: Net financial assets denominated in functional currency	**(143,397)**	**–**	**–**	**–**	**(143,397)**
Currency exposure of financial assets/(liabilities) net of those denominated in functional currency	**–**	**(1,960)**	**28**	**243**	**(1,689)**
Firm commitments in foreign currencies	**–**	**69**	**–**	**2,286**	**2,355**
Derivative financial instruments					
Foreign exchange forwards	**–**	**–**	**–**	**(2,386)**	**(2,386)**
Currency Exposure	**–**	**(1,891)**	**28**	**143**	**(1,720)**
At 31 December 2013					
Financial assets	213,870	898	7	689	215,464
Financial liabilities	(66,230)	(4,532)	–	(319)	(71,081)
Net financial assets/(liabilities)	147,640	(3,634)	7	370	144,383
Adjust: Net financial assets denominated in functional currency	(147,640)	–	–	–	(147,640)
Currency exposure of financial assets/(liabilities) net of those denominated in functional currency	–	(3,634)	7	370	(3,257)
Firm commitments in foreign currencies	–	188	–	–	188
Derivative financial instruments					
Foreign exchange forwards	–	–	–	593	593
Currency Exposure	–	(3,446)	7	963	(2,476)

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis to foreign exchange movement

Assuming that all other variables, in particular interest rates, remain constant, a change of the United States Dollar against the following currencies at the balance sheet date will increase/(decrease) profit after tax by the amounts shown below:

	2014 US$'000	2013 US$'000
The Group		
USD against EUR		
– strengthened 5% (2013: 5%)	**96**	(20)
– weakened 5% (2013: 5%)	**(96)**	20
USD against SGD		
– strengthened 5% (2013: 5%)	**86**	268
– weakened 5% (2013: 5%)	**(86)**	(268)
USD against IDR		
– strengthened 5% (2013: 5%)	**(553)**	(384)
– weakened 5% (2013: 5%)	**553**	384
USD against MYR		
– strengthened 5% (2013: 5%)	**(214)**	(210)
– weakened 5% (2013: 5%)	**214**	210
The Company		
USD against EUR		
– strengthened 5% (2013: 5%)	**96**	(20)
– weakened 5% (2013: 5%)	**(96)**	20
USD against SGD		
– strengthened 5% (2013: 5%)	**81**	151
– weakened 5% (2013: 5%)	**(81)**	(151)

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk

The Group's business operations are exposed to fluctuations in the prices of its raw materials, especially cocoa ingredients, milk, sugar and packaging materials.

The Group monitors its exposure to raw material prices as an integral part of its overall risk management process and seeks to mitigate the exposure by buying forward its main raw material requirements based on forecasted sales. Purchase contracts for key raw materials are entered into up to 18 months ahead of the actual production date.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risks arise primarily from its short-term bank deposits and debt obligations. The short-term bank deposits and borrowings are mainly at variable rates and these expose the Group and the Company to cash flow interest rate risks.

The net impact of the interest rate risks as at 31 December 2014 and 2013 is considered insignificant. Consequently, no sensitivity analysis is prepared by the Group and Company.

(b) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and where possible, the Group has obtained sufficient security to mitigate credit risk.

The credit exposure and credit terms granted to our customers are continuously monitored at the entity level by the respective management and at the Group level by the Group Treasury.

For derivatives and bank deposits, the Group and the Company only transacts with high credit quality financial institutions. The Group limits the amount of credit exposure to any financial institution.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	The Company	
	2014 US$'000	2013 US$'000
Corporate guarantees provided to banks on subsidiaries' loans	**15,572**	14,134

The Group's and Company's major classes of financial assets are bank deposits and trade receivables.

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
By geographical areas				
Indonesia	**56,511**	47,242	**997**	2,764
Singapore	**3,219**	3,778	**245**	589
Philippines	**9,591**	10,722	**20**	450
Thailand	**288**	178	**288**	178
Malaysia	**12,380**	14,560	**67**	41
China	**17**	23	**17**	23
Other countries in Asia	**49**	237	**48**	237
Other countries in Europe	**–**	2	**–**	2
	82,055	76,742	**1,682**	4,284
By types of customers				
Subsidiaries	**–**	–	**1,292**	3,339
Related parties, associated companies and joint venture	**119**	243	**–**	2
Non-related parties:				
– International food and beverage companies	**38**	502	**38**	502
– Retail chains	**28,615**	33,330	**–**	–
– Wholesalers and distributors	**43,887**	34,210	**352**	441
– Others	**9,396**	8,457	**–**	–
	82,055	76,742	**1,682**	4,284

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Past due 0 to 1 month	**27,958**	22,143	**–**	888
Past due 1 to 3 months	**7,877**	10,708	**–**	1,061
Past due 3 to 6 months	**3,211**	870	**–**	252
Past due over 6 months	**2,316**	56	**–**	–
	41,362	33,777	**–**	2,201

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Gross amount	**248**	226	**–**	–
Less: Allowance for impairment	**(248)**	(226)	**–**	–
	–	–	**–**	–
Beginning of financial year	**226**	319	**–**	–
Currency translation difference	**(8)**	(21)	**–**	–
Allowance made	**171**	50	**–**	–
Allowance utilised	**(141)**	(122)	**–**	–
End of financial year	**248**	226	**–**	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulty and have defaulted on payments. These receivables are not secured by collateral or credit enhancement.

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37. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. Prudent liquidity risk management includes maintaining sufficient cash and having an adequate amount of committed credit facilities to meet the forecast net cash requirement of the Group's operations.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
The Group					
At 31 December 2014					
Trade and other payables	**(83,898)**	**–**	**–**	**–**	**(83,898)**
Provisions for other liabilities and charges	**–**	**(758)**	**–**	**(8,839)**	**(9,597)**
Borrowings	**(67,335)**	**(4,669)**	**(5,755)**	**–**	**(77,759)**
	(151,233)	**(5,427)**	**(5,755)**	**(8,839)**	**(171,254)**
At 31 December 2013					
Trade and other payables	(119,625)	–	–	–	(119,625)
Provisions for other liabilities and charges	–	(1,106)	–	(6,959)	(8,065)
Borrowings	(39,332)	(242)	(156)	(20)	(39,750)
	(158,957)	(1,348)	(156)	(6,979)	(167,440)
The Company					
At 31 December 2014					
Trade and other payables	**(22,738)**	**–**	**–**	**–**	**(22,738)**
Borrowings	**(156)**	**(141)**	**(283)**	**–**	**(580)**
	(22,894)	**(141)**	**(283)**	**–**	**(23,318)**
At 31 December 2013					
Trade and other payables	(70,781)	–	–	–	(70,781)
Borrowings	(95)	(86)	(156)	(20)	(357)
	(70,876)	(86)	(156)	(20)	(71,138)

37. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's and the Company's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
The Group					
At 31 December 2014					
Gross-settled foreign exchange forwards					
– Payments	**(3,351)**	**–**	**–**	**–**	**(3,351)**
– Receipts	**3,391**	**–**	**–**	**–**	**3,391**
	40	**–**	**–**	**–**	**40**
At 31 December 2013					
Gross-settled foreign exchange forwards					
– Payments	(1,179)	–	–	–	(1,179)
– Receipts	1,192	–	–	–	1,192
	13	–	–	–	13
The Company					
At 31 December 2014					
Gross-settled foreign exchange forwards					
– Payments	**(2,356)**	**–**	**–**	**–**	**(2,356)**
– Receipts	**2,386**	**–**	**–**	**–**	**2,386**
	30	**–**	**–**	**–**	**30**
At 31 December 2013					
Gross-settled foreign exchange forwards					
– Payments	(593)	–	–	–	(593)
– Receipts	618	–	–	–	618
	25	–	–	–	25

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

The Group's objectives when managing capital are to minimise the overall cost of capital and to achieve an optimal capital structure so as to maximise shareholder value. In 2014, the Company paid a special dividend of US$14,973,000 from its sales proceed from divestment in Cocoa Ingredients business in order to achieve a more efficient capital structure (Note 33). The Group leverages on its credit profile and business standing in broadening its financing options to include the capital markets. In January 2014, the Company announced that it has established a US$500 million Multicurrency Medium Term Note ("MTN") programme and terminated the previous S$300 million Multicurrency MTN programme. The Multicurrency MTN programme enables the Group to reduce dependence on bank financing; provide flexibility and currency-matched financing of short and long term assets and reduce effective interest cost over the longer term. As at 31 December 2014, there is no draw down of the MTN (2013: Nil).

Management monitors capital based on the Group's gearing ratio. The Group and the Company are required by the banks to maintain a gearing ratio of not exceeding 300% as at 31 December 2014. The gearing ratio is calculated as net debt divided by the Group's total equity. Net debt is calculated as borrowings less cash and cash equivalents. As of 31 December 2014, the Group is in a net cash position of US$97,943,000 (2013: US$157,318,000).

The Group and the Company are also required by the banks to maintain a current ratio (current assets divided by current liabilities) of more than 100% (2013: 100%).

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

37. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Group				
At 31 December 2014				
Assets				
Derivative assets				
– Foreign exchange forwards	**–**	**40**	**–**	**40**
At 31 December 2013				
Assets				
Derivative assets				
– Foreign exchange forwards	–	25	–	25
Liabilities				
Derivative liabilities				
– Foreign exchange forwards	–	12	–	12
The Company				
At 31 December 2014				
Assets				
Derivative assets				
– Foreign exchange forwards	**–**	**30**	**–**	**30**
At 31 December 2013				
Assets				
Derivative assets				
– Foreign exchange forwards	–	25	–	25

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date. These instruments are included in Level 2. There are no financial instruments classified as Level 3 as the Group has not applied valuation techniques that are based on significant unobservable inputs.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair values of borrowings approximate their carrying amount (Note 27(c)).

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37. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Loans and receivables	**268,885**	302,639	**164,963**	215,464
Financial assets at fair value through profit or loss	**40**	25	**30**	25
Financial liabilities at fair value through profit or loss	**–**	12	**–**	–
Financial liabilities at amortised cost	**157,916**	159,320	**23,255**	71,081

38. RELATED PARTY TRANSACTIONS

In addition to other related party information included elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year:

(a) Sales and purchases of goods and services

Continuing operations – Branded Consumer business

	The Group	
	2014 US$'000	2013 US$'000
Revenue:		
Sales to related parties	**272**	535
Interest income from associated companies	**103**	107
Service income from associated companies	**1**	2
Service income from related parties	**67**	–
Expenditure:		
Purchases from associated companies	**16,536**	13,510
Purchases from related parties	**18,430**	20,311
Rental payable to associated companies	**76**	80
Rental payable to related parties	**35**	38
Professional fee payable to a related party	**706**	106
Directors' fees	**387**	343

Discontinued operations – Cocoa Ingredients business

	The Group	
	2014 US$'000	2013 US$'000
Revenue:		
Sales to related parties	**–**	17,323
Other income from a related party	**–**	542
Expenditure:		
Rental payable to an associated company	**–**	79

38. RELATED PARTY TRANSACTIONS (continued)

(a) Sales and purchases of goods and services (continued)

Related parties represent corporations in which certain directors have substantial financial interests. The related party transactions between the Group and related parties were conducted at arm's length and on normal commercial terms.

Outstanding balances at 31 December 2014, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 14, 17, 25 and 26.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Salaries and other short-term employee benefits	**6,071**	6,733
Termination benefits	**–**	579
Post employment benefits – contribution to CPF	**32**	35
	6,103	7,347

Included above is total compensation to directors of the Company amounting to US$2,546,000 (2013: US$2,714,000).

39. SEGMENT INFORMATION

Following the completion of disposal of the Cocoa Ingredients business on 30 June 2013 (Note 10), the Group focuses solely on its Branded Consumer business for its revenue and profit. For its Branded Consumer business, the Group engages in the manufacture and marketing of chocolate confectionery products under a variety of brands and distribution of a wide range of food and other consumer products, including agency brands.

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Executive Committee comprises the Executive Directors. The Executive Committee manages and monitors its Branded Consumer business based on its two geographical segments, namely Indonesia and Regional Markets (which comprise the Philippines, Malaysia and Singapore).

NOTES TO THE FINANCIAL STATEMENTS

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39. SEGMENT INFORMATION (continued)

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2014 is as follows:

	Indonesia US$'000	Regional Markets US$'000	Total US$'000
Sales:			
– Total segment sales	376,524	138,774	515,298
– Inter-segment sales	(11,253)	(68)	(11,321)
Sales to external parties	365,271	138,706	503,977
EBITDA	81,043	(175)	80,868
Interest income			1,650
Finance costs			(3,121)
Share of profit of associated companies			501
Income tax expense			(21,340)
Other segment information			
Depreciation and amortisation	6,763	1,046	7,809
Capital expenditure on property, plant and equipment	37,586	2,657	40,243
Sales are analysed as:			
– Own Brands	271,916	46,926	318,842
– Agency Brands	93,355	91,780	185,135
	365,271	138,706	503,977

39. SEGMENT INFORMATION (continued)

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2013 is as follows:

	Indonesia US$'000	Regional Markets US$'000	Total US$'000
Sales:			
– Total segment sales	379,972	139,468	519,440
– Inter-segment sales	(10,165)	(475)	(10,640)
Sales to external parties	369,807	138,993	508,800
EBITDA	91,702	(51)	91,651
Interest income			1,094
Finance costs			(1,651)
Share of loss of associated companies			(81)
Income tax expense			(23,514)
Other segment information			
Depreciation and amortisation	6,735	1,536	8,271
Capital expenditure on property, plant and equipment	31,054	997	32,051
Sales are analysed as:			
– Own Brands	277,279	41,712	318,991
– Agency Brands	92,528	97,281	189,809
	369,807	138,993	508,800

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Committee is measured in a manner consistent with that in the consolidated income statement.

(a) Reconciliation of segment profits

The Executive Committee assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("EBITDA") for its operations. This measurement basis excludes the effect of expenditure from the operating segments that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

39. SEGMENT INFORMATION (continued)

(a) Reconciliation of segment profits (continued)

A reconciliation of EBITDA to profit before tax and discontinued operations is set out below:

	The Group	
	2014 US$'000	2013 US$'000
EBITDA	**80,868**	91,651
Adjustments for:		
Interest expense (Note 6)	**(3,121)**	(1,651)
Interest income (Note 4)	**1,650**	1,094
Depreciation of property, plant and equipment (Note 21)	**(7,715)**	(8,171)
Amortisation of intangible assets (Note 22(c))	**(94)**	(100)
Exceptional items (Note 11)	**(1,517)**	–
Profit before tax and discontinued operations	**70,071**	82,823

(b) Geographical information

Sales are based on the country in which the customer is located. Non-current assets are shown by the country where the assets are located.

	Revenue		Non-current assets	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Indonesia	**365,248**	369,807	**104,909**	76,318
Regional Markets:				
– Philippines	**53,197**	46,644	**8,714**	6,917
– Malaysia	**67,151**	67,232	**625**	440
– Singapore	**14,167**	19,943	**8,000**	8,844
– Other countries	**4,214**	5,174	**–**	–
	503,977	508,800	**122,248**	92,519

40. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 23 January 2015, the Company has increased its investment in DMI, a wholly-owned subsidiary in the Philippines, by PHP 135 million (US$ 3.0 million) by subscribing for an additional 1.35 million ordinary shares with a par value of PHP 100 in the share capital of DMI. The consideration was paid in cash and funded through the Company's internal resources (Note 24).

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

- **FRS 103** *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that an obligation to pay contingent consideration which meet the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32 *Financial Instruments: Presentation*. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

  The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements joint arrangement itself.

  The Group will apply this amendment for business combinations taking place on/after 1 January 2015.

- **FRS 108** *Operating Segments* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This included a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

  The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 24** *Related Party Disclosures* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('management entity').

  The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- **Amendments to FRS 19 (R)** *Employee Benefits – Defined Benefit Plans: Employee Contributions* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies the accounting by entities with plans that require contributions linked only to service in each period.

  Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives. Management should consider how it will apply that model. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 115** *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

  This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces FRS 18 *Revenue* and FRS 11 *Construction contracts* and related interpretations.

  This standard is not expected to have any significant impact on the financial statements of the Group but will require more disclosures in the financial statements.

- **FRS 109** *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

  This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in FRS 39 that relates to the classification and measurement of financial instruments.

  This standard retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

  This standard is not expected to have any significant impact on the financial statements of the Group.

42. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Petra Foods Limited on 23 March 2015.

APPENDIX (SHAREHOLDERS' MANDATE)

This Appendix is circulated to Shareholders of Petra Foods Limited together with the Company's annual report. Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval to renew the Shareholders' Mandate to be tabled at the Annual General Meeting to be held on 28 April 2015 at 2:00 p.m at Grand Hyatt Singapore, 10 Scotts Road, Level 3, Residence 5, Singapore 228211.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed, in this Appendix.

PETRA FOODS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 198403096C

APPENDIX IN RELATION TO
THE PROPOSED RENEWAL OF
THE SHAREHOLDERS' MANDATE FOR
INTERESTED PERSON TRANSACTIONS

APPENDIX (SHAREHOLDERS' MANDATE)

DEFINITIONS

In this appendix (***Appendix***), the following definitions apply throughout unless otherwise stated:

AGM	:	The annual general meeting of the Company to be convened on 28 April 2015, notice of which is set out in the Annual Report 2014 despatched together with this Appendix;
Audit Committee	:	An audit committee of the Company comprising Mr Anthony Michael Dean (Chairman), Mr Pedro Mata-Bruckmann and Mr Koh Poh Tiong;
CDP	:	The Central Depository (Pte) Limited;
Company	:	Petra Foods Limited;
Companies Act	:	Companies Act, Chapter 50 of Singapore;
Directors	:	The directors of the Company as at the date of this Appendix;
Executive Directors	:	The executive directors as at the date of this Appendix, unless otherwise stated;
Group	:	The Company and its subsidiaries;
Independent Director(s)	:	The independent director(s) of the Company as at the date of this Appendix unless otherwise stated;
Interested Person	:	A director, chief executive officer or controlling shareholder of the Company or an associate of such director, chief executive officer or controlling shareholder;
Interested Person Transaction	:	A transaction proposed to be entered into between the Group and any Interested Person;
John Chuang	:	Chuang Tiong Choon also known as Ma Wei Lin
Joseph Chuang	:	Chuang Tiong Liep also known as Chit Ko Ko
Latest Practicable Date	:	The latest practicable date prior to the printing of this Appendix, being 17 March 2015;
Listing Manual	:	The listing manual of the SGX-ST;
Rp or Rupiah	:	Indonesian Rupiah;
Securities Account	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account;
SGX-ST	:	Singapore Exchange Securities Trading Limited;
Shareholders	:	Registered holders of Shares, except that where the registered holder is CDP, the term **Shareholders** shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares;
Shares	:	Ordinary shares in the capital of the Company;

APPENDIX (SHAREHOLDERS' MANDATE)

DEFINITIONS (continued)

Substantial Shareholder	:	A person who has an interest in Shares which is 5% or more of the total votes attached to all the voting ;
S$	:	Singapore dollars;
US$ and cents	:	United States dollars and cents, respectively;
William Chuang	:	Chuang Tiong Kie also known as Maung Lu Win; and
% or per cent.	:	Per centum or percentage.

The terms **Depositor** and **Depository Register** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

APPENDIX (SHAREHOLDERS' MANDATE)

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval at the AGM to renew the general mandate (***Shareholders' Mandate***) that will enable the Group to enter into transactions with the Interested Persons in compliance with Chapter 9 of the Listing Manual.

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries or associated companies propose to enter into with an interested person of the listed company. An **interested person** is defined as a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

Chapter 9 of the Listing Manual allows a listed company to seek a Shareholders' Mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's **interested persons**.

The Shareholders' Mandate was approved at the annual general meeting of the Company held on 29 April 2014 and will be effective until the next annual general meeting is held or required by law to be held, whichever is the earlier. Accordingly, the Directors propose that the general mandate be renewed at the AGM to be held on 28 April 2015, to take effect until the next annual general meeting of the Company.

General information relating to Chapter 9 of the Listing Manual, including the meanings of terms such as **interested person, associate, associated company** and **controlling shareholder,** are set out in the Annexure of this Appendix.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Classes of Interested Persons

The Shareholders' Mandate will apply to the Group's interested person transactions including PT Tri Keeson Utama, PT Fajar Mataram Sedayu, PT Freyabadi Indotama and PT Sederhana Djaja and each of their associates. Please refer to the section "Potential Conflicts of Interest" in the Company's prospectus dated 28 October 2004 for more details.

Transactions with Interested Persons which do not fall within the ambit of the proposed Shareholders' Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

2.2 Scope of Interested Person Transactions

The interested person transactions with the Interested Persons which will be covered by the Shareholders' Mandate are the following:-

(a) Transactions with PT Tri Keeson Utama

By virtue of their aggregate interest in 99.9% of the shareholding in PT Sederhana Djaja, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 100.0% of the issued share capital of PT Tri Keeson Utama held by PT Sederhana Djaja. Accordingly, transactions between the Group and PT Tri Keeson Utama are deemed to be interested person transactions.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(a) Transactions with PT Tri Keeson Utama (continued)

PT Tri Keeson Utama is principally engaged in the business of mixing and blending cocoa cakes and cocoa powder. The Company and/or its subsidiary, PT General Food Industries, has been selling cocoa products such as cocoa powder and cocoa cakes to PT Tri Keeson Utama. The value of the Company's sales to PT Tri Keeson Utama for the period from 1 January 2014 up to the Latest Practicable Date are as set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Value of sales to PT Tri Keeson Utama (US$'000)	–

These transactions were entered into on a willing buyer and willing seller basis. The provision of cocoa products to PT Tri Keeson Utama is a recurrent interested person transaction. However, the Company may continue to provide some products to PT Tri Keeson Utama.

Following the completion of the divestment of Cocoa Ingredients Division on 30 June 2013, sales of cocoa ingredients or products to PT Tri Keeson Utama has ceased.

(b) Transactions with PT Fajar Mataram Sedayu

By virtue of their indirect interest in 99.9% of the shareholding in PT Sederhana Djaja, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 51.0% of the issued share capital of PT Fajar Mataram Sedayu. The Company's Executive Officer, Mr Poritjo Susanto Widjaja, has an interest of 5.0% in PT Fajar Mataram Sedayu. The remaining shareholding interest in PT Fajar Mataram Sedayu is held by unrelated third parties. Accordingly, transactions between the Group and PT Fajar Mataram Sedayu are deemed to be interested person transactions.

PT Fajar Mataram Sedayu is principally engaged in the manufacture and sale of compound chocolate rice primarily for industrial use, as well as the manufacture and sale of consumer chocolate targeted at the lower segment of the Indonesian consumer chocolate market.

(i) Sale of materials by the Group to PT Fajar Mataram Sedayu

The Company's subsidiaries, PT Perusahaan Industri Ceres and PT General Food Industries, have been undertaking the sale of products such as cocoa liquor, cocoa butter and vegetable fats to PT Fajar Mataram Sedayu. The value of the Company's sales to PT Fajar Mataram Sedayu for the period from 1 January 2014 up to the Latest Practicable Date are as set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Value of sales to PT Fajar Mataram Sedayu (US$'000)	–

These transactions were entered into on a willing buyer and willing seller basis. The provision of products such as cocoa liquor, cocoa butter and vegetable fats to PT Fajar Mataram Sedayu is a recurrent interested person transaction. The Company intends to continue providing the Company's products to PT Fajar Mataram Sedayu.

Following the completion of the divestment of Cocoa Ingredients Division on 30 June 2013, sales of cocoa ingredients or products to PT Fajar Mataram Sedayu has ceased.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(b) Transactions with PT Fajar Mataram Sedayu (continued)

(ii) Purchase of goods from PT Fajar Mataram Sedayu

The Company's subsidiary, PT Nirwana Lestari, has been undertaking the purchase of products from PT Fajar Mataram Sedayu, for distribution in Bali, Indonesia. PT Nirwana Lestari intends to continue purchasing such products from PT Fajar Mataram Sedayu. The quantum of the Company's purchases from PT Fajar Mataram Sedayu for the period 1 January 2014 to the Latest Practicable Date are set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Value of purchases from PT Fajar Mataram Sedayu (US$'000)	**536**

(c) Transactions with PT Freyabadi Indotama

By virtue of their aggregate interest in 100.0% of the shareholding in Berlian Enterprises Limited, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 49.0% of the issued share capital of PT Freyabadi Indotama held in aggregate by McKeeson Investments Pte Ltd and PT Sederhana Djaja. Accordingly, transactions between the Group and PT Freyabadi Indotama are deemed to be interested person transactions.

PT Freyabadi Indotama is a joint venture entity, in which Fuji Oil Ltd, an unrelated third party, McKeeson Investments Pte Ltd and PT Sederhana Djaja own 51.0%, 30.0% and 19.0% of its issued share capital respectively. PT Freyabadi Indotama is principally engaged in the manufacture and sale of industrial chocolate.

(i) Sale of materials by the Group to PT Freyabadi Indotama

The Company's subsidiaries, PT Perusahaan Industri Ceres and PT General Food Industries have been undertaking the sale of products such as cocoa powder, cocoa butter, chocolate rice, cocoa liquor and other products to PT Freyabadi Indotama. The value of the Company's sales to PT Freyabadi Indotama for the period from 1 January 2014 up to the Latest Practicable Date are set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Revenue received from PT Freyabadi Indotama (US$'000)	**252**

These transactions were entered into on a willing buyer and willing seller basis. The provision of products such as cocoa powder, cocoa butter, chocolate rice, cocoa liquor and other products to PT Freyabadi Indotama is a recurrent interested person transaction. The Company intends to continue providing the Company's products to PT Freyabadi Indotama.

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(c) Transactions with PT Freyabadi Indotama (continued)

(ii) Purchase of products from PT Freyabadi Indotama

The Company's subsidiaries, PT Nirwana Lestari, PT Perusahaan Industri Ceres and associated company, PT Ceres Meiji Indotama, have been undertaking the purchase of chocolate coating and plastic packaging products from PT Freyabadi Indotama. The value of the Company's purchases from PT Freyabadi Indotama for the period from 1 January 2014 up to the Latest Practicable Date are as set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Purchases from PT Freyabadi Indotama (US$'000)	**20,765**

These transactions were entered into on a willing buyer and willing seller basis. The purchase of chocolate coating and plastic packaging products from PT Freyabadi Indotama is a recurrent interested person transaction. The Company intends to continue purchasing such products from PT Freyabadi Indotama.

(d) Transactions with PT Sederhana Djaja

By virtue of their aggregate interest in 100.0% of the shareholding in Berlian Enterprises Limited, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 99.9% of the issued share capital of PT Sederhana Djaja held by McKeeson Investments Pte Ltd. Accordingly, transactions between the Group and PT Sederhana Djaja are deemed to be interested person transactions.

PT Sederhana Djaja is an investment holding company. The Group has entered into various lease agreements with PT Sederhana Djaja in relation to the properties described below. Please refer to "Appendix B - Properties and Fixed Assets" in the Company's Prospectus dated 28 October 2004 for more details.

Name of property	**Land area (sq m)**	**Present annual rental (Rp)**	**US$**
Four Seasons Apartment Jakarta, Indonesia	200	420,000,000	35,398 [(1)]

Notes:

[(1)] The conversion of Indonesian Rupiah into US Dollars is based on the weighted average exchange rate of Rp11,865 per US Dollar as at the Latest Practicable Date.

The total annual rental paid by the Group to PT Sederhana Djaja for the period from 1 January 2014 up to the Latest Practicable Date are as set out below:-

	For the period from 1 January 2014 up to the Latest Practicable Date
Total annual rental paid to PT Sederhana Djaja (US$'000)	**35**

These transactions were entered into on a willing buyer and willing seller basis. The Company intends to continue with the lease of these properties from PT Sederhana Djaja.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.3 Rationale for and Benefits of the Shareholders' Mandate

Shareholders' Mandate

In the ordinary course of the Group's business activities, the Group and the Interested Persons may enter into transactions with each other from time to time. Further, it is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Interested Persons, especially since the transactions are to be entered into on normal commercial terms.

Due to the time-sensitive nature of commercial transactions, the Company is seeking Shareholders' approval pursuant to Chapter 9 of the Listing Manual for the renewal of the Shareholders' Mandate to enable the Group to enter into transactions with the Interested Persons, provided that such transactions are entered into in the Group's ordinary course of business, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Shareholders' Mandate is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the Group into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the convening of general meetings from time to time, and allow resources to be focused towards other corporate and business opportunities.

The Shareholders' Mandate will not cover any transactions between the Group and the Interested Persons which have a value below S$100,000 as the threshold and aggregation requirements under Chapter 9 of the Listing Manual do not apply to such transactions. In addition, the transactions will not include the purchase or sale of assets, undertakings or businesses that are not in the Group's ordinary course of business.

If approved at the AGM, the Shareholders' Mandate will take effect from the date of the passing of the resolution to be proposed at the AGM and will continue to be in force until the next annual general meeting. The Company will seek the approval of Shareholders for the renewal of the Shareholders' Mandate annually.

Pursuant to Rule 920(1)(a) of the Listing Manual, the Company is required to:-

(a) disclose the Shareholders' Mandate in the Company's annual report, giving details of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year under review, (in the form set out in Rule 907 of the Listing Manual); and

(b) announce the aggregate value of transactions conducted pursuant to the Shareholders' Mandate for the financial periods which it is required to report on within the time period required for the announcement of the financial results of the Group (in the form set out in Rule 907 of the Listing Manual).

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.4 Review Procedures for Interested Person Transactions

The Company has established the following guidelines and procedures to ensure that all Interested Person Transactions are made on the Company's normal commercial terms and are consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Person than those extended to unrelated third parties:-

(a) All Interested Person Transactions will be documented and submitted periodically to the Audit Committee for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company. In the event that a member of the Audit Committee is deemed to have an interest in an Interested Person Transaction, he will abstain from reviewing that particular transaction. The Audit Committee will include the review of Interested Person Transactions as part of the standard procedures during the Audit Committee's examination of the adequacy of the Group's internal controls.

(b) In respect of any purchase of products or procurement of services from Interested Persons, quotes received from at least two unrelated third parties in respect of the same or substantially the same types of transactions are to be used as a comparison wherever possible. The Audit Committee will review these comparables, taking into account pertinent factors, including but not limited to:

(i) whether the pricing is in accordance with the Company's usual business practice and policies;

(ii) quality of the products offered;

(iii) delivery time;

(iv) track record; and

(v) whether the terms are no more favourable to the Interested Persons than those extended by unrelated third parties.

In cases where it is not possible to obtain comparables from other unrelated third parties, the Company may enter into the transaction with the Interested Person provided that the price and terms received from the Interested Person are no less favourable than those extended by the Interested Person to the unrelated third parties, taking into account all pertinent factors including, but not limited to business practices, industry norms, volume, quality, delivery time and track record.

(c) In respect of any sale of products to Interested Persons, the Audit Committee will review the terms of the sale to ensure that they are not prejudicial to the interest of the Shareholders, taking into account pertinent factors, including but not limited to whether transactions with Interested Persons have been carried out at the prevailing market rates or prices on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties.

Where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Company may enter into the transaction with the Interested Person provided that the pricing policies are consistent with the usual margin obtained by the Group for the same or substantially similar type of transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications and duration of contract will be taken into account.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.4 Review Procedures for Interested Person Transactions (continued)

The Group will implement the following procedures for the identification of interested persons and the recording of all the Company's interested person transactions:

(a) At or about the fifteenth day of each month, the heads of the various departments are required to submit details of all Interested Person Transactions entered into during the previous month to the Chief Financial Officer, such as the actual value of the transactions. A "nil" return is expected if there are no Interested Person Transactions for the month;

(b) the Chief Financial Officer will maintain a register of interested person transactions carried out with Interested Persons; and

(c) following the review of the list by the Chief Financial Officer, the list will be submitted to the Company's Chief Executive Officer for approval prior to the submission to the Audit Committee for review and approval.

The Directors will ensure that all disclosure requirements on the Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. In addition, such transactions will be subject to Shareholders' approval if required by the Listing Manual. The Company will disclose in its Annual Report the aggregate value of the Interested Person Transactions conducted during the financial year.

The Company will maintain a register of transactions carried out with the Interested Persons pursuant to the Shareholders' Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the Shareholders' Mandate.

The Audit Committee shall review these internal audit reports on the Interested Person Transactions annually to ascertain that the established review procedures to monitor the Interested Person Transactions have been complied with.

If, during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be conducted at arm's length, on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX (SHAREHOLDERS' MANDATE)

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the substantial Shareholders in Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Substantial Shareholders				
Lim Mee Len	270,000	0.04	311,557,000 (1)	50.98
John Chuang	–	–	312,211,000 (2)	51.08
Credit Suisse Trust Limited (***CST***)	–	–	311,407,000 (3)	50.95
Johnsonville Assets Limited (***JAL***)	–	–	311,407,000 (4)	50.95
Johnsonville Holdings Limited (***JHL***)	–	–	311,407,000 (5)	50.95
Aerodrome International Limited (***Aerodrome***)	–	–	311,407,000 (6)	50.95
Joseph Chuang	50,000	0.01	308,761,000 (7)	50.52
Maplegold Assets Limited (***Maplegold***)	–	–	308,741,000 (8)	50.52
Berlian Enterprises Limited (***Berlian***)	–	–	308,741,000 (9)	50.52
Springbright Investments Limited (***Springbright***)	–	–	291,964,000 (10)	47.77
Tiger Global Management, LLC (***TGM***)	–	–	39,100,000 (11)	6.40
Charles P. Coleman III (***CPC***)	–	–	39,100,000 (11)	6.40
Aberdeen Asset Management Asia Limited (***AAMAL***)	–	–	54,064,000 (12)	8.85
Aberdeen Asset Management PLC (***AAMP***)	–	–	54,762,000 (12)	8.96
Aberdeen International Fund Managers Limited (***AIFML***)			36,545,000 (12)	5.98
Directors				
Pedro Mata-Bruckmann	–	–	177,000 (13)	0.03
John Chuang	–	–	312,211,000 (2)	51.08
Joseph Chuang	50,000	0.01	308,761,000 (7)	50.52
William Chuang	110,000	0.02	–	–
Anthony Michael Dean	–	–	50,000 (13)	0.01
Davinder Singh	100,000	0.02	–	–
Josephine Price	55,000	0.01	264,000 (13)	0.04

Notes:

1. Mdm Lim Mee Len (wife of Mr John Chuang) is deemed to be interested in the Shares held (directly and indirectly) by Aerodrome, Berlian, Springbright, McKeeson Investments Pte Ltd (***McKeeson***) and Honeychurch International Limited (***Honeychurch***). Mdm Lim's interests arise as she is the beneficiary of the Johnsonville Asset Trust (***JAT***) and Johnsonville Holdings Trust (***JHT***) of which CST has been appointed as the trustee. CST owns 100% of JAL and JHL, which in turns own (70%) and (30%) of the issued and paid-up share capital of Aerodrome. Accordingly, she is deemed to be interested in all the shares held indirectly by Aerodrome and Honeychurch.
2. Mr John Chuang is deemed to be interested in all the shares held (directly and indirectly) by his wife, Mdm Lim Mee Len, including his shares which are held by his nominees, United Overseas Bank Nominees Pte Ltd and DBS Nominees Pte Ltd. He is also one of the beneficiaries of JHL.
3. CST is a Singapore registered public trust company and deemed interest arises from its 100% shareholding in JAL and JHL. Accordingly, CST is deemed to be interested in all the shares held indirectly by Aerodrome.
4. JAL has a 70% shareholding in Aerodrome. Accordingly, JAL is deemed to be interested in all the shares held indirectly by Aerodrome.
5. JHL has a 30% shareholding in Aerodrome. Accordingly, JHL is deemed to be interested in all the shares held indirectly by Aerodrome.
6. Aerodrome is the holding company of Berlian. Accordingly, Aerodrome is deemed to be interested in all the shares held indirectly by Berlian.
7. Mr Joseph Chuang is the sole shareholder of Maplegold. Accordingly, he is deemed to be interested in all the shares held indirectly by Maplegold, including his shares which are held by his nominee, Citibank Nominees Singapore Private Limited.
8. Maplegold has a 30% shareholding in Berlian. Accordingly, Maplegold is deemed to be interested in all the shares held indirectly by Berlian.
9. Berlian is the sole shareholder of McKeeson and Springbright. Accordingly, Berlian is deemed to be interested in all the shares held (directly and indirectly) by McKeeson and Springbright. In addition, Berlian's shares in the Company are held by its nominee, Citibank Nominees Singapore Private Limited.
10. Springbright's shares in the Company are held by its nominee, HSBC (Singapore) Nominees Pte Ltd.
11. TGM and CPC are deemed to be interested in the shares held by Tiger Global, L.P., Tiger Global Master Fund, L.P. and Tiger Global II SPV II, Ltd.
12. AAMAL, AAMP and AIFML are deemed to be interested in the shares held by their various custodians.
13. Mr Pedro Mata-Bruckmann, Mr Anthony Michael Dean and Ms Josephine Price hold shares in the Company through their nominees, Merrill Lynch (Singapore) Pte Ltd, DBS Nominees Pte Ltd and Credit Suisse AG, Singapore Branch respectively.

APPENDIX (SHAREHOLDERS' MANDATE)

4. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the Shareholders' Mandate subject to the renewal. Having considered, inter alia, the scope, the guidelines on review procedures, the rationale and the benefits of the Shareholders' Mandate, the Audit Committee confirms that (a) the review procedures for determining the prices of Interested Person Transactions have not changed since approval for the Shareholders' Mandate was last given; and (b) the review procedures set out in paragraph 2.4 of this Appendix are sufficient to ensure that the Interested Person Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures.

5. DIRECTORS' RECOMMENDATIONS

The Independent Directors are of the opinion that the entry into of the Interested Person Transactions by the Group in the ordinary course of its business will enhance the efficiency of the Group and is in the best interests of the Company. For the reasons set out in paragraph 2.3 of this Appendix, the Independent Directors recommend that Shareholders vote in favour of Resolution 12, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2014 of the Company, will be held on 28 April 2015 at Grand Hyatt Singapore, 10 Scotts Road, Level 3, Residence 5, Singapore 228211 at 2:00 p.m for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Shareholders' Mandate at the AGM as set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company at 111 Somerset Road, #08-05 TripleOne Somerset, Singapore 238164, not later than 48 hours before the time fixed for the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

8. INSPECTION OF DOCUMENTS

Copies of the audited financial statements of the Company for the last two financial years ended 31 December 2013 and 2014 are available for inspection at the registered office of the Company at 111 Somerset Road, #08-05, TripleOne Somerset Singapore 238164, during normal business hours from the date of this Appendix up to the date of the AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Appendix are fair and accurate and that there are no material facts the omission of which would make any statement in this Appendix misleading.

ANNEXURE

General Information Relating To Chapter 9 Of The Listing Manual

SCOPE

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries (which are not listed on the SGX-ST or an approved stock exchange) or associated companies (which are not listed on the SGX-ST or an approved stock exchange, provided that the listed group, or the listed group and its interested person(s) has control over) proposes to enter into with a counter-party which is an interested person of the listed company.

DEFINITIONS

An **interested person** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An **associate** includes an immediate family member (that is, the spouse, child, adopted child, stepchild, sibling or parent) of such director, chief executive officer or controlling shareholder, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more.

An **associated company** means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

A **controlling shareholder** means a person who holds (directly or indirectly) 15% or more of the nominal amount of all voting shares in the listed company or one who in fact exercises control over the listed company.

GENERAL REQUIREMENTS

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

(a) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the listed company is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company; or

(b) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company.

Immediate announcement of a transaction is required where:

(a) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the listed company is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company; or

(b) the value of such transaction is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company.

GENERAL MANDATE

A listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL

(a) Corporate information

Company Secretaries

Chuang Yok Hoa, ACIS
Madelyn Kwang Yeit Lam, ACIS (appointed on 21 January 2015)

Registered Office

111 Somerset Road #08-05
TripleOne Somerset
Singapore 238164
Tel: (65) 6477 5600 Fax: (65) 6887 5181
Email address: enquiry@petrafoods.com

Registrar and Share Transfer Office

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Auditors

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424
Deborah Ong
Partner-in-charge (effective for the financial year ended 31 December 2014)

(b) Material contracts

Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie, who are the Company's executive directors, are deemed to have an aggregate interest of 49.0% in the issued share capital of PT Freyabadi Indotama ("Freyabadi") held in aggregate by McKeeson Investments Pte Ltd and PT Sederhana Djaja by virtue of their aggregate interest in 100% of the shareholding in Berlian Enterprises. Chuang Tiong Kie is also the President Director of Freyabadi.

By virtue of their aggregate interest in 99.9% of the shareholding in PT Sederhana Djaja, Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie who are the Company's executive directors, are deemed to be interested in 100% of the issued share capital of PT Tri Keeson Utama ("TKU") held by PT Sederhana Djaja.

(i) Call Option Agreement

On 22 September 2004, the Company entered into a call option agreement with PT Sederhana Djaja and McKeeson Investments Pte Ltd (collectively, the "Grantors") pursuant to which the Grantors granted to the Company the right to require the Grantors to sell to the Company ordinary shares, representing 49%, 100% and 51% of the issued and paid-up share capital of Freyabadi, TKU and PT Fajar Mataram Sedayu ("FMS") respectively.

(ii) Deed of Undertaking

On 22 September 2004, each of Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie (the "Covenantors") entered into a deed of undertaking with the Company to undertake and agree to dispose of their respective shareholding interests in Freyabadi, TKU and FMS in the event that the Audit Committee determines that a potential conflict of interest may arise between the Group, Freyabadi and TKU and between the Group and FMS; and the Group's acquisition of each Covenantor's shareholding interests in Freyabadi, TKU and FMS is not in the Group's commercial interest.

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(c) (i) **Directors' remuneration**

A breakdown showing the level and mix of each executive director's remuneration (including salary, bonus, directors' fees and benefits-in-kind) paid and payable for financial years 2013 and 2014 are as follows:

	2014			
	Basic Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Total (%)
S$1,750,000 to S$1,999,999				
– Chuang Tiong Choon	**51**	**41**	**8**	**100**
S$500,000 to S$749,999				
– Chuang Tiong Liep	**79**	**13**	**8**	**100**
S$250,000 to S$499,999				
– Chuang Tiong Kie	**82**	**10**	**8**	**100**

	2013			
	Basic Salary (%)	Variable or Bonuses (%)	Benefits In kind (%)	Total (%)
S$1,500,000 to S$1,749,999				
– Chuang Tiong Choon	49	42	9	100
S$750,000 to S$999,999				
– Chuang Tiong Liep	62	32	6	100
S$500,000 to S$749,999				
– Chuang Tiong Kie	63	22	15	100

The remuneration of its non-executive directors for financial years 2013 and 2014 are as follows:

	FY2014 S$	FY2013 S$	Fee (%)	Total (%)
Pedro Mata-Bruckmann	**137,144**	133,047	100	100
Anthony Michael Dean	**124,124**	103,179	100	100
Davinder Singh	**59,024**	71,247	100	100
Josephine Price	**76,321**	69,239	100	100
Koh Poh Tiong	**84,444**	50,292	100	100
Total	**481,057**	427,004		

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(c) (ii) **Executive Officers' remuneration**

	2014				
	Basic Salary (%)	Variable or Bonuses (%)	Benefits in kind (%)	Others [1] (%)	Total (%)
S$500,000 to S$749,999					
Lim Seok Bee	**63**	**27**	**10**	**–**	**100**
Nancy Florencia	**56**	**44**	**–**	**–**	**100**
Francis Benedict Ryan [4]	**73**	**11**	**16**	**–**	**100**
Amos Moses Yang	**50**	**12**	**38**	**–**	**100**
Chris Oo Hoe Hee	**65**	**25**	**10**	**–**	**100**
S$250,000 to S$499,999					
Ferry Haryanto	**66**	**34**	**–**	**–**	**100**
Ridwan C. Kidjo	**56**	**43**	**–**	**–**	**100**
Soh Buck Leng David [5]	**72**	**18**	**10**	**–**	**100**
Below S$250,000					
Lim Hock Thye [6]	**81**	**–**	**19**	**–**	**100**

	2013				
	Basic Salary (%)	Variable or Bonuses (%)	Benefits in kind (%)	Others [1] (%)	Total (%)
S$750,000 to S$999,999					
Lim Seok Bee	55	36	9	–	100
Chin Koon Yew [2]	47	17	7	29	100
S$500,000 to S$749,999					
Ee Kim Seng[3]	40	3	9	48	100
Nancy Florencia	56	43	1	–	100
Francis Benedict Ryan [4]	68	18	14	–	100
Amos Moses Yang	59	–	41	–	100
S$250,000 to S$499,999					
Ferry Haryanto	65	34	1	–	100
Chris Oo Hoe Hee	77	11	12	–	100
Ridwan C. Kidjo	56	43	1	–	100
Ng Sin Heng [3]	41	3	4	52	100
Below S$250,000					
Soh Buck Leng David [5]	93	–	7	–	100

Notes:

(1) Others include ex-gratia or retirement payment.

(2) Chin Koon Yew retired and ceased as Chief Financial Officer on 30 September 2013.

(3) Ee Kim Seng and Ng Sin Heng ceased to be Executive Officers of the Company on 30 June 2013 after the Group divested its Cocoa Ingredients business.

(4) Francis Benedict Ryan is appointed as Chief Financial Officer on 14 August 2013.

(5) Soh Buck Leng David is appointed as Director, Operations, Projects and Engineering of the Company on 14 August 2013.

(6) Lim Hock Thye is appointed as Regional General Manager of a subsidiary in Indonesia on 7 May 2014.

* The total remuneration paid to the top five key officers was US$2,482,000 (2013: US$2,411,000).

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(c) (iii) **Remuneration of employees who are immediate family members of a director or the CEO and whose salary exceeds S$50,000 per year are as follows:**

S$150,000 to S$199,999		
David Chuang Koong Wey	Business Development Manager	Son of Mr Chuang Tiong Choon
S$50,001 to S$99,999		
Chuang Yok Hoa	Company Secretary	Sister of Mr Chuang Tiong Choon
Chuang Koong Yi	Project Executive	Son of Mr Chuang Tiong Liep

(d) **Properties of the Group**

Held by	Location	Land Area (sq m)	Tenure	Existing use
	Leasehold Land and Buildings			
PT Perusahaan Industri Ceres	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 92 Regency: Bandung, Province: West Java Indonesia	4,378	30 years from February 2003	Chocolate factory, warehouse, office
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 92 Regency: Bandung, Province: West Java Indonesia	24,185	30 years from September 2004	Chocolate factory, warehouse, office
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 88 Regency: Bandung, Province: West Java Indonesia	3,840	30 years from November 2008	Raw material warehouse
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 94 Regency: Bandung, Province: West Java Indonesia	14,610	30 years from March 2009	Chocolate factory, warehouse, office
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 86 Regency: Bandung, Province: West Java Indonesia	15,750	30 years from March 2009	For future expansion
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 90 Regency: Bandung, Province: West Java Indonesia	9,900	30 years from March 2009	For future expansion

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(d) Properties of the Group (continued)

Held by	Location	Land Area (sq m)	Tenure	Existing use
	Leasehold Land and Buildings			
PT Perusahaan Industri Ceres	Desa Wanakerta, Kecamatan Telukjambe Barat, Kabupaten Karawang	277,714	Registration in progress	For future expansion
PT Nirwana Lestari	Village: Bojong Menteng Sub District: East Bekasi, Jln Raya Narogong, Km 7 Regency: Bekasi Province: West Java Indonesia	19,450	20 years from December 2008	Office, warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188	1,515	17 years from May 2005	Warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188 (Agreement No. 108)	1,260	20 years from September 2011	Office, warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188 (Agreement No. 15)	2,800	20 years from September 2011	Office, warehouse
Cocoa Specialities Inc.	Barrio Guyong, Sta. Maria, Bulacan	7,306	50 years from June 2000	Warehouse
Delfi Foods, Inc.	Barangay Parang, Marikina City, Metro Manila, Philippines	25,296	Freehold	Factory, warehouse and office building

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(e) Interested person transactions and conflicts of interest (“IPT”)

Pursuant to Rule 920(2) of the Listing Manual, the Company has obtained a Shareholders’ Mandate for it to enter into certain categories of interested person transactions with PT Tri Keeson Utama, PT Fajar Mataram Sedayu, PT Freyabadi Indotama and PT Sederhana Djaja and each of their associates. Transactions with interested persons which do not fall within the Shareholders’ Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual of the SGX-ST.

As at 31 December 2014, the total IPT of US$21.6 million was recorded, as shown below.

	[1] Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders’ mandate pursuant to Rule 920) 2014 US$’000	[1] Aggregate value of all interested person transactions conducted under a shareholders’ mandate pursuant to Rule 920 2014 US$’000
PT Freyabadi Indotama		
– Sales of goods	–	252
– Purchase of products	–	20,765
	–	21,017
PT Fajar Mataram Sedayu		
– Sales of goods	–	–
– Purchase of goods	–	536
	–	536
PT Sederhana Djaja		
– Lease of properties	–	35
	–	21,588

Note:

[1] Includes transactions less than S$100,000

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

for the financial year ended 31 December 2014

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(f) Auditors' fees

	The Group	
	2014 US$'000	2013 US$'000
Fees on audit services paid/payable to the auditors*	**343**	821
Fees on non-audit services paid/payable to the auditors*	**165**	235
	508	1,056

* Includes the network of member firms of PricewaterhouseCoopers International Limited (PwCIL)

(g) Appointment of auditors

The Group has complied with Rules 712 and Rule 715 or 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditor.

(h) Compliance with Rule 716 of the Listing Rules of SGX-ST

Both Audit Committee and Board are satisfied that the appointment of different auditors of its subsidiaries would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company is in compliance with Rule 716 of the Listing Rules of the SGX-ST.

(i) Review of the provision of non-audit services by the auditors

The Audit Committee has undertaken a review of non-audit services provided by the auditor, and in the opinion of the Audit Committee, the provision of these non-audit services would not affect their independence.

(j) Internal controls

Please refer to information disclosed in the Corporate Governance Report.

SHAREHOLDINGS STATISTICS

as at 17 March 2015

Total number of ordinary shares	: 611,157,000
Total number of voting shares	: 611,157,000
Total issued and paid-up capital	: S$247,805,757.00
Total number of treasury shares held	: Nil
Class of shares	: Ordinary shares
Voting rights	: 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	15	4.30	157	0.00
100 – 1,000	70	20.06	62,259	0.01
1,001 – 10,000	169	48.42	754,528	0.12
10,001 – 1,000,000	81	23.21	4,610,310	0.76
1,000,001 and above	14	4.01	605,729,746	99.11
	349	100.00	611,157,000	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	HSBC (Singapore) Nominees Pte Ltd	321,834,450	52.66
2	Citibank Nominees Singapore Pte Ltd	109,154,311	17.86
3	Raffles Nominees (Pte) Ltd	50,760,300	8.31
4	BNP Paribas Securities Services	35,884,606	5.87
5	DBS Nominees Pte Ltd	35,189,368	5.76
6	DBSN Services Pte Ltd	22,285,400	3.65
7	Morgan Stanley Asia (S) Securities Pte Ltd	8,319,000	1.36
8	Mckeeson Investments Pte Ltd	6,000,000	0.98
9	Merrill Lynch (S) Pte Ltd	5,032,611	0.82
10	Kie Saw Sim	3,604,000	0.59
11	UOB Kay Hian Pte Ltd	3,000,000	0.49
12	United Overseas Bank Nominees Pte Ltd	1,688,700	0.28
13	Chuang Yok Hoa	1,625,000	0.27
14	Chuang Mying Hwa	1,352,000	0.22
15	DBS Vickers Securities (S) Pte Ltd	390,000	0.06
16	Nancy Florencia Tjie	318,000	0.05
17	Lim Mee Len	270,000	0.04
18	DB Nominees (S) Pte Ltd	268,992	0.04
19	Ang Lily	173,000	0.03
20	Herawan Sutisna	167,100	0.03
		607,316,838	99.37

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 17 March 2015, approximately 32.34% of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Therefore the Company has complied with Rule 723 of the Listing Manual.

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

SUBSTANTIAL SHAREHOLDERS' INTERESTS

as at 17 March 2015 (As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Substantial Shareholders				
Lim Mee Len	270,000	0.04	311,557,000 [1]	50.98
John Chuang	–	–	312,211,000 [2]	51.08
Credit Suisse Trust Limited (***CST***)	–	–	311,407,000 [3]	50.95
Johnsonville Assets Limited (***JAL***)	–	–	311,407,000 [4]	50.95
Johnsonville Holdings Limited (***JHL***)	–	–	311,407,000 [5]	50.95
Aerodrome International Limited (***Aerodrome***)	–	–	311,407,000 [6]	50.95
Joseph Chuang	50,000	0.01	308,761,000 [7]	50.52
Maplegold Assets Limited (***Maplegold***)	–	–	308,741,000 [8]	50.52
Berlian Enterprises Limited (***Berlian***)	–	–	308,741,000 [9]	50.52
Springbright Investments Limited (***Springbright***)	–	–	291,964,000 [10]	47.77
Tiger Global Management, LLC (***TGM***)	–	–	39,100,000 [11]	6.40
Charles P. Coleman III (***CPC***)	–	–	39,100,000 [11]	6.40
Aberdeen Asset Management Asia Limited (***AAMAL***)	–	–	54,064,000 [12]	8.85
Aberdeen Asset Management PLC (***AAMP***)	–	–	54,762,000 [12]	8.96
Aberdeen International Fund Managers Limited (***AIFML***)			36,545,000 [12]	5.98

Notes:

1. Mdm Lim Mee Len (wife of Mr John Chuang) is deemed to be interested in the Shares held (directly and indirectly) by Aerodrome, Berlian, Springbright, McKeeson Investments Pte Ltd (***McKeeson***) and Honeychurch International Limited (***Honeychurch***). Mdm Lim's interests arise as she is the beneficiary of the Johnsonville Asset Trust (***JAT***) and Johnsonville Holdings Trust (***JHT***) of which CST has been appointed as the trustee. CST owns 100% of JAL and JHL, which in turn own (70%) and (30%) of the issued and paid-up share capital of Aerodrome. Accordingly, she is deemed to be interested in all the shares held indirectly by Aerodrome and Honeychurch.
2. Mr John Chuang is deemed to be interested in all the shares held (directly and indirectly) by his wife, Mdm Lim Mee Len, including his shares which are held by his nominees, United Overseas Bank Nominees Pte Ltd and DBS Nominees Pte Ltd. He is also one of the beneficiaries of JHL.
3. CST is a Singapore registered public trust company and deemed interest arises from its 100% shareholding in JAL and JHL. Accordingly, CST is deemed to be interested in all the shares held indirectly by Aerodrome.
4. JAL has a 70% shareholding in Aerodrome. Accordingly, JAL is deemed to be interested in all the shares held indirectly by Aerodrome.
5. JHL has a 30% shareholding in Aerodrome. Accordingly, JHL is deemed to be interested in all the shares held indirectly by Aerodrome.
6. Aerodrome is the holding company of Berlian. Accordingly, Aerodrome is deemed to be interested in all the shares held indirectly by Berlian.
7. Mr Joseph Chuang is the sole shareholder of Maplegold. Accordingly, he is deemed to be interested in all the shares held indirectly by Maplegold, including his shares which are held by his nominee, Citibank Nominees Singapore Private Limited.
8. Maplegold has a 30% shareholding in Berlian. Accordingly, Maplegold is deemed to be interested in all the shares held indirectly by Berlian.
9. Berlian is the sole shareholder of McKeeson and Springbright. Accordingly, Berlian is deemed to be interested in all the shares held (directly and indirectly) by McKeeson and Springbright. In addition, Berlian's shares in the Company are held by its nominee, Citibank Nominees Singapore Private Limited.
10. Springbright's shares in the Company are held by its nominee, HSBC (Singapore) Nominees Pte Ltd.
11. TGM and CPC are deemed to be interested in the shares held by Tiger Global, L.P., Tiger Global Master Fund, L.P. and Tiger Global II SPV II, Ltd.
12. AAMAL, AAMP and AIFML are deemed to be interested in the shares held by their various custodians.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **PETRA FOODS LIMITED** (***Company***) will be held at Grand Hyatt Singapore, 10 Scotts Road, Level 3, Residence 5, Singapore 228211 on Tuesday, 28 April 2015 at 2:00 p.m. for the following purposes:-

A. As Ordinary Business

1. To receive and adopt the directors' report and audited accounts for the year ended 31 December 2014, together with the auditors' report thereon. **(Resolution 1)**

2. To re-elect Mr Davinder Singh as a director, who will be retiring by rotation under article 104 of the Company's Articles of Association. **(Resolution 2)**
(See explanatory notes)

3. To re-elect Mr Anthony Michael Dean as a director, who will be retiring by rotation under article 104 of the Company's Articles of Association. **(Resolution 3)**
(See explanatory notes)

4. To re-elect Mr Koh Poh Tiong as a director, who will be retiring by rotation under article 104 of the Company's Articles of Association. **(Resolution 4)**
(See explanatory notes)

5. To re-appoint Mr Pedro Mata-Bruckmann as a director of the Company under section 153(6) of the Companies Act, Chapter 50, to hold such office until the next annual general meeting of the Company. **(Resolution 5)**
(See explanatory notes)

6. To approve directors' fees of US$406,300 payable by the Company for the financial year ending 31 December 2015 (2014: US$386,500). **(Resolution 6)**

7. To declare a final tax exempt one-tier dividend of 1.92 US cents or 2.58 Singapore cents per ordinary share for the financial year ended 31 December 2014 (FYE 2013: 1.64 US cents or 2.06 Singapore cents). **(Resolution 7)**

8. To declare a special tax exempt one-tier dividend of 1.64 US cents or 2.19 Singapore cents per ordinary share for the financial year ended 31 December 2014. **(Resolution 8)**

9. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company for the financial year ending 31 December 2015 and to authorise the directors to fix their remuneration. **(Resolution 9)**

B. To Transact Any Other Ordinary Business That May Properly Be Transacted At An Annual General Meeting.

C. As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:-

10. **Share Issue Mandate** **(Resolution 10)**

That, under section 161 of the Companies Act, Chapter 50 (***Act***) and the Listing Manual of the Singapore Exchange Securities Trading Limited (***SGX-ST***), authority be given to the directors of the Company to:-

(a) (i) issue shares in the Company (***Shares***) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, ***Instruments***) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares under any Instrument made or granted by the directors while this Resolution was in force,

provided that:-

(1) the aggregate number of Shares to be issued under this Resolution (including Shares to be issued under the Instruments, made or granted under this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares under the Instruments made or granted under this Resolution) does not exceed 20 per cent of the Company's total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares excluding treasury shares, if any, at the time of the passing of this Resolution, after adjusting for:-

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

11. **Authority to allot and issue new ordinary shares under the Petra Foods Limited Scrip Dividend Scheme (Resolution 11)**

    That under section 161 of the Act, authority be given to the directors to allot and issue from time to time such number of new ordinary shares in the capital of the Company as may be required to be allotted and issued under the Petra Foods Limited Scrip Dividend Scheme.

12. **The Proposed Renewal of the Mandate for Interested Person Transactions (Resolution 12)**

    That:-

    (a) approval be given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and its associated companies which are entities at risk as defined in Chapter 9 of the Listing Manual of the SGX-ST, or any of them, to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in the Annual Report of the Company for the financial year ended 31 December 2014 (***Appendix***) with any person who falls within the class of interested persons described in the Appendix, provided that such transactions are made at arm's length and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and will be subject to the review procedures for interested person transactions as set out in the Appendix;

    (b) the approval given in sub-paragraph (a) above (***IPT Mandate***) shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

    (c) the directors of the Company be authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By Order of the Board of Directors

Chuang Yok Hoa / Madelyn Kwang Yeit Lam
Company Secretaries

Singapore, 9 April 2015

Notes:

(1) A member of the Company entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote on his behalf.

(2) If a member is a corporation providing nominee or custodial services to shareholders of the Company, such member may, to the extent permitted by law, appoint any number of proxies to attend and vote at the above meeting notwithstanding that such number exceeds two.

(3) A proxy need not be a member of the Company and where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.

(4) The instrument appointing a proxy must be deposited at the registered office of the Company at 111 Somerset Road, #08-05, TripleOne Somerset, Singapore 238164, not less than 48 hours before the time appointed for holding the meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES & STATEMENT UNDER ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION

Resolution 2:
If re-elected, Mr Davinder Singh, a non-executive director, shall remain as a member of the Nominating Committee and Remuneration Committee of the Company.

Resolution 3:
If re-elected, Mr Anthony Michael Dean, an independent director, shall remain as Chairman of the Audit Committee and Risk Management Committee of the Company.

Resolution 4:
If re-elected, Mr Koh Poh Tiong, an independent director, shall remain as Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Risk Management Committee of the Company.

Resolution 5:
If re-appointed, Mr Pedro Mata-Bruckmann, an independent director, shall remain as Chairman of the Board and a member of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee of the Company.

Resolution 10:
The proposed Resolution 10, if passed, will empower the directors, from the date of the Annual General Meeting until the next annual general meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50 per cent of the total number of issued Shares excluding treasury shares, with a sub-limit of 20 per cent for Shares issued other than on a pro rata basis to Shareholders.

Resolution 11:
The proposed Resolution 11, if passed, will empower the directors to allot and issue shares in the Company under the Petra Foods Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Resolution 12:
The proposed Resolution 12, if passed, will renew the IPT Mandate (which was last renewed at the annual general meeting of the Company held on 29 April 2014) to facilitate the Company, its subsidiaries and associated companies which are entities at risk as defined in Chapter 9 of the Listing Manual of the SGX-ST, to enter into Interested Persons Transactions, the details of which are set out in the Annual Report. The authority under the renewed IPT Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held, whichever is the earlier.

Personal Data Privacy

By submitting an instrument appointing a proxy and/or representative to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives relating to the Annual General Meeting (including any adjournment thereof); and

(ii) warrants that where the member discloses the personal data of the member's proxy and/or representative to the Company (or its agents), the member has obtained all necessary consents to do so, and that the Company (or its agents) may collect, use and disclose such personal data for the purposes above.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE AND PAYMENT DATE FOR FINAL DIVIDEND AND SPECIAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval by the shareholders of the final dividend and special dividend at the Company's annual general meeting to be held on 28 April 2015, the Transfer Books and the Register of Members of the Company will be closed at 5:00 p.m. on 8 May 2015 (***Books Closure Date***) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 up to 5:00 p.m. on the Books Closure Date will be registered to determine shareholders' entitlements to the final dividend and special dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (***CDP***), the final dividend and special dividend will be paid by the Company to CDP which will, in turn, distribute the final dividend and special dividend entitlements to the CDP account holders in accordance with its normal practice.

The final dividend and special dividend, if so approved by shareholders, will be paid on 19 May 2015.

By Order of the Board of Directors

Chuang Yok Hoa / Madelyn Kwang Yeit Lam
Company Secretaries

Singapore, 9 April 2015

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PETRA FOODS LIMITED

Registration No. 198403096C
(Incorporated In the Republic of Singapore)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting and vote, must submit their voting instructions to their CPF Approved Nominees so that their CPF Approved Nominees may register, within the specified time frame, with the Company.

I/We ______________________________ (NRIC / Passport No.) ______________________________

of ____ (Address)

being a member/members of Petra Foods Limited (***Company***), hereby appoint:-

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
And/or (delete as appropriate)			

or failing whom, Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the annual general meeting of the Company (***AGM***) to be held at Grand Hyatt Singapore, 10 Scotts Road, Level 3, Residence 5, Singapore 228211 on Tuesday, 28 April 2015 at 2:00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the AGM and at any adjournment thereof.

(If you wish to exercise all your votes "For" or "Against", please tick with " ✓ " within the box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution.)

No.	Resolutions	For	Against
	Ordinary Business		
1.	To adopt Directors' Report and Audited Accounts for the year ended 31 December 2014.		
2.	To re-elect Mr Davinder Singh as a Director.		
3.	To re-elect Mr Anthony Michael Dean as a Director.		
4.	To re-elect Mr Koh Poh Tiong as a Director.		
5.	To re-appoint Mr Pedro Mata-Bruckmann as a director under Section 153(6) of the Companies Act, Chapter 50.		
6.	To approve Directors' fees for the year ending 31 December 2015.		
7.	To declare a final dividend.		
8.	To declare a special dividend.		
9.	To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise Directors to fix their remuneration.		
	Special Business		
10.	To authorise Directors to issue shares and/or Instruments under Section 161 of the Companies Act, Chapter 50.		
11.	To authorise Directors to issue new ordinary shares under the Petra Foods Limited Scrip Dividend Scheme.		
12.	To renew the Mandate for Interested Person Transactions.		

Dated this ______________ day of ______________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

____

Signature(s) of member(s)/Common Seal

IMPORTANT – PLEASE READ NOTES OVERLEAF

Notes:-

1. A member should insert the total number of ordinary shares in the capital of the Company (***Shares***) held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If a member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by the member.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. If a member is a corporation providing nominee or custodial services to shareholders of the Company, such member may, to the extent permitted by law, appoint any number of proxies to attend and vote at the above meeting notwithstanding that such number exceeds two.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 111 Somerset Road, #08-05, TripleOne Somerset, Singapore 238164 not less than 48 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies.

9. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

FINANCIAL CALENDAR

Annual General Meeting	April 2015
Payment of Final Dividend and Special Dividend	May 2015
Announcement of First Quarter Results	May 2015
Announcement of Half Year Results	August 2015
Announcement of Third Quarter Results	November 2015

CORPORATE INFORMATION

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111 Somerset Road, #08-05
TripleOne Somerset
Singapore 238164

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PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424

Partner-in-charge
Deborah Ong (since 2014)

STOCK CODES
SGX: Petra
Bloomberg: PETRA SP
Reuters: PEFO.SI

COMPANY SECRETARIES
Chuang Yok Hoa, ACIS
Madelyn Kwang Yeit Lam, ACIS

PRINCIPAL BANKERS
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#07-01 Ocean Financial Centre
Singapore 049315

DBS Bank Ltd
Marina Bay Financial (Tower 3)
12 Marina Boulevard, Level 43
Singapore 018982

KBC Bank N.V, Singapore Branch
30 Cecil Street, #12-01
Prudential Tower
Singapore 049712

Malayan Banking Berhad
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

PT Bank Central Asia Tbk
Wisma BCA / Lantai 11
Jl Jend Sudirman Kav 22-23
Jakarta 12920, Indonesia

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Some of the information in this report constitute "forward looking statements" which reflect Petra's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside Petra's control. You are urged to view all forward looking statements with caution. For updated information, please contact our Corporate Office.

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In line with Petra Foods continuing efforts to promote environmental sustainability, this report is printed on Meridien Silk paper (with 51% recycled content), as well as Ozone Offset paper. This is a Forest Stewardship Council™ (FSC™) certified print job.

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For more information, please visit: www.fsc.org.

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