**Petra Foods Limited**
**Unaudited Financial Statements and Dividend Announcement**
**For the 4th Quarter and Full Year Ended 31 December 2015**

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

## 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | | Group | | | Group | | |
|---|---|---|---|---|---|---|---|
| | | 4Q ended 31 December | | | Full Year ended 31 December | | |
| | | **2015** | 2014 | Change | **2015** | 2014 | Change |
| | | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Revenue | 1 | **100,004** | 131,246 | (23.8) | **405,862** | 503,977 | (19.5) |
| Cost of Sales | | **(69,188)** | (89,245) | (22.5) | **(285,052)** | (343,223) | (16.9) |
| **Gross Profit** | | **30,816** | 42,001 | (26.6) | **120,810** | 160,754 | (24.8) |
| Other operating income | 2 | **610** | 1,172 | (48.0) | **4,906** | 3,557 | 37.9 |
| Expenses | | | | | | | |
| Selling and distribution costs | | **(22,567)** | (18,102) | 24.7 | **(72,641)** | (68,206) | 6.5 |
| Administrative expenses | | **(4,688)** | (5,064) | (7.4) | **(19,330)** | (19,974) | (3.2) |
| Finance costs | | **(1,219)** | (792) | 53.9 | **(4,219)** | (3,121) | 35.2 |
| Other operating expenses | 2 | **(74)** | (497) | (85.1) | **(2,138)** | (1,923) | 11.2 |
| Exceptional items | 3 | **(35)** | (376) | (90.7) | **(20,066)** | (1,517) | NM |
| Share of (loss)/profit of associated companies | | **(244)** | 166 | NM | **64** | 501 | (87.2) |
| **Profit before income tax** | | **2,599** | 18,508 | (86.0) | **7,386** | 70,071 | (89.5) |
| Income tax expense | 4 | **(1,798)** | (6,164) | (70.8) | **(12,126)** | (21,340) | (43.2) |
| **Total Profit/(Loss)** | 5 | **801** | 12,344 | (93.5) | **(4,740)** | 48,731 | NM |
| **Profit/(Loss) attributable to:** | | | | | | | |
| Equity holders of the Company | | **800** | 12,357 | (93.5) | **(4,726)** | 48,783 | NM |
| Non-controlling interest | | **1** | (13) | NM | **(14)** | (52) | (73.1) |
| | | **801** | 12,344 | (93.5) | **(4,740)** | 48,731 | NM |
| **EBITDA** | | **5,474** | 21,203 | (74.2) | **37,467** | 80,868 | (53.7) |
| **Earnings per share (US cents) - Basic and Diluted**[a] | | | | | | | |
| - Include Exceptional Items | | **0.13** | 2.02 | (93.5) | **(0.77)** | 7.98 | NM |
| - Exclude Exceptional Items | | **0.14** | 2.08 | (93.2) | **2.51** | 8.23 | (69.5) |
| **Return on equity** | | | | | | | |
| - Include Exceptional Items | | | | | **(1.8%)** | 16.6% | (18.4%) pt |
| - Exclude Exceptional Items | | | | | **5.7%** | 17.1% | (11.4%) pt |

a. As there are no potentially dilutive ordinary shares, diluted Earnings per Share (EPS) is the same as basic Earnings per Share. EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000.

## Explanatory notes on income statement

### Note 1 - Revenue

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

| | 4Q ended 31 December | | | Full Year ended 31 December | | |
|---|---|---|---|---|---|---|
| | **2015** | 2014 | Change | **2015** | 2014 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Indonesia | **73,171** | 95,783 | (23.6) | **284,988** | 365,271 | (22.0) |
| Regional Markets | **26,833** | 35,463 | (24.3) | **120,874** | 138,706 | (12.9) |
| | **100,004** | 131,246 | (23.8) | **405,862** | 503,977 | (19.5) |

(b) Breakdown of Sales

| | 4Q ended 31 December | | | Full Year ended 31 December | | |
|---|---|---|---|---|---|---|
| | **2015** | 2014 | Change | **2015** | 2014 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Own Brands | **65,440** | 87,512 | (25.2) | **253,330** | 318,842 | (20.5) |
| Agency Brands | **34,564** | 43,734 | (21.0) | **152,532** | 185,135 | (17.6) |
| | **100,004** | 131,246 | (23.8) | **405,862** | 503,977 | (19.5) |

### Note 2 - Other Operating Income and Other Operating Expenses

Included in FY2015's other operating income was a gain on sale of fixed assets which comprised mainly sale of building in the Philippines of US$1.5 million and a custom duty refund of US$0.5 million received by one of our subsidiaries in Indonesia.

On 31 August 2015, the Group completed the cessation of its distribution business in Singapore (which was announced on 10 June 2015). The cost associated with the cessation of US$0.4 million was recognised as Other Operating Expense in the current financial year. The Group also recognised an impairment loss of US$0.3 million on one of its brands in 4Q15.

### Note 3 - Exceptional Items

On 28 August 2015, the Company announced that it has successfully entered into a settlement agreement with Barry Callebaut with regards to the previously announced dispute. As part of the settlement, the Parties have mutually agreed to a sum of US$38.0 million plus interest of US$0.8 million, being the adjustment to the closing price as provided in the Share Purchase Agreement ("SPA") (see paragraph 8 on page 21).

Arising from the settlement reached with Barry Callebaut, the Group recognized a one-time exceptional charge of US$19.4 million. Included in the 4Q and FY2015 exceptional items were also professional fees of US$0.6 million incurred by the Company pertaining to the resolution of the dispute with Barry Callebaut and the on-going Brazil tax claims.

## Note 4 - Income Tax Expense

In 4Q and FY2015, the Company recognised withholding tax on dividend and royalty received from its subsidiaries in Indonesia amounting to US$0.5 million and U$4.0 million respectively (4Q 2014: US$1.2 million and FY2014: US$4.9 million). Included in 4Q 2015's income tax expense was also a prior year tax of US$0.5 million paid. In the periods under review, the Group did not recognise any deferred tax credit on operating losses or restructuring costs incurred as a result of the cessation of its Singapore distribution business which would offset this higher tax expense. These resulted in a higher effective tax for the Group.

## Note 5 - Net Profit

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

| | 4Q ended 31 December | | | Full Year ended 31 December | | |
|---|---|---|---|---|---|---|
| | **2015** | 2014 | Change | **2015** | 2014 | Change |
| | **US$'000** | US$'000 | % | **US$'000** | US$'000 | % |
| Depreciation of property, plant and equipment | **(1,768)** | (1,912) | (7.5) | **(7,424)** | (7,715) | (3.8) |
| Amortisation and impairment of intangible assets | **(308)** | (31) | NM | **(425)** | (94) | 352.1 |
| Net foreign exchange gain/(loss) | **352** | (14) | NM | **(1,051)** | (1,335) | (21.3) |
| Group (under)/over provision of tax in prior years | **(519)** | (225) | 131.1 | **(316)** | 28 | NM |
| Gain/(loss) on disposal of property, plant and equipment | **35** | (59) | NM | **1,470** | 95 | NM |
| (Impairment loss)/write-back of impairment on trade receivables | **(113)** | 26 | NM | **(152)** | (171) | (11.1) |
| Inventories written off | **(522)** | (224) | 133.0 | **(1,907)** | (1,057) | 80.4 |
| Allowance made for inventory obsolescence | **(473)** | (389) | 21.6 | **(1,418)** | (1,374) | 3.2 |

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | Notes | **US$'000** | US$'000 | **US$'000** | US$'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 1 | **119,547** | 171,953 | **111,654** | 159,985 |
| Derivative assets | | **-** | 40 | **-** | 30 |
| Trade receivables | | **56,280** | 82,055 | **1,254** | 1,682 |
| Inventories | | **59,592** | 72,750 | **-** | 105 |
| Tax recoverable | 2 | **9,830** | 2,753 | **-** | - |
| Other current assets | | **13,437** | 18,275 | **3,088** | 5,681 |
| | | **258,686** | 347,826 | **115,996** | 167,483 |
| **Non-current assets** | | | | | |
| Investments in subsidiaries | 3 | **-** | - | **35,935** | 32,942 |
| Investments in associated companies and joint venture | | **2,947** | 3,145 | **3,000** | 3,000 |
| Loans to associated company and joint venture | | **1,382** | 2,968 | **-** | 310 |
| Property, plant and equipment | 4 | **116,604** | 111,138 | **728** | 1,303 |
| Intangible assets | | **4,810** | 4,897 | **4,613** | 4,793 |
| Deferred income tax assets | | **342** | 418 | **-** | - |
| Other non-current assets | 5 | **2,822** | 100 | **-** | 3,035 |
| | | **128,907** | 122,666 | **44,276** | 45,383 |
| **Total Assets** | | **387,593** | 470,492 | **160,272** | 212,866 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade payables | | **25,925** | 31,931 | **800** | 1,400 |
| Other payables | 1 | **30,205** | 52,023 | **2,741** | 21,338 |
| Current income tax liabilities | | **489** | 1,265 | **129** | - |
| Derivative liabilities | | **24** | - | **-** | - |
| Borrowings | 6 | **59,453** | 64,806 | **90** | 139 |
| | | **116,096** | 150,025 | **3,760** | 22,877 |
| **Non-current liabilities** | | | | | |
| Borrowings | 6 | **15,199** | 9,204 | **246** | 399 |
| Deferred income tax liabilities | | **4,447** | 4,340 | **-** | - |
| Provisions for other liabilities and charges | | **9,697** | 9,597 | **-** | - |
| | | **29,343** | 23,141 | **246** | 399 |
| **Total liabilities** | | **145,439** | 173,166 | **4,006** | 23,276 |
| **NET ASSETS** | | **242,154** | 297,326 | **156,266** | 189,590 |
| **Capital and reserves attributable to the equity holders of the Company** | | | | | |
| Share capital | | **155,951** | 155,951 | **155,951** | 155,951 |
| Foreign currency translation reserve | 7 | **(62,066)** | (45,677) | **-** | - |
| Other reserves | | **2,245** | 2,002 | **-** | - |
| Retained earnings | | **145,904** | 184,907 | **315** | 33,639 |
| | | **242,034** | 297,183 | **156,266** | 189,590 |
| **Non controlling interest** | | **120** | 143 | **-** | - |
| **Total equity** | | **242,154** | 297,326 | **156,266** | 189,590 |

## Explanatory notes on Statement of Financial Position

### Note 1 - Cash and Cash Equivalent and Other Payables

Compared to end-2014, the Group's cash balance at end-December 2015 was lower by US$52.4 million mainly due to the US$38.8 million settlement payment to Barry Callebaut (see paragraph 8 on page 21). The settlement also resulted in a reduction in other payables by US$19.4 million.

### Note 2 - Tax Recoverable

The increase in tax recoverable mainly arose from the corporate income tax prepayments made by the Indonesia subsidiaries during FY2015 based on their 2014 performance.

### Note 3 - Investment in Subsidiaries

On 23 January 2015, the Company increased its investment in Delfi Marketing, Inc. ("DMI"), a wholly owned subsidiary in the Philippines, by PHP 135 million (equivalent to US$3.0 million) by subscribing for an additional 1.35 million ordinary shares with a par value of PHP 100 each in the share capital of DMI. The consideration was satisfied in cash and funded through the Company's internal resources.

In December 2015, the Company transferred its entire shareholding in Petra-SPT Marketing Pte Ltd ("Petra-SPT"), a wholly-owned subsidiary of the Company, to PT Perusahaan Industri Ceres for a consideration of S$1. Following the transfer, Petra-SPT changed its name to "Ceres (International) Marketing Pte. Ltd." with effect from 19 January 2016.

### Note 4 - Capital Expenditure on Property, Plant and Equipment

Capital expenditure for 4Q 2015 and FY2015 were lower Y-o-Y by US$3.1 million and US$15.8 million or 33.9% and 39.3% respectively. This reflected the Group's prudent investment strategy in light of the slowing economy in Indonesia.

The capital expenditure was funded through a combination of the Group's operating cash flows and long term loans. The allocation of this capital expenditure by geographical region is as follows:

| | **4Q 2015** | 4Q 2014 | **FY2015** | FY2014 |
|---|---|---|---|---|
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Indonesia | **5,813** | 9,106 | **23,397** | 37,586 |
| Regional Markets | **311** | 164 | **1,041** | 2,657 |
| | **6,124** | 9,270 | **24,438** | 40,243 |

### Note 5 - Other Non-Current Assets

In 4Q 2015, one of the Company's subsidiaries in Indonesia converted US$2.8 million due from one of its distributors into a 4-year loan. The loan is fully secured by land and buildings (as valued by an accredited appraiser) and pledged as security by the distributor. The interest charged on this loan is computed on a floating rate based on similar rates which are charged by the subsidiary's principal banker. This loan is repayable by 31 December 2019.

## Note 6 - Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Bank overdrafts | **18,997** | 22,741 | **-** | 5 |
| Bank borrowings | **45,893** | 32,631 | **-** | - |
| Finance lease liabilities | **3,962** | 8,224 | **336** | 533 |
| Trade finance | **5,800** | 10,414 | **-** | - |
| | **74,652** | 74,010 | **336** | 538 |
| Breakdown of borrowings: | | | | |
| Current | **59,453** | 64,806 | **90** | 139 |
| Non-current | **15,199** | 9,204 | **246** | 399 |
| | **74,652** | 74,010 | **336** | 538 |

One of the Company's subsidiaries in Indonesia utilized long term loans to fund its capital expenditure. This extended the Group's debt maturity profile as part of its strategy to match its financing and investment needs and is also part of the Group's on-going strategy to minimize its foreign exchange exposure through matching borrowings with functional currency revenue.

## Note 7 - Foreign Currency Translation Reserve

With the significant weakening of the regional currencies against the US Dollar during the year, this resulted in the foreign currency translation loss in the reserve increasing by US$16.4 million Y-o-Y. The movements of the regional currencies against the US Dollar are shown below.

| Closing FX Rate USD 1 to | IDR | MYR | SGD | PHP |
|---|---|---|---|---|
| 31 December 2015 | 13,795 | 4.2915 | 1.4136 | 47.1660 |
| 31 December 2014 | 12,436 | 3.4950 | 1.3212 | 44.6170 |
| % Change Y-o-Y | (10.9) | (22.8) | (7.0) | (5.7) |

## Note 8 - Key Ratios

| | **31-Dec-15** | 31-Dec-14 |
|---|---|---|
| Current ratio | **2.23** | 2.32 |
| Average Inventory Days | **85** | 74 |
| Average Receivable Days | **62** | 57 |
| Average Payable Days | **37** | 39 |
| Return on Equity (excluding Exceptional Items) | **5.7%** | 17.1% |

The Group's inventory level at end-December 2015 was lower by US$13.1 million compared to the balance at end-2014. However, Average Inventory Days were higher due to the slower off-take in Indonesia as well as higher cost of finished goods during the period under review.

Average Receivable Days edged up marginally due mainly to an increased in the proportion of Regional Markets sales which have longer trading terms. Of the Group's total sales, Regional Markets contributed 29.8% in FY2015 versus 27.5% in FY2014.

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

| | Group | | Company | |
|---|---|---|---|---|
| | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Amount repayable in one year or less, or on demand | | | | |
| - Secured | **13,250** | 25,499 | **90** | 134 |
| - Unsecured | **46,203** | 39,307 | **-** | 5 |
| | **59,453** | 64,806 | **90** | 139 |
| Amount repayable after one year | | | | |
| - Secured | **1,240** | 3,173 | **246** | 399 |
| - Unsecured | **13,959** | 6,031 | **-** | - |
| | **15,199** | 9,204 | **246** | 399 |

### Details of collateral

Of the Group's total bank borrowings as at 31 December 2015, US$14.5 million (vs US$28.7 million at end-2014) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

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

| | Notes | Year ended 31-Dec-15 | Year ended 31-Dec-14 |
|---|---|---|---|
| | | US$'000 | US$'000 |
| **Cash flows from operating activities** | | | |
| Total profit | | **(4,740)** | 48,731 |
| Adjustments: | | | |
| Income tax expense | | **12,126** | 21,340 |
| Depreciation and amortisation | | **7,584** | 7,809 |
| Property, plant and equipment written off | | **124** | - |
| Impairment loss on brands | | **265** | - |
| Gain on disposal of property, plant and equipment | | **(1,470)** | (95) |
| Exceptional items | | **20,066** | - |
| Interest income | | **(2,053)** | (1,650) |
| Interest expense | | **4,219** | 3,121 |
| Fair value losses/(gains) on derivatives | | **64** | (27) |
| Share of profits from associated companies | | **(64)** | (501) |
| Operating cash flow before working capital changes | | **36,121** | 78,728 |
| Changes in working capital: | | | |
| Inventories | | **13,158** | (7,244) |
| Trade and other receivables | | **27,893** | 8,081 |
| Trade and other payables | | **(16,246)** | (34,779) |
| Cash generated from operations | | **60,926** | 44,786 |
| Interest received | | **2,053** | 1,650 |
| Income tax paid | | **(19,731)** | (24,193) |
| **Net cash provided by operating activities** | | **43,248** | 22,243 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | 1 | **(23,479)** | (29,016) |
| Payments for patents and trademarks | | **(341)** | (342) |
| Payment for final settlement of dispute | | **(38,800)** | - |
| Proceeds from disposal of property, plant and equipment | | **1,530** | 365 |
| **Net cash used in investing activities** | | **(61,090)** | (28,993) |
| **Cash flows from financing activities** | | | |
| Proceeds from bank borrowings | | **22,836** | 22,071 |
| (Repayment of)/proceeds from trade finance | | **(4,613)** | 2,843 |
| Repayment of bank borrowings | | **(7,113)** | (859) |
| Repayment of lease liabilities | | **(5,200)** | (4,402) |
| Interest paid | | **(4,232)** | (3,135) |
| Dividends paid to equity holders of the Company | | **(34,202)** | (38,387) |
| **Net cash used in financing activities** | | **(32,524)** | (21,869) |
| **Net decrease in cash and cash equivalents** | | **(50,366)** | (28,619) |
| **Cash and cash equivalents** | | | |
| Beginning of financial year | | **149,212** | 177,781 |
| Effects of currency translation on cash and cash equivalents | | **1,704** | 50 |
| **End of financial year** | | **100,550** | 149,212 |

Note
1. In FY2015, the amount excludes additions to property, plant and equipment of US$1.0 million (FY2014: US$11.2 million) which were financed by lease liabilities.

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

| | 31-Dec-15 | 31-Dec-14 |
|---|---|---|
| | US$'000 | US$'000 |
| Cash and bank balances | **10,900** | 58,958 |
| Short term deposits | **108,647** | 112,995 |
| | **119,547** | 171,953 |
| Less: Bank overdrafts | **(18,997)** | (22,741) |
| | **100,550** | 149,212 |

## Consolidated Statement of Comprehensive Income

| | 4Q ended 31 December | | Full Year ended 31 December | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Profit/(Loss) for the period | **801** | 12,345 | **(4,740)** | 48,731 |
| Other comprehensive income/(loss): | | | | |
| Items that may be reclassified to profit or loss: | | | | |
| Foreign currency translation reserve | | | | |
| - Currency translation differences arising from consolidation | **6,963** | (2,926) | **(16,398)** | (2,806) |
| Items that will not be reclassified to profit or loss: | | | | |
| Defined pension benefits obligation | | | | |
| - Re-measurements of defined pension benefits obligation | **160** | (726) | **160** | (726) |
| - Tax on re-measurements | **(43)** | 178 | **(43)** | 178 |
| - Share of other comprehensive loss of associated companies | **(1)** | (50) | **51** | (50) |
| | **116** | (598) | **168** | (598) |
| Other comprehensive income/(loss), net of tax | **7,079** | (3,524) | **(16,230)** | (3,404) |
| Total comprehensive income/(loss) for the year | **7,880** | 8,821 | **(20,970)** | 45,327 |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the Company | **7,879** | 8,840 | **(20,947)** | 45,385 |
| Non-controlling interest | **1** | (19) | **(23)** | (58) |
| | **7,880** | 8,821 | **(20,970)** | 45,327 |

**1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Share capital** | **Foreign currency translation reserve** | **General reserve** | **Defined pension benefits obligation** | **Retained earnings** | **Total** | **Non-controlling interest** | **Total equity** |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **The Group** | | | | | | | | |
| **9M 2015** | | | | | | | | |
| **Balance at 1 January 2015** | 155,951 | (45,677) | 2,072 | (70) | 184,907 | 297,183 | 143 | 297,326 |
| Loss for the period | - | - | - | - | (5,526) | (5,526) | (15) | (5,541) |
| Other comprehensive income for the period | - | (23,352) | - | 52 | - | (23,300) | (9) | (23,309) |
| Final and special dividend relating to 2014 | - | - | - | - | (21,757) | (21,757) | - | (21,757) |
| Interim and special dividend relating to 2015 | - | - | - | - | (12,445) | (12,445) | - | (12,445) |
| **Balance at 30 September 2015** | 155,951 | (69,029) | 2,072 | (18) | 145,179 | 234,155 | 119 | 234,274 |
| | | | | | | | | |
| **4Q 2015** | | | | | | | | |
| **Balance at 1 October 2015** | 155,951 | (69,029) | 2,072 | (18) | 145,179 | 234,155 | 119 | 234,274 |
| Profit for the period | - | - | - | - | 800 | 800 | 1 | 801 |
| Other comprehensive income for the period | - | 6,963 | - | 116 | - | 7,079 | - | 7,079 |
| Transfer to general reserve | - | - | 75 | - | (75) | - | - | - |
| **Balance at 31 December 2015** | 155,951 | (62,066) | 2,147 | 98 | 145,904 | 242,034 | 120 | 242,154 |

**1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Foreign currency translation reserve | General reserve | Defined pension benefits obligation | Retained earnings | Total | Non-controlling interest | Total equity |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **The Group** | | | | | | | | |
| **9M 2014** | | | | | | | | |
| **Balance at 1 January 2014** | 155,951 | (42,877) | 1,987 | 528 | 174,596 | 290,185 | 201 | 290,386 |
| Profit for the period | - | - | - | - | 36,425 | 36,425 | (39) | 36,386 |
| Other comprehensive income for the period | - | 120 | - | - | - | 120 | - | 120 |
| Final and special dividend relating to 2013 | - | - | - | - | (24,996) | (24,996) | - | (24,996) |
| Interim and special dividend relating to 2014 | - | - | - | - | (13,391) | (13,391) | - | (13,391) |
| **Balance at 30 September 2014** | 155,951 | (42,757) | 1,987 | 528 | 172,634 | 288,343 | 162 | 288,505 |
| | | | | | | | | |
| **4Q 2014** | | | | | | | | |
| **Balance at 1 October 2014** | 155,951 | (42,757) | 1,987 | 528 | 172,634 | 288,343 | 162 | 288,505 |
| Profit for the period | - | - | - | - | 12,358 | 12,358 | (19) | 12,339 |
| Other comprehensive loss for the period | - | (2,920) | - | (598) | - | (3,518) | - | (3,518) |
| Transfer to general reserve | - | - | 85 | - | (85) | - | - | - |
| **Balance at 31 December 2014** | 155,951 | (45,677) | 2,072 | (70) | 184,907 | 297,183 | 143 | 297,326 |

## Statement of Changes in Equity for the Company

| | Attributable to equity holders of the Company | | |
|---|---|---|---|
| | **Share capital** | **Retained earnings** | **Total equity** |
| | US$'000 | US$'000 | US$'000 |
| **The Company** | | | |
| **9M 2015** | | | |
| **Balance at 1 January 2015** | 155,951 | 33,640 | 189,591 |
| Profit for the period | - | 1,437 | 1,437 |
| Final and special dividend relating to 2014 | - | (21,757) | (21,757) |
| Interim and special dividend relating to 2015 | - | (12,445) | (12,445) |
| **Balance at 30 September 2015** | 155,951 | 875 | 156,826 |
| | | | |
| **4Q 2015** | | | |
| **Balance at 1 October 2015** | 155,951 | 875 | 156,826 |
| Loss for the period | - | (560) | (560) |
| **Balance at 31 December 2015** | 155,951 | 315 | 156,266 |
| | | | |
| **The Company** | | | |
| **9M 2014** | | | |
| **Balance at 1 January 2014** | 155,951 | 40,914 | 196,865 |
| Profit for the period | - | 24,074 | 24,074 |
| Final and special dividend relating to 2013 | - | (24,996) | (24,996) |
| Interim and special dividend relating to 2014 | - | (13,391) | (13,391) |
| **Balance at 30 September 2014** | 155,951 | 26,601 | 182,552 |
| | | | |
| **4Q 2014** | | | |
| **Balance at 1 October 2014** | 155,951 | 26,601 | 182,552 |
| Profit for the period | - | 7,038 | 7,038 |
| **Balance at 31 December 2014** | 155,951 | 33,639 | 189,590 |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

For 4Q and Full Year ended 31 December 2015, there was no change in the Company's issued and paid up share capital.

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

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Whether the figures have been audited or reviewed, the auditors' report (including qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Company and the Group have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2014, except for the adoption of following accounting standards (including their consequential amendments) and interpretations applicable for financial period on or after 1 July 2014.

| | |
|---|---|
| FRS 103 | Business Combinations |
| FRS 108 | Operating Segments |
| FRS 24 | Related Party Disclosures |
| Amendments to FRS19 | Employee Benefits - Defined Benefit Plans: Employee contribution |

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

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to paragraph 4.

## 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | | 4Q ended 31 December | | Full Year ended 31 December | |
|---|---|---|---|---|---|
| | | **2015** | 2014 | **2015** | 2014 |
| (i) | Based on weighted average number of ordinary shares in issue - (US cents) | | | | |
| | - Include exceptional items | **0.13** | 2.02 | **(0.77)** | 7.98 |
| | - Exclude exceptional items | **0.14** | 2.08 | **2.51** | 8.23 |
| (ii) | On a fully diluted basis - (US cents) | | | | |
| | - Include exceptional items | **0.13** | 2.02 | **(0.77)** | 7.98 |
| | - Exclude exceptional items | **0.14** | 2.08 | **2.51** | 8.23 |

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 31 December 2015 and 31 December 2014 respectively.

## 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

**(a) current period reported on; and**
**(b) immediately preceding financial year.**

| | Group | | Company | |
|---|---|---|---|---|
| | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| Net asset value per ordinary share based on issued share capital - (US cents) | **39.6** | 48.6 | **25.6** | 31.0 |

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

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

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

## Key Figures for the Group (unaudited)

| | 4Q ended 31 December | | | | Full Year ended 31 December | | | |
|---|---|---|---|---|---|---|---|---|
| | **2015** | 2014 | % Change | | **2015** | 2014 | % Change | |
| | **US$'000** | US$'000 | In USD term | In constant exchange rate | **US$'000** | US$'000 | In USD term | In constant exchange rate |
| Indonesia | **73,171** | 95,783 | (23.6) | (11.8) | **284,988** | 365,271 | (22.0) | (12.3) |
| Regional Markets | **26,833** | 35,463 | (24.3) | (10.7) | **120,874** | 138,706 | (12.9) | (3.7) |
| **REVENUE** | **100,004** | 131,246 | (23.8) | (11.5) | **405,862** | 503,977 | (19.5) | (9.9) |
| Indonesia | **5,898** | 21,582 | (72.7) | (66.3) | **37,789** | 81,043 | (53.4) | (46.4) |
| Regional Markets | **(424)** | (379) | 11.9 | 29.5 | **(322)** | (175) | 84.0 | 92.7 |
| **EBITDA** | **5,474** | 21,203 | (74.2) | (67.0) | **37,467** | 80,868 | (53.7) | (46.3) |
| **Profit before tax before exceptional item** | **2,634** | 18,884 | (86.1) | (80.2) | **27,452** | 71,588 | (61.7) | (55.0) |
| **Exceptional item** | **(35)** | (376) | (90.7) | (90.7) | **(20,066)** | (1,517) | NM | NM |
| **Profit before tax after exceptional item** | **2,599** | 18,508 | (86.0) | (80.0) | **7,386** | 70,071 | (89.5) | (82.7) |
| **Net profit/(loss) attributable to shareholders** | **800** | 12,357 | (93.5) | (87.2) | **(4,726)** | 48,783 | NM | NM |

Note: *For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 4Q 2014 and FY2014 in translating 4Q 2015 and FY2015 results.

**Key performance indicators**

| | 4Q ended 31 December | | | Full Year ended 31 December | | |
|---|---|---|---|---|---|---|
| | **2015** | 2014 | % | **2015** | 2014 | % |
| Gross profit margin | **30.8%** | 32.0% | (1.2% pt) | **29.8%** | 31.9% | (2.1% pt) |

## Review of the Group's 4Q 2015 and Full Year 2015 Financial Performance

***Figure 1 - Key Financial Highlights***

| (In US$ Million) | 4Q 2015 | 4Q 2014 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates * | FY2015 | FY2014 | % chg Y-o-Y | % chg Y-o-Y in Constant Exch Rates * |
|---|---|---|---|---|---|---|---|---|
| Indonesia | 73.2 | 95.8 | (23.6%) | (11.8%) | 285.0 | 365.3 | (22.0%) | (12.3%) |
| The Regional Markets | 26.8 | 35.4 | (24.3%) | (10.7%) | 120.9 | 138.7 | (12.9%) | (3.7%) |
| **Total Revenue** | **100.0** | **131.2** | **(23.8%)** | **(11.5%)** | **405.9** | **504.0** | **(19.5%)** | **(9.9%)** |
| Gross Profit Margin (%) | 30.8% | 32.0% | (1.2% pt) | (1.2% pt) | 29.8% | 31.9% | (2.1% pt) | (2.1% pt) |
| **EBITDA** | **5.5** | **21.2** | **(74.2%)** | **(67.0%)** | **37.5** | **80.9** | **(53.7%)** | **(46.3%)** |
| **PATMI**** | **0.8** | **12.7** | **(93.4%)** | **(87.3%)** | **15.3** | **50.3** | **(69.5%)** | **(62.9%)** |

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 4Q 2014 and FY2014 in translating 4Q 2015 and FY2015 results.
** Excludes Exceptional Item.

During 2015, we encountered several factors that contributed to the disappointing results achieved. These factors, which are elaborated upon in more detail below, include the slowdown in the Indonesian economy; the weakness in the Indonesian Rupiah; the need for increased spending on advertising and promotion; declines in our gross profit margin during the full year (despite a marked improvement in 4Q); the closure of our distribution business in Singapore; an increase in our effective tax rate; and a one-time exceptional charge arising from the settlement of the dispute with Barry Callebaut.

The Group's lower Y-o-Y performance for 4Q and FY2015 reflected mainly the slowdown in Indonesia's economy, the higher inflationary environment and the continued weakening of the Indonesian Rupiah ("Rupiah") over the periods under review. The slowing Indonesian economy and higher inflation resulted in lower consumer confidence and significantly weaker consumption across a number of consumer categories (including chocolate confectionery). The level of consumer confidence is critical to the FMCG market and our trade customers, in response to the weakening consumption in 2015, reacted to reduce their orders and inventory levels which in turn negatively affected our sales.

In addition to the lower sales, our profit performance was further affected by increases in our costs of raw and packaging materials due to the weaker Rupiah. For FY2015, the Rupiah weakened by 12.5% against the US Dollar ("USD"), and at end 31 December 2015 had weakened to a level of IDR 13,795 against the USD. Furthermore, to encourage consumption of our products and to further develop our strategic brands, higher trade promotion expense was incurred in the 2$^{nd}$ Half of 2015.

In 4Q 2015, the EBITDA of US$5.5 million in the Group's USD reporting currency was lower Y-o-Y by 74.2% as a result of the lower sales, lower Gross Profit ("GP") margin and high selling and distribution costs (as a percentage of sales). To mitigate the higher input costs, pricing adjustments and product resizing for selected products in Indonesia were implemented in 3Q 2015, although the benefit of these measures did not take full effect until September 2015. Reflecting these pricing adjustments and on-going cost containment initiatives, the Group achieved overall GP margin of 30.8% in 4Q 2015, an improvement of 2.4% points over 3Q 2015's GP margin of 28.4%.

The Group's FY2015 results also reflected the cessation of the Group's distribution business in Singapore on 31 August 2015. For 2015, the operating loss and costs associated with the cessation of this business totaled US$1.6 million.

The lower operating performance together with a higher tax expense, due to a withholding tax of US$0.5 million incurred on royalty and dividend income received and prior year tax of US$0.5 million paid, resulted in the Group generating a profit after tax and minority interests ("PATMI") of US$0.8 million from its operations in 4Q 2015.

For FY2015, the Group recognized a one-time exceptional charge of US$19.4 million with the settlement of the dispute with Barry Callebaut as announced previously on 28 August 2015. As a result of this charge recognized in 3Q 2015, the Group reported a loss after tax and minority interests of US$4.7 million for FY2015.

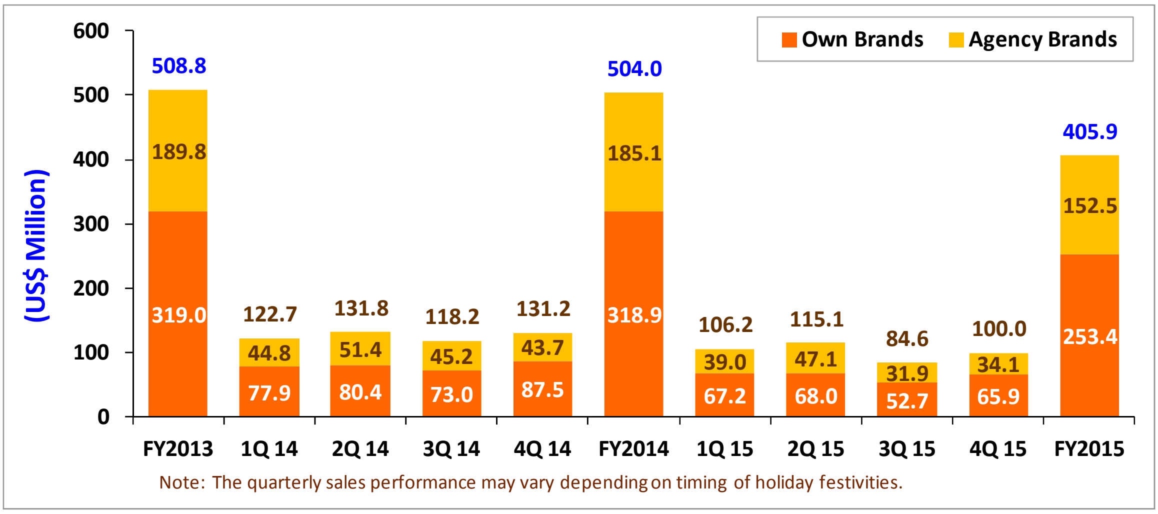
For FY2015, the Group generated Free Cash Flow of US$18.4 million through tighter working capital management and our strategy of focusing capital expenditure on the most critical and immediately income-generating projects, despite the headwinds for our business especially in Indonesia.

**Performance review of Own Brands and Agency Brands**

For 4Q and FY2015, Own Brands sales continued to be a major contributor to the Group's business, forming more than 60% of the Group's revenue. Over the years, our portfolio of Own Brands has progressively expanded and today extends into the categories of chocolate confectionery, biscuits and wafers, breakfast, baking and beverages.

In local currency terms, our Own Brands sales in the Philippines achieved double digit growth although with the lower than expected sales in Indonesia, this resulted in overall Own Brands sales lower Y-o-Y by 14.9% and 11.9% in 4Q 2015 and FY2015 respectively. The weaker economy in Indonesia had impacted consumer spending in 2015, but management believes that this is not specific to the Company's product range.

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



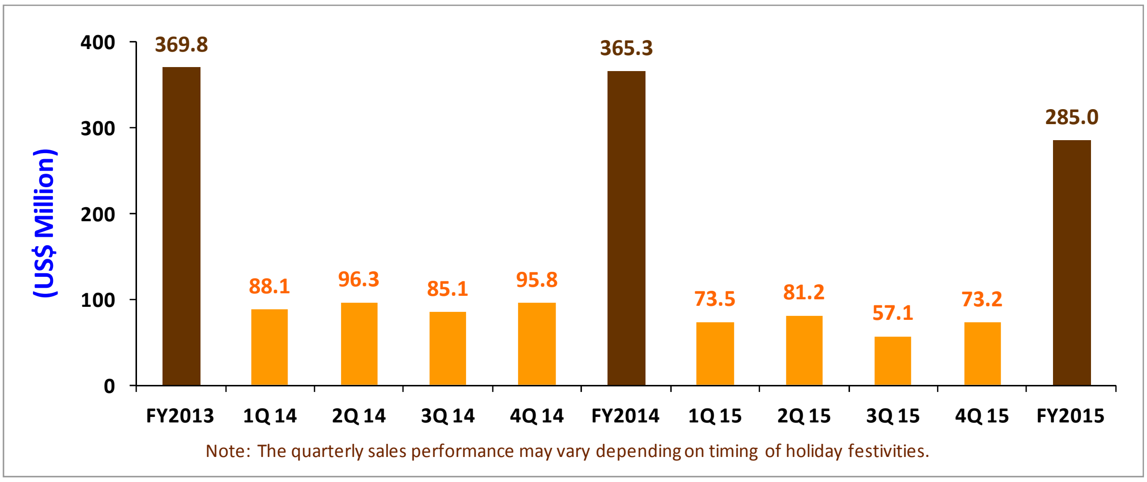

For 4Q and FY2015, Agency Brands sales in local currency terms were lower Y-o-Y by 4.8% and 6.5% Y-o-Y respectively. The lower Agency Brands sales was attributable to the strategic initiative taken in 2014 to discontinue some of the less profitable Agency Brands and the closure of our Singapore distribution business in 2015. The performance of Agency Brands sales would be higher by 3.3% and 2.4% Y-o-Y in 4Q and FY2015 respectively, if excluding the discontinued Agency Brands and sale of the Singapore business.

## Performance Review by Markets

### Indonesia

Over FY2015, consumer spending in Indonesia was dampened by the slowdown in the Indonesian economy, the high inflationary environment and the weakness of the Rupiah.

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




As a result, overall sales generated by our business in Indonesia was lower Y-o-Y by 23.6% and 22.0% in 4Q and FY2015 respectively in the Group's USD reporting currency. From a local currency perspective, which is more representative of the business' fundamental underlying performance, overall sales were lower Y-o-Y by 11.8% and 12.3% for 4Q and FY2015 respectively.

Despite the challenging environment and intensifying competition in Indonesia in FY2015, our market share remained above 50%. We continued to make targeted and disciplined investments in our brands and in 2015, this meant increasing our spending to build our core brands and focusing on where we believe the strongest growth opportunities were.

In addition, to position our business for long term success, we continued investing in our sales force and in our route-to-market capabilities to develop a more agile, flexible and faster distribution network to respond to the constantly evolving retail landscape in Indonesia and our Regional Markets.

### The Regional Markets

For our Regional Markets, 4Q and FY2015 revenues were lower Y-o-Y by 24.3% and 12.9% respectively in the Group's USD reporting currency. However, in local currency terms and excluding the discontinued Agency Brands and the cessation of the Singapore distribution business, Y-o-Y growth of 1.0% and 9.6% respectively was achieved.

The strongest rate of growth was in the Philippines with our portfolio of Own Brands growing by double digit in FY2015. This reflected the strong returns from all the investments (including brand development programmes) we have made to strengthen our brands portfolio (comprising mainly the *Goya* and *Knick Knacks* brands) and our route-to-market. Our Own Brands portfolio continued to be strengthened through aggressive brand development programmes and new product launches with extension into other chocolate categories.

As announced on 10 June 2015, the Group ceased its distribution business in Singapore due to the relatively small scale which the business had been able to achieve. The decision to exit the business in Singapore will, however, not detract from our objective of continuing to grow the presence of our Own Brands of chocolate confectionery in the Singapore market which has been achieved through the appointment of a distributor.

The decision to exit the distribution business in Singapore relates only to the distribution market and is not a change in the Group's overall strategy. The distribution business will remain a core part of our business strategy because with the scale we have in our key markets of Indonesia, Philippines and Malaysia, the complementary nature of our Own Brands together with the Agency Brands allows us to gain significant shelf space.

## Review of Profitability

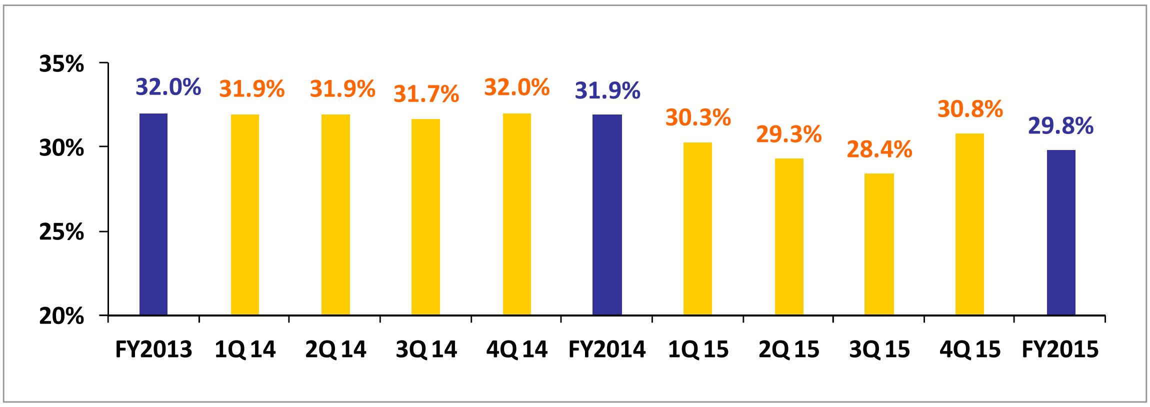
On the back of the revenue of US$100.0 million in 4Q 2015, the Group generated EBITDA of US$5.5 million (lower Y-o-Y by 74.2%) and a net profit of US$0.8 million in the Group's USD reporting currency. This culminated in FY2015 revenue of US$405.9 million, EBITDA of US$37.5 million and net profit of US$15.3 million (before the exceptional charge of US$20.1 million which was recognized in FY2015).

The lower 4Q and FY2015 profitability from operations can be attributed mainly to the lower sales and GP margin in Indonesia. The GP margin of 29.8% for FY2015 (lower Y-o-Y by 2.1% points) reflected higher imported raw material costs arising from weakness in regional currencies (especially the Rupiah), lower sales volume and higher trade promotional activities. To mitigate the high input costs, pricing adjustments and product resizing for selected products in Indonesia were implemented in 3Q 2015, although the benefit of these measures did not take full effect until September 2015. As a result, the Group achieved GP margin of 30.8% in 4Q 2015, an improvement of 2.4% points over 3Q 2015's margin of 28.4%.

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. Furthermore, the strategy of buying forward our main raw material requirements in a timely manner serves to lock-in forward costs to a major extent thus providing greater cost visibility and margin stability. We will also continue to drive higher sales volume and increase efficiency and reduce costs in the supply chain.

For 4Q 2015 and FY2015, selling and distribution costs remained high (as a percent of the Group's sales) on increased logistics costs (especially in Indonesia) and as a result of continued investments in our brand building initiatives and as we strengthened our route-to-market capabilities. We believe the latter is necessary as we continue to strengthen our infrastructure to support the Group's long term growth.

***Figure 4 - Gross Profit Margin (Quarterly and Full Year)***




Note: * It should be highlighted that quarterly margins achieved may vary depending on composition of sales mix, both within Own Brands and mix of Own Brands and Agency Brands.

**Update on the dispute with Barry Callebaut**

On 28 August 2015, the Company announced that it had entered into a Settlement Agreement with Barry Callebaut with regard to the dispute and resulting arbitration (as previously announced) with Barry Callebaut. The dispute pertained to the sale of the Company's Cocoa Ingredients business to Barry Callebaut which was completed on 30 June 2013 and for which Barry Callebaut had subsequently sought a price adjustment of US$103.0 million. Under the settlement, the Company and Barry Callebaut agreed, among other things, to fully and finally settle the dispute and discontinue the arbitration, without any admission of liability by the Company or Barry Callebaut.

As part of the settlement, the Parties mutually agreed that Petra Foods will pay a sum of US$38.0 million plus interest of US$0.8 million as an adjustment to the closing price and in consideration of full and final settlement of all claims.

After taking into account this settlement, the Company's overall pre-tax gain on the sale of the Cocoa Ingredients business previously reported as US$67.6 million now amounts to US$46.1 million.

**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.

The total claims amounted to BRL 34,459,319.30 (which based on end-2015 exchange rate is equivalent to US$8.9 million).

While reserving its rights in relation to the notifications, the Company has requested Barry Callebaut to defend these claims. The management believes there are grounds to resist these claims.

**Review of Financial Position and Cash Flow**

| Balance Sheet as at | 31-Dec-15 | 31-Dec-14 | Change |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| Cash and cash equivalents | **119,547** | 171,953 | (52,406) |
| Total Assets | **387,593** | 470,492 | (82,899) |
| Borrowings | **74,652** | 74,010 | 642 |
| Foreign Currency Translation Reserve | **(62,066)** | (45,677) | (16,389) |
| Shareholders' Equity | **242,034** | 297,183 | (55,149) |
| Current ratio | **2.23** | 2.32 | |

As at 31 December 2015, the Group maintained a healthy cash balance of US$119.5 million comprising mainly the sale proceeds received from the divestment of its Cocoa Ingredients business on 30 June 2013. This cash balance was after payment of US$38.8 million to Barry Callebaut as part of the settlement (see paragraph 8 page 21) and the interim, final and special dividends paid totaling US$34.2 million (see paragraph 1(d)(i) page 11). The special dividend paid enabled the Group to achieve a more efficient capital structure by distributing some of the sale proceeds to its shareholders.

Regional currencies like the Rupiah and the Ringgit weakened further against the US Dollar during the year under review. As a result, this increased foreign translation loss by US$16.4 million (see paragraph 1(b)(i) on page 5). The foreign translation loss coupled with the dividends paid and exceptional charge (see paragraph 1(a) Note 3 on page 3) reduced shareholders' equity by US$55.1 million to US$242.0 million.

Although capital expenditure of US$24.4 million was invested in FY2015 to support the Group's long term growth (see paragraph 1(b)(i) Note 4 on page 6), the Group's property, plant and equipment only increased marginally by US$5.5 million to US$116.6 million as a result of translation into the Group's USD reporting currency. For its capital expenditure programme, the Group's strategy is to focus on the most critical and immediately income-generating projects.

Compared to the balances at end-2014, accounts receivables and inventories were lower by US$25.8 million and US$13.1 million respectively. As a result, total assets were reduced by US$82.9 million to US$387.6 million. The lower working capital translated into higher operating cash flow (see paragraph 1(c) page 9) which allowed the Group to generate free cash flow and fund part of its capital expenditure.

Total borrowings increased by US$0.6 million to US$74.7 million on the back of higher Rupiah denominated long term loans and working capital facilities utilized to fund the Group's operations and capital expenditure in Indonesia (see paragraph 1(b)(i) Note 4 page 6). This is part of the Group's financial strategy to extend its debt maturity profile to match its financing and investment needs and minimize its foreign exchange exposure through matching borrowings with functional currency revenue.

The Group's current financial position places it in a strong position to seize growth opportunities in the fast growing regional consumer markets.

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

The Group's results for 4Q and FY2015 are in line with the commentary made on 12 November 2015 in paragraph 10 of the Group's "3Q and 9M 2015 Unaudited Financial Statement and Dividend Announcement".

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

It is unclear at this stage how prolonged the present economic and currency volatility in our core markets will be. As a result, we believe consumers in our markets will continue to face tough conditions with economic uncertainty likely to have an impact on consumer confidence.

The Group's focus is to work closely with our trade customers and partners to deliver sustainable growth by ensuring that our brands are always available, properly displayed and at the right price points. We will continue to accelerate innovation for Own Brands as this remains a key priority for us with our objective to reach many more consumers by developing innovative products that will address different consumer needs at different price points.

In addition to growing our sales, we will focus on driving cost efficiencies through our organization. Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's financial performance in FY2016 to be better than FY2015. We will further strengthen the Group's cash flow generation through tighter working capital management and focused capital expenditures.

We never rest in our relentless pursuit to build a stronger business, strengthen our brand portfolio and find new paths to grow. To sustain profitable growth over the longer term, we are taking actions to further strengthen our business to capture the significant growth opportunities. These include ensuring our organization is efficiently aligned to our growth plans; investing to grow our key brands in our markets; and taking measured steps to strengthen our distribution infrastructure. We will prudently invest to build capacity and capabilities where there are clear expansion opportunities and we will also increase our productivity and efficiency targets in our manufacturing and distribution infrastructure.

Despite the current headwinds in our markets, we believe our geographic and product portfolio position us well for future growth. Over the long term, the consumption environment in our regional markets will continue to be supported by the robust economies and the fast growing middle income classes. To add further value over the longer term to our quality earnings, we will continue to explore opportunities to enter new markets and to extend to new categories if these opportunities meet our investment criteria.

**11. Dividend**

**a. Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

| Name of Dividend | Interim | Special | Final |
|---|---|---|---|
| Dividend Type | Cash | Cash | Cash |
| Dividend Amount per share (in Singapore cents) | 1.75 cents per ordinary share | 1.11 cents per ordinary share | - |

The interim and special dividends were paid on 9 September 2015.

**b. Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the preceding financial period reported on?

| Name of Dividend | Interim | Special | Final |
|---|---|---|---|
| Dividend Type | Cash | Cash | Cash |
| Dividend Amount per share (in Singapore cents) | 2.73 cents per ordinary share | 2.19 cents per ordinary share | 2.58 cents per ordinary share |

c. **Date payable**

Not applicable.

d. **Books closure date**

Not applicable.

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

For FY2015, the Company had already paid to Shareholders on 9 September 2015 an interim and special dividend totaling S$17.5 million (equivalent to US$12.4 million). Taking into account the full year loss of US$4.7 million and the dividends paid to date, the Company has decided not to declare a final dividend for FY2015.

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

The Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 28 April 2015 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

| | [1] **Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual** | |
|---|---|---|
| | **4Q 2015** | **FY 2015** |
| | US$'000 | US$'000 |
| **PT Freyabadi Indotama** | | |
| - Sales of goods | 55 | 162 |
| - Purchase of products | 3,823 | 15,567 |
| | **3,878** | **15,729** |
| **PT Fajar Mataram Sedayu** | | |
| - Purchase of goods | 161 | 598 |
| **PT Sederhana Djaja** | | |
| - Lease of properties | 7 | 31 |
| | **4,046** | **16,358** |

## 14. Negative confirmation pursuant to Rule 705(5)

Not applicable as the Company is announcing its Full Year Financial Statements for FY2015.

## 15. Confirmation pursuant to Rule 720(1)

The Group has procured undertakings from all its directors and executive officers.

## 16. Segmental revenue and results

Following the completion of disposal of the Cocoa Ingredients Division on 30 June 2013, 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).

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2015 is as follows:

| | **Indonesia** | **Regional Markets** | **Group** |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| **Year ended 31 December 2015** | | | |
| **Sales:** | | | |
| - Total segment sales | 294,209 | 120,962 | 415,171 |
| - Inter-segment sales | (9,221) | (88) | (9,309) |
| Sales to external parties | 284,988 | 120,874 | 405,862 |
| EBITDA | 37,789 | (322) | 37,467 |
| Interest income | | | 2,053 |
| Finance costs | | | (4,219) |
| Share of profit of associated companies | | | 64 |
| Income tax expense | | | (12,126) |
| **Other segment information** | | | |
| Depreciation and amortisation | 6,482 | 1,102 | 7,584 |
| Capital expenditure on property, plant and equipment | 23,397 | 1,041 | 24,438 |
| Sales are analysed as: | | | |
| - Own Brands | 205,397 | 47,933 | 253,330 |
| - Agency Brands | 79,591 | 72,941 | 152,532 |
| Total | 284,988 | 120,874 | 405,862 |

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2014 is as follows:

| | Indonesia | Regional Markets | Group |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| **Year ended 31 December 2014** | | | |
| **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 |

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. A reconciliation of EBITDA to profit before tax is set out below:

| | Full Year ended 31 December | |
|---|---|---|
| | **2015** | 2014 |
| | **US$'000** | US$'000 |
| EBITDA | **37,467** | 80,868 |
| Adjustments for: | | |
| Interest expense | **(4,219)** | (3,121) |
| Interest income | **2,053** | 1,650 |
| Depreciation of property, plant and equipment | **(7,424)** | (7,715) |
| Amortisation and impairment of intangible assets | **(425)** | (94) |
| Exceptional items | **(20,066)** | (1,517) |
| Profit before tax | **7,386** | 70,071 |

### (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.

| For Year ended 31 December | Revenue | | Non-current Assets | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **US$'000** | US$'000 | **US$'000** | US$'000 |
| Indonesia | **284,992** | 365,248 | **113,779** | 104,909 |
| Regional Markets: | | | | |
| - Philippines | **52,136** | 53,197 | **7,301** | 8,714 |
| - Malaysia | **56,890** | 67,151 | **461** | 625 |
| - Singapore | **8,006** | 14,167 | **7,024** | 8,000 |
| - Other countries | **3,838** | 4,214 | **-** | - |
| | **405,862** | 503,977 | **128,565** | 122,248 |

### 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to paragraph 8.

### 18. Breakdown of Sales

| | | FY2015 | FY2014 | Change |
|---|---|---|---|---|
| | | **US$'000** | US$'000 | % |
| (a) | Sales reported for first half year | **221,286** | 254,570 | (13.1) |
| (b) | Operating profit/loss after tax before deducting minority interest reported for the first half year | **15,171** | 25,911 | (41.4) |
| (c) | Sales reported for second half year | **184,576** | 249,407 | (26.0) |
| (d) | Operating profit/loss after tax before deducting minority interest reported for the second half year | **(19,897)** | 22,872 | NM |

### 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

| | FY2015 | FY2014 |
|---|---|---|
| | **US$'000** | US$'000 |
| Ordinary | | |
| - Interim | **7,615** | 13,391 |
| - Final | **-** | 11,734 |
| Special Dividend | **4,830** | 10,023 |
| **Total** | **12,445** | 35,148 |

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with a director or chief executive officer or substantial shareholder | | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|---|
| Chuang Tiong Choon | 67 | (i)<br><br>(ii)<br><br>(iii) | Husband to Madam Lim Mee Len (Substantial Shareholder)<br><br>Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)<br><br>Brother to Mr Chuang Tiong Kie (Executive Director) | Executive Director/Chief Executive Officer/Managing Director 1989/2004 | N.A. |
| Chuang Tiong Liep | 64 | (i)<br><br>(ii)<br><br>(iii) | Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)<br><br>Brother to Mr Chuang Tiong Kie (Executive Director)<br><br>Brother-in-law to Madam Lim Mee Len (Substantial Shareholder) | Executive Director 1999 | N.A. |
| Chuang Tiong Kie | 57 | (i)<br><br>(ii)<br><br>(iii) | Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)<br><br>Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)<br><br>Brother-in-law to Madam Lim Mee Len (Substantial Shareholder) | Executive Director 2001 | N.A. |

| Name | Age | Family relationship with a director or chief executive officer or substantial shareholder | | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|---|
| Chuang Yok Hoa | 66 | (i) | Sister to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder) | Company Secretary 1984 | N.A. |
| | | (ii) | Sister to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder) | | |
| | | (iii) | Sister to Mr Chuang Tiong Kie (Executive Director) | | |
| | | (iv) | Sister-in-law to Madam Lim Mee Len (Substantial Shareholder) | | |

BY ORDER OF THE BOARD

Raymond Lam Kuo Wei/Evelyn Chuang
Secretaries

22 February 2016