

ACCELERATING GROWTH IN CHINA



A LEADER IN THE WORLD'S LARGEST CONSUMER FOOD MARKET

China is the world's most populous nation and by extension, the world's largest food market. Its population of 1.44 billion makes up over 18% of the total world population.

With an established history in China of over 30 years, Yihai Kerry Arawana Holdings Co., Ltd. (YKA), Wilmar's Chinese subsidiary, is one of the largest processors of agri-commodities and

food products in China. Its business activities include the processing and sales of agri-products, feed ingredients and oleochemicals in China. YKA has been contributing about 60% and 40% to Wilmar's annual turnover and net profit respectively since 2012.

We operate over 350 manufacturing plants in 66 strategic locations across 25 provinces, autonomous regions and

municipalities in China, with another 16 new locations under construction or in planning. Many of our plants are integrated manufacturing complexes which allow cost efficiencies through shared utilities such as boilers, effluent treatment, storage tanks, offices and manpower. Logistic efficiency is also improved as the output from one plant is often the feedstock for another plant within the same manufacturing complex.

OVER 350 MANUFACTURING PLANTS IN 66 STRATEGIC LOCATIONS ACROSS CHINA



Taizhou manufacturing complex
750,000 m²



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Arawana edible oil was launched in 1991 in China and is today the country's top consumer pack oil brand.



A LEADING MANUFACTURER OF FOOD PRODUCTS FOR CONSUMERS AND BUSINESSES

Arawana edible oil was launched in 1991 in China and is today the country's top consumer pack oil brand. Helmed by the flagship Arawana brand, we have a leading market share of around 45% for edible oils in China.



Leveraging the brand value of its edible oils, YKA went on to launch a range of complementary kitchen food products such as rice, flour, noodles, soybean milk, sugar, corn fructose, soy sauce and vinegar.

Today, our kitchen food staples are sold to retail customers, as well as the hotels, restaurants and catering industry in medium and bulk packaging. We also manufacture a range of soaps and detergents as part of the downstream operations of our oleochemicals business.

We will continue to develop new and improved products for consumers and businesses to stay ahead of changing preferences and requirements.



Our diverse and complementary products cater to different market segments.

No.1

- MANUFACTURER OF **CONSUMER PACK EDIBLE OILS, RICE AND FLOUR**
- **EDIBLE OILS REFINER**
- MANUFACTURER OF **OLEOCHEMICALS AND SPECIALTY FATS**
- **FOOD SERVICES PROVIDER**

No.2

- **OILSEED CRUSHER**
- **RICE AND FLOUR MILLER**

Our diverse product offering is marketed through a multi-brand strategy catering to different market segments. For instance, our premium brands include Arawana (金龙鱼), Orchid (胡姬花), Olivoila (欧丽薇兰), Golden Carp (鲤鱼); mid-range brands include Wonder Farm (香满园), Neptune (海皇) and JieJin (洁劲); and mass brands include KouFu (口福), Gold Ingots (元宝) and JinYan (金燕).

Over the years, YKA has built an extensive distribution network nationwide. There are over 30 marketing branches staffed by more than 3,000 employees and over one million points of sales supporting the consumer products business.



Integrated manufacturing complex under construction in Qiqihar



Oleochemical complex in Lianyungang

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A RESOUNDING IPO

We decided to list YKA in China to enhance public awareness of YKA's quality products and extensive manufacturing operations. It is also to enable the Chinese public to participate in YKA's growth in China.

At the issue price of RMB25.70 per share, the initial public offering (IPO) raised about RMB13.93 billion - making it the largest in Shenzhen. At the close of applications, the shares were 1,749.61 times oversubscribed by online retail investors, translating to US\$1 trillion in demand and reflecting Chinese investors' confidence in the potential of YKA's business model and the prospect of its expansion plans.

YKA debuted on the Shenzhen Stock Exchange ChiNext Board on 15 October 2020. The shares opened at RMB48.96 - almost double its IPO issue price - and closed 117.9% higher at RMB56.00, achieving a market capitalisation of RMB303.61 billion (approximately US\$45.24 billion).

Since its listing, YKA has been added to the the following stock indices:

- MSCI China All Share Index with effect from 29 October 2020;
- SZSE Component Index, ChiNext Index and SZSE 100 Index with effect from 14 December 2020; and
- MSCI Global Standard Index as at the close of 26 February 2021.

As of the close of 26 February 2021, YKA's highest trading price was RMB145.62 on 11 January 2021, reaching a market capitalisation of RMB789.49 billion (approximately US\$121.94 billion).



Yihai Kerry Arawana Holdings Co., Ltd. ("YKA"), now a 89.99% subsidiary of Wilmar, was officially listed on the Shenzhen Stock Exchange ChiNext Board and commenced trading on 15 October 2020.

A NEW GROWTH CHAPTER

We are very bullish about China's economic outlook and demand for quality food products. It is the first major economy to return to growth post Covid-19 and is now leading the charge for a global recovery. The Covid-19 pandemic has resulted in a stronger demand for YKA's consumer food products as more people are eating at home and recognising the health benefits from nutritious and safer products. As China becomes more affluent, demand for high-quality food products will increase and we will be in the best position to meet this demand.

YKA will work on expanding its product portfolio with high-quality and functional food products, supported by extensive research and development (R&D) in creating innovative products to stay ahead of consumers' changing preferences and intense competition in the food industry.

We are also focusing our R&D on developing functional foods that are health-enhancing. An example is designer cooking oils for elderly patients and those with metabolic diseases. We will also expand our R&D Center in Shanghai as we believe China will become not only the biggest but also the most sophisticated food market in the world due to its huge population and the diversity of Chinese cuisine.

Led by more than **300** scientists and researchers in China, our research and development work focuses on creating high-quality, nutritional and innovative food products.



We are embarking on a huge expansion in China to increase capacities of our oilseed crushing, flour and rice milling, oleochemicals production, corn processing, consumer products and new businesses such as sauces and central kitchens.

Located within or close to our integrated manufacturing complexes, the central kitchens will enable us to prepare convenient ready-to-eat yet fresh meals which will be distributed efficiently via our existing extensive network to reach time-strapped and on-the-go consumers.

The central kitchens will also house suppliers of raw materials and other

food producers to create a food ecosystem where direct access to food ingredients and sharing of common manufacturing facilities will improve production efficiency and product quality.

The listing of YKA is a significant milestone in Wilmar's growth journey and marks a new chapter of accelerated growth in China. We will continue on our strategy to enhance the range and quality of our products and the efficiency of our operations to maintain competitiveness. We believe that YKA is well-positioned to further extend its market leadership and positioning in China's growing food sector.



Integrated manufacturing plant in Fangchenggang

MOST COMPREHENSIVE PRODUCT OFFERING CATERED TO CONSUMERS AND THE FOOD MANUFACTURING INDUSTRY

EDIBLE OILS



RICE



FLOUR



NOODLES



CONDIMENTS



FOOD PROCESSING INDUSTRY



Soy protein

Soy milk powder

Corn starch

Corn fructose

Sugar

Wheat gluten

FEED INGREDIENTS



Soybean meal

Fermented soybean meal

Rice bran meal

Corn bran meal

Peanut meal

Soybean hull

OLEOCHEMICALS



Dishwashing liquid

Laundry soap and detergent

Skincare soap

Stearic acid

Glycerin

Soap noodle

CONSUMER PRODUCTS



Wheat starch

Yeast

Chocolate and compounds

Specialty fat

Animal fat

Dextrose monohydrate



Soy protein concentrate

Full fat soy concentrate

Wheat bran

Corn gluten

Palm kernel expeller

Feed oil



Fatty alcohol

Epichlorohydrin

Alkyl ketene dimer

Sebacic acid

Vitamin E

Sodium hydroxide