

CHAIRMAN'S MESSAGE

FY2021 IN REVIEW

I am pleased to report that the Group achieved its best set of results since its listing on the Singapore Exchange (SGX) in 2006, despite prolonged challenges of the Covid-19 pandemic situation.

The Group recorded a 23.2% jump in net profit to US\$1.89 billion in FY2021, on the back of strong performance in Feed & Industrial Products and Plantation & Sugar Milling segments. This is the highest full year net profits attained by the Group since listing. Revenue increased by 30.2% to US\$65.79 billion (FY2020: US\$50.53 billion).

Diluted earnings per share rose to 29.9 US cents in FY2021, as compared to 24.1 US cents in FY2020. The Group's balance sheet remains strong, with total assets standing at US\$58.72 billion as at 31 December 2021 (FY2020: US\$51.02 billion) while shareholders' funds strengthened significantly to US\$19.92 billion (FY2020: US\$18.88 billion).

The Food Products segment was impacted by high raw material cost during the year, resulting in a 40.9% drop in profit to US\$680.9 million for FY2021 (FY2020: US\$1.15 billion). Overall sales volume grew 3.9%, mainly driven by medium pack and bulk sales as the easing of Covid-19 restrictions globally led to a stronger demand from the hotels/restaurants/catering and food processing industries.

The Feed and Industrial Products segment recorded an increase of 58.4% in profit to US\$1.26 billion for FY2021

(FY2020: US\$795.9 million) on the back of good refining margins and sustained demand for midstream tropical oils products as well as steady contributions from sugar merchandising activities. However, soybean crushing margins remained poor due to high soybean prices and lower demand for soymeal meals as hog farming margins were weak. Overall sales volume decreased by 5.3% to 55.0 million MT in FY2021 (FY2020: 58.1 million MT), due to weaker demand for oilseeds and lower sugar merchandising activities.

The Plantation and Sugar Milling segment reported a 438.1% jump in profit to US\$564.1 million for FY2021 (FY2020: US\$104.8 million), benefiting from firmer oil palm and sugar prices.

Contributions from the Group's joint ventures and associates improved by 8.6% to US\$219.5 million (FY2020: US\$202.2 million) mainly due to favourable performance by the Group's investments in Africa.

In FY2021, we bought back about S\$130 million of Wilmar shares at an average price of S\$4.67 as we felt our shares were undervalued. Our share buyback will continue as long as we see value in doing so.

2021 HIGHLIGHTS

In 2021, in line with our strategy to grow the business for the long term and to develop new businesses with synergies with our existing businesses, we continued to expand our operations in various countries to capture new opportunities.



Adani Wilmar Limited was successfully listed on the National Stock Exchange of India and BSE on 8 February 2022.

China

Following a successful listing on the Shenzhen Stock Exchange ChiNext Board in 2020, our 89.99% subsidiary, Yihai Kerry Arawana Holdings Co., Ltd. (YKA) is continuing on its path of accelerated growth. In 2021, we added new integrated manufacturing complexes and expanded the capacities of existing ones.

One of our new businesses in China is the Central Kitchen Food Park project. Located within or close to our existing integrated manufacturing complexes, we believe the project will enable

us to integrate the processing of agri commodities with the manufacturing, marketing and distribution of food products as well as improve the quality and efficiency of food production. Our central kitchen in Hangzhou is in the trial production stage and will commence operations later this year, together with central kitchens in Chongqing, Langfang and Xi'an.

YKA will continue to expand its product portfolio with high-quality and functional food products, supported by extensive research and development (R&D) in creating innovative products to meet consumers' growing preference for nutritious and healthy food products and to stay ahead of intense competition in the food industry.

China is the world's fastest growing and largest e-commerce market and to capture new business opportunities in the digital marketplace, we are strengthening our e-commerce channels and marketing strategy.

India

Adani Wilmar Limited (AWL), our 50:50 joint venture, made its debut on the National Stock Exchange of India and BSE on 8 February 2022, with a successful initial public offering (IPO) that raised US\$482 million of new capital. Post-listing, we now hold a 44% interest in AWL.



Newly completed integrated manufacturing complex in Bazhou, China.

CHAIRMAN'S MESSAGE

AWL is the largest food and fast-moving consumer goods (FMCG) company in India with a double-digit compound annual growth rate over the last five years. It is also the largest edible oils refiner, oleochemicals manufacturer and consumer pack producer, with manufacturing facilities across 50 locations. Its flagship brand "Fortune" is the top edible oil brand with a market share of over 18% in the country. We see AWL having similar potential as YKA and will use proceeds from the IPO to expand its existing manufacturing facilities, develop new sites, make strategic acquisitions and investments.

Indonesia

We continue to expand our Indonesian operations with new biodiesel and oleochemical plants, refineries, specialty fats plant, fertiliser plants, flour and rice mills as we are bullish on the Indonesian economy in the long term.

Malaysia

Our new refinery in Port Klang and expansion of the OPO (Oleic-Palmitic-Oleic) plant in Pasir Gudang will be commissioned in the first half of this year. Other major projects in the pipeline include a new vegan food production line in Pontian as well as oleochemicals production plants in Tanjung Langsat and Pasir Gudang.

Vietnam

We completed expansion projects for our oils and fats, flour as well as sauces and condiments businesses. In addition, we commenced expansion of our joint venture's soybean crushing plant and grains value-added processing capacities as well as the construction of a new production plant for the homecare segment.

Africa

Our African operations performed well in 2021 and we are reinvesting part of the profits into expanding our existing operations with a new margarine plant, rice mill and packing capacities and expanding our oil palm plantation acreage.

SUSTAINABILITY

The Environmental, Social and Governance (ESG) performance of a company is gaining and will continue to gain prominence as a key decision-making consideration for the financial community. It is also increasingly getting on the radar of customers, regulators and employees.

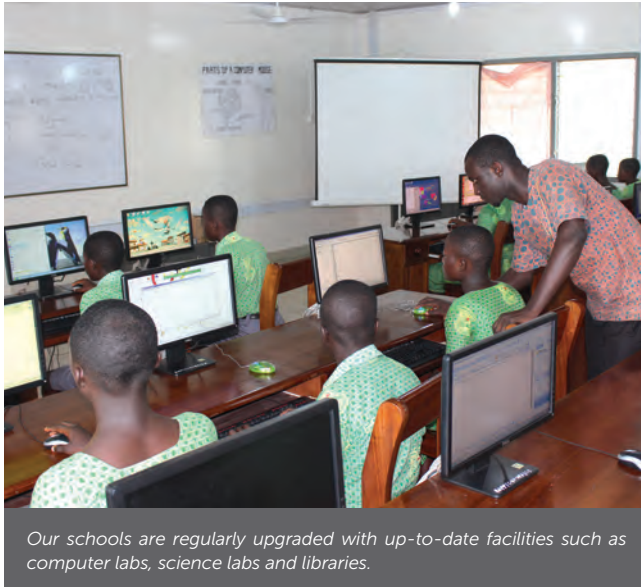


We are developing comprehensive initiatives and targets to identify and reduce negative climate impacts from our value chain which include addressing deforestation and halting biodiversity loss.

Wilmar has been a forerunner in advocating sustainability which includes upholding high ESG standards as we see it as our responsibility as a global agribusiness group to lead by example and contribute to a wider industry transformation. In identifying and mitigating our ESG risks, we aim to set ambitious but achievable targets and conceptualise pragmatic programmes that will create effective solutions.

At the World Leaders' Summit on Forests and Land Use at COP26 in November 2021, Wilmar was one of 12 largest global agricultural trading and processing companies to pledge our commitment to a sectoral roadmap for enhanced supply chain action that is consistent with a 1.5°C pathway to be achieved by COP27. It is imperative that we continue to lead by example while encouraging our peers to demonstrate similar commitments and align our approaches.

Wilmar is developing comprehensive initiatives and targets to identify and reduce negative climate impacts from our value chain, which include reducing greenhouse gas (GHG) emissions in our operations and supply chains, addressing deforestation, halting biodiversity loss and improving livelihoods of farmers and smallholders within these climate-smart production models. These additional targets complement our ongoing climate-related initiatives and progress, which include achieving ahead of time in FY2020



our target of 15% reduction of GHG emissions intensity for our palm oil mills based on our FY2016 baseline, as well as achieving in FY2020, 56% of the total group energy consumption from renewable sources.

We have been providing disclosure on our sustainability work for 15 years since 2007, before sustainability reporting was mandated by SGX in 2017. The scope of our disclosure has also expanded over the years to cover the full spectrum of our global businesses today.

Interest in ESG issues will continue to grow and we need to be prepared for the increased regulations and compliance in the coming years. Through an update in this Annual Report, we hope to provide shareholders with a deeper understanding of our ESG values, goals and the progress we have achieved. More details on our ESG journey and commitments can be found in our Sustainability Report for FY2021 that will be issued in May 2022.

PROSPECTS

The Group's strategy of long-term growth is to invest resources to develop businesses with synergies with our existing businesses, develop new and often challenging markets with huge potential and build integrated processing facilities to increase the competitiveness of our products. Our ability to achieve strong results despite the current difficult business environment is a testament to the success of our strategy.

The successful listing of YKA in October 2020 and AWL in February 2022 at significant market capitalisation reflects the tremendous value creation of our strategy and the significant under-valuation of our group assets. The Group's long-term assets, including intangible assets and investments in joint ventures and associates, have a net book value of US\$23.8 billion as at 31 December 2021.

We are confident that continuing with this strategy will allow the Group to further extend our reach into the global food and agri business and contribute additional value to all our stakeholders.

DIVIDENDS

The Board has recommended a final dividend of S\$0.105 per share. Including the interim dividend of S\$0.05 per share paid in August 2021, the total dividend for FY2021 is S\$0.155 per share, representing the highest cash dividend since the Group's listing on SGX in 2006.

BOARD CHANGES

On behalf of the Board, I would like to thank Mr Weijian Shan who stepped down as Non-Executive and Independent Director on 15 April 2021 for his valuable insights during his tenure on the Board.

At the same time, I would like to warmly welcome Dr Chong Yoke Sin who was appointed Non-Executive and Independent Director on 7 May 2021. The Board looks forward to benefiting from her extensive experience in leading transformation of people and systems.

APPRECIATION

On behalf of the Group, I would like to thank our shareholders, Board of Directors, business partners, customers and employees with a long-term commitment to the Group. It is only with your support and patience that we have been able to focus our growth strategy on building a sustainable and successful business and creating long-term value for our stakeholders.

Kuok Khoon Hong

Chairman & Chief Executive Officer
15 March 2022