

## CEO'S MESSAGE

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Total sales volume for the year rose 7.6% to over 4 million metric tonnes, the most ever in our more than 50 year history. Both Bulk and Consumer Pack segments registered impressive volume growth of 5.4% and 13.4% respectively. In short history of only three years, we are already ranked in top 20 players in the rice industry. Our sales of 3.8 million MT for palm-based oils and fats business are substantially higher than our recently increased installed capacity of 3.5 million MT.

While we are disappointed with net profit of only US\$3.0 million for the year, down from US\$20.0 million in 2013, we are encouraged by our robust performance in fourth quarter and finish a difficult year on a stronger footing.

The Group is increasingly well positioned to weather economic headwinds and benefit from new markets. Recent investments in another refinery and a bio-diesel plant in Malaysia have sharpened our competitiveness, while our diversification into rice and dairy items is strengthening a suite of products that already reaches more than 100 countries around the world. In 2014, the Consumer Pack segment saw sales volume rise 13.4%, and revenue increase 14.4%. Operating margin increased 27.1% for the year.

Our balance sheet remains healthy, with a net debt to equity ratio of 0.50 and low cycle time of 48 days.

### Looking Ahead

In the near term, we expect crude palm oil prices to be supported by recent floods in Malaysia, a lean production season in the first quarter of 2015 and higher subsidies for bio-diesel in Indonesia. However, over the medium term, the industry will continue to see pressure on CPO prices come from low petroleum prices and large soyabean harvests in South America.

We believe the Group is uniquely positioned to address challenges facing the industry. Our value chain is deeply integrated, from the sourcing of raw materials through to the distribution of finished product to end consumers. We expect resilient margins in the distribution part of the value chain will help mitigate the pressure on CPO prices.

As the industry consolidates, the Group will continue to improve our competitiveness with prudent investments and diversification into promising products and markets.

Every year presents fresh challenges and new opportunities. With the support of our shareholders, employees, customers, suppliers and bankers, we look forward to the opportunities that lie ahead.

### Ms Michelle Cheo

Chief Executive Officer and Executive Director