

CHAIRMAN'S MESSAGE

IN THE YEAR, WE CONTINUED TO STRIVE TOWARDS AN INTEGRATED GLOBAL FOOD BUSINESS MODEL BY EMPLOYING A FOUR-PRONGED APPROACH. THIS ENCOMPASSES CONSOLIDATING OUR POSITION IN THE PALM-BASED OIL AND FATS BUSINESS, EXPANDING OUR RANGE OF CONSUMER PRODUCTS, INVESTING IN EFFICIENT PRODUCTION FACILITIES AND STRENGTHENING OUR MARKETING AND DISTRIBUTION NETWORK.

After a period of tough operating conditions for couple of years, industry sentiments turned for the better towards the end of 2013 as the demand improved for both our destination and local markets, particularly for our bulk business. Implementation of Malaysia's restructured crude palm oil (CPO) export duty and the abolition of the duty-free CPO export quota in the beginning of the year also made Malaysia Refiners less handicapped compared with Indonesians. However, amidst continuing global uncertainty, operating conditions continue to remain challenging and the margins depressed.

Whether it is in times of challenges or optimism, we stayed true to our vision, taking measured and calculated risks and maintaining vigilance against market changes. It is this culture of prudence running deep in the company that gave rise to our consistent track record.

In the year, we continued to strive towards an integrated global food business model by employing a four-pronged approach. This encompasses consolidating our position in the palm-based oil and fats business, expanding our range of consumer products, investing in efficient production facilities and strengthening our marketing and distribution network. We are confident that our expansion strategy, underpinned by carefully weighed cost control measures, will stand us in good stead among our competitors.

Looking into 2014, we hope the industry gains greater momentum. This presents more opportunities for us as we capitalise on the increased refining capacity that our new refinery in Sabah, Malaysia will bring about. At the same time, we eagerly look forward to our dairy plant running with full capacity and completion of acquisition of biodiesel plant, both located in Westport, Malaysia. These projects are expected to play an important role in the development of our portfolio.

To express our gratitude to our shareholders for their steadfast support, the Board of Directors is pleased to declare a final exempt dividend of S\$0.0073 per ordinary share. Along with the interim dividend of S\$0.0012, this amounts to a total dividend of S\$0.0085 per ordinary share, which is equivalent to that of the previous year.

Finally, it is with much pride that I thank all our employees and my fellow Board members for your commitment and contribution over the year. Let us continue to work in unison and make the most of every opportunity that lies ahead.

Dr Cheo Tong Choon

Chairman and Executive Director