

MAKING A SUSTAINABLE IMPACT

ENVIRONMENTAL ■ SOCIAL ■ GOVERNANCE



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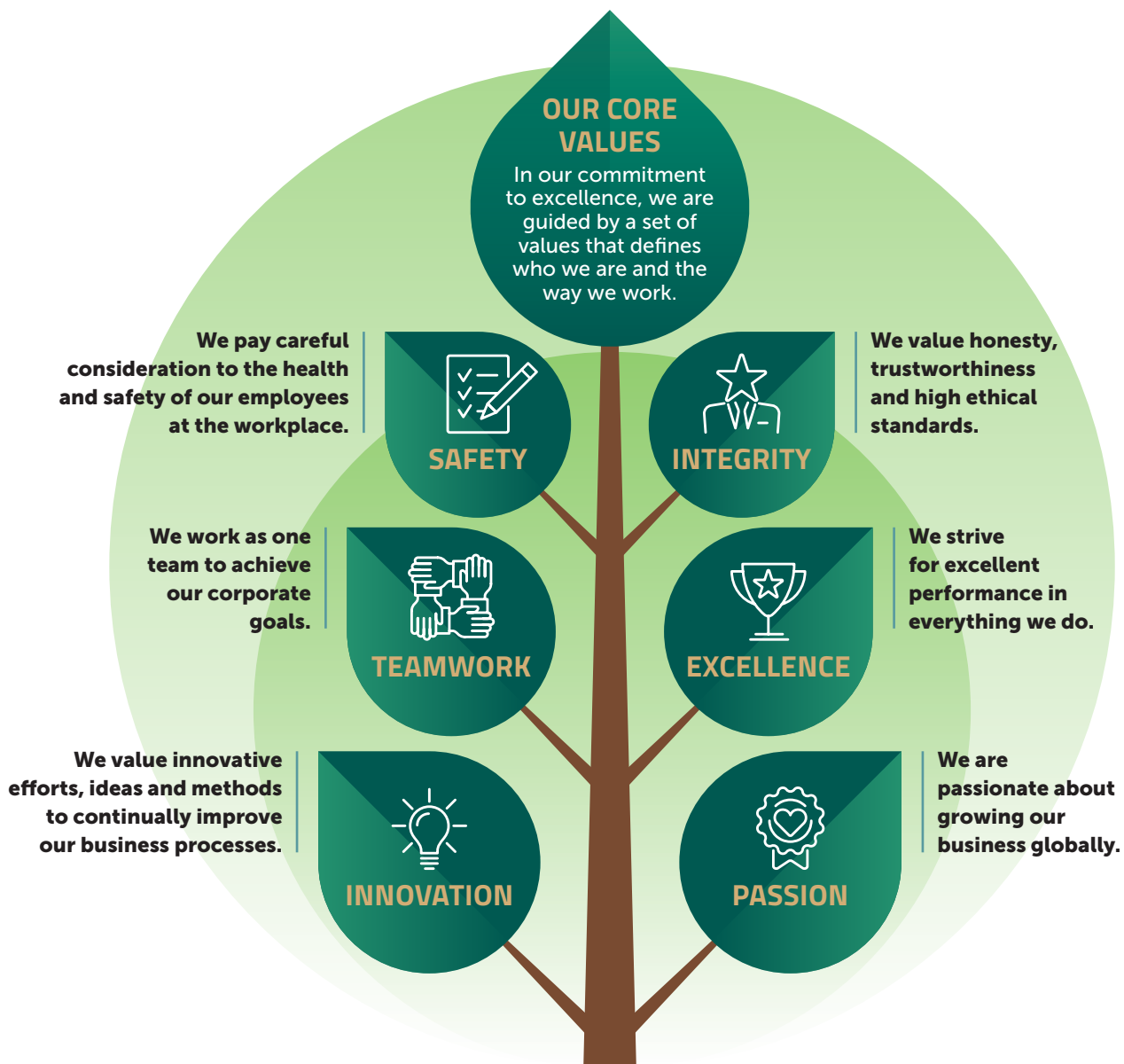
WHO WE ARE

Wilmar International Limited, founded in 1991 and headquartered in Singapore, is today Asia's leading agribusiness group. Wilmar is ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange.

At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugarcane, to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging, animal feeds

and industrial agri-products such as oleochemicals and biodiesel. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies.

Supported by a multinational workforce of about 100,000 people, Wilmar embraces sustainability in its global operations, supply chain and communities.



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.

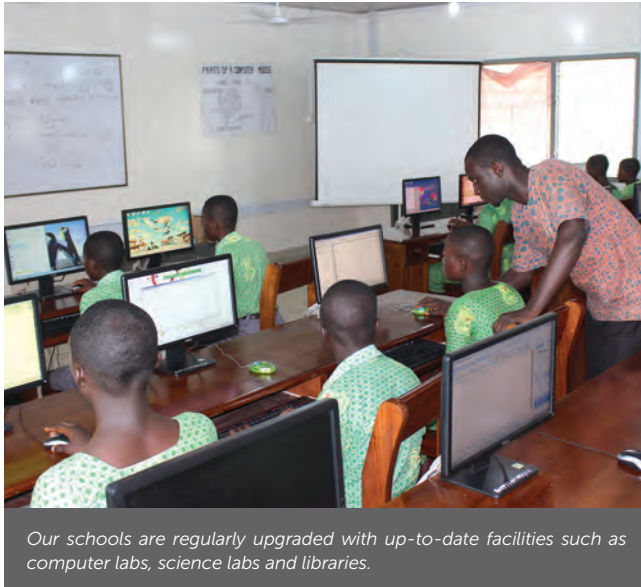


We are developing comprehensive initiatives and targets to identify and reduce negative climate impacts from our value chain which include addressing deforestation and halting biodiversity loss.

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

ENVIRONMENTAL SOCIAL GOVERNANCE

ESG reporting and disclosure have become an important indicator of a company's DNA, how it operates and envisions its future. Increasingly, it is also becoming a key consideration behind decision-making by investors, banks, the financial community and customers.

Through ESG reporting, companies can demonstrate if sufficient care and consideration have been placed on ensuring overall sound management and governance of every operational aspect that could have an impact on its bottom line and the sustainability of its business model. By identifying and mitigating potential ESG risks, it reflects the level of awareness a company has of the extent of its impact on natural resources, its stakeholders, and shareholders.

For Wilmar, ESG reporting is not about ticking boxes. It is about making a meaningful difference to the way our businesses operate so that we create sustained value while

continuing to grow. We strive to embed ESG principles across our businesses to create a tangible and practical plan that delivers effective solutions and results.

2021 marked the 10th edition of Wilmar's Sustainability Report, representing 15 years of sustainability disclosure since 2007.

Sustainability has been a continuous and ongoing journey for Wilmar. When we first started our sustainability reporting, the focus was on the operations of our oil palm plantations as this was where the most material ESG risks were. We worked to evaluate and improve every aspect, from the land on which oil palms were planted, the well-being of our workers, their families and the surrounding communities to the building of infrastructure in underdeveloped rural areas in Indonesia, Malaysia, Ghana and Nigeria where our oil palm plantations are located.

E

ENVIRONMENTAL

OUR MATERIAL TOPICS

PROTECTING OUR ENVIRONMENT

- Biodiversity and Conservation
- Climate Change
- Environmental Footprint of Our Operations
- Sustainable Packaging

S

SOCIAL

OUR MATERIAL TOPICS

LOOKING AFTER PEOPLE AND COMMUNITIES

- Human Rights and Labour Standards
- Employee Health, Safety and Well-being
- Diversity and Inclusion
- Talent Management
- Economic and Community Contribution

Today we are proud to have expanded our scope of ESG disclosures to cover the full breadth of our global businesses from trading, merchandising to product development.

We are encouraged that our efforts and achievements in this space have been reflected in our sustainability credentials. In 2021, Wilmar was included in the Dow Jones Sustainability Indices World Index, FTSE4Good Developed Index and the FTSE4Good ASEAN 5 Index. We also received an 'A' rating for ESG performance in the 2021 assessment by Morgan Stanley Capital International (MSCI), an international investment research firm, for long-term resilience to ESG risks by companies.

This edition of the Annual Report celebrates our ongoing efforts, achievements and is a renewal of our commitment to always strive for improvements in sustainability and ESG.

G

GOVERNANCE

OUR MATERIAL TOPICS

DELIVERING PRODUCT EXCELLENCE

- Innovation and Technology
- Product Quality and Safety
- Product Marketing and Labelling
- Consumer Health & Well-being

TRANSFORMING OUR SUPPLY CHAIN

- Responsible Sourcing and Supply Chain Transformation

RESPONSIBLE BUSINESS PRACTICES

- Business Ethics and Compliance
- Data Security and Privacy

OUR PAST SUSTAINABILITY REPORTS



2020
Reflect
Adapt
Thrive



2019
Responsible
Sourcing



2018
Driving
Transformation



2017
Moving
Forward
Together



2016
We Care



2015
Focused
on Driving
Value

2014
Transformation
Through
Engagement

2013
Staying
the Course
through
Challenging
Times

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Staying
the Course
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Challenging
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ENVIRONMENTAL

OUR APPROACH TO SUSTAINABILITY

As a global leading agrifood company with a presence across the value chain, Wilmar is in a strategic position to leverage our resources, knowledge and expertise to create positive impacts for our stakeholders. We remain steadfast in our commitment to provide responsible and sustainable food, animal feeds and agri-products that safeguard the well-being of both people and our planet. Our operations are centred on a foundation of sustainability that is built on four main pillars:

- Protecting our environment
- Looking after people and communities
- Delivering product excellence
- Transforming our supply chain

Our sustainability pillars set a clear direction for our business while guiding the development of our strategies to boost performance across all business segments. They also take into account our material ESG topics, which were updated in 2020 (see pages 6 and 7 for our updated material ESG topics).

Our No Deforestation, No Peat, No Exploitation (NDPE) policy underpins our sustainability philosophy for our global operations and our supply chain. It is further strengthened by our other sustainability-related policies and frameworks covering environment, human and labour rights, health and safety, equal opportunities, women empowerment, child protection and food safety, all of which can be accessed on our Sustainability Dashboard (<https://www.wilmar-international.com/sustainability>).

PROTECTING OUR ENVIRONMENT

At Wilmar, we firmly believe in leading by example and demonstrate this responsibility through our continued conservation efforts and investments. We are among the early adopters to identify High Conservation Value (HCV) areas and establish these areas as protected zones.

BIODIVERSITY AND CONSERVATION

Protecting Conservation Areas

Wilmar takes a proactive approach to environmental protection. We are committed to biodiversity conservation in our operations and supply chain, which extends from our overarching NDPE policy. Our commitment is guided by two main objectives:

- To manage, maintain and sustain biodiversity and ecological functions existing within conservation areas in Wilmar-owned operations and across the wider landscapes where we operate
- To strive to provide technical guidance and support to our stakeholders, including our suppliers, to enable the mainstreaming of biodiversity conservation in the plantation landscape

Our total conservation areas Group-wide are maintained at more than 32,000 hectares (ha). We remain steadfast in our commitment to No Deforestation and No Peat across our entire supply chain. Our focus is to increase yields and extraction rates to meet production demand without any further land clearing.

All identified HCV and High Conservation Stock (HCS) areas are monitored and maintained as conservation areas based on evaluations done to date for our palm oil operations. This work is carried out by a dedicated conservation team made up of a number of qualified High Conservation Stock Approach (HCSA) practitioners and licensed HCV-HCSA assessors.





CASE STUDY

Retaining forest connectivity:**The Sekar Imej conservation area in Malaysia**

Wilmar has set aside total conservation areas of over 32,000 ha globally – roughly the size of Malta. Hence, it is imperative that Wilmar has a conservation strategy in place to preserve biodiversity and the environment. The Sekar Imej Conservation Area (SICA) is a picturesque forested area located within Wilmar's plantation boundaries in the Beluran district of Sabah. At 2,469 ha, it is Wilmar's largest conservation area in Malaysia, consisting largely of Lowland Mixed Dipterocarp Forest. The terrain is dissected and hilly, with steep slopes exceeding 25° angles. Given its hilly terrain, the conservation area is crucial for soil erosion

control while providing clean water supply, habitats and refugia for mammals and birds.

To date, about 83 species of fauna have been recorded around SICA, many of which are listed as protected under the Sabah Wildlife Conservation Enactment 1997 and the IUCN Red List. Among the species of interest recorded include the Sunbear (*Helartos malayanus*), Lesser Mousedeer (*Tragulus kanchil*), Bornean Yellow Muntjac (*Muntiacus atherodes*) and birds such as the Oriental Pied Hornbill (*Antheacoceros albirostris*), and the Great Argus (*Argusianus argus*).



The Sekar Imej Conservation Area is our largest conservation area in Malaysia. Wilmar's conservation team carries out regular monitoring patrols here to identify any possible encroachment, illegal hunting activities as well as to record wildlife sightings.

Protecting Peatlands

Peatlands store more carbon than all other forms of vegetation combined and therefore play a vital role in climate change mitigation. If these carbon-rich areas are drained or exposed to dry weather, they pose a risk of fire. Wilmar has prohibited any new development on peatlands, regardless of depth, since the implementation of our NDPE Policy. We research solutions for peat restoration where possible by collaborating with experts and local people as we recognise the opportunities and benefits these solutions provide, which includes reducing greenhouse gas (GHG) emissions.

About 1% of our total planted oil palm area is classified as peat. In these planted areas, we apply best management practices defined by peat experts together with the Roundtable on Sustainable Palm Oil (RSPO). This includes maintaining water tables at optimal levels to minimise peat subsidence and to minimise the release of carbon dioxide. We also participate in and contribute towards peatland conservation efforts and targets by the Indonesian Peatland Restoration Agency (Badan Restorasi Gambut) as well as in knowledge-sharing platforms and multi-stakeholder initiatives such as the Tropical Forest Alliance.

ENVIRONMENTAL

Fire Prevention, Monitoring and Suppression

In addition to daily on-ground fire monitoring since 2020, we have harnessed technology to develop an integrated fire monitoring platform that automatically downloads hotspot data and relays it to our field managers using a web-based instant messaging application. The platform was developed internally by our geographic information system team. In 2021, the programme has been extended beyond Indonesia to Ghana, Malaysia and Nigeria.

We also continue to work closely with the RSPO in sharing fire-related data and verifying fire alerts through the RSPO Hotspot Monitoring Programme. Our response teams are immediately dispatched to extinguish fires once they are confirmed incidences.



CASE
STUDY


Fire management programmes in Indonesia

Wilmar has focused efforts to engage local communities in Sumatra and Kalimantan, Indonesia, where slash-and-burn methods are still practised by local farmers for land clearance and preparation, which they perceive to be cost-effective, enrich soil fertility and require minimal labour. We aim to engage local communities and raise awareness of the risks of using fire for land clearance and preparation, which are key components of our Fire Free Alliance (FFA) fire management programmes in Indonesia.

Since joining the FFA in 2016, we also established fire-risk maps within Wilmar-owned plantations and five kilometres beyond our concession boundaries based on soil type, past incidences of fire, accessibility to the area as well as proximity to population, roads and rivers. The maps support our efforts to better plan, monitor and manage activities, especially in high-risk areas.



Wilmar has been part of the Fire Free Alliance since 2016.



Biogas plants, such as this biogas tank system in one of our Malaysian mills pictured here, utilise waste from our palm oil mills to produce energy, which in turn powers the mills.

Climate Change

We recognise the risks climate change poses to our planet and people, including livelihoods and agricultural activities which in turn adversely impacts food production and security. We are gearing up to mitigate the impacts of climate change while identifying the opportunities to strengthen our business resilience.

Our climate change initiatives focus primarily on our upstream agricultural activities, such as oil palm and sugarcane production, where our expected outcomes will be most significant. Additionally, our efforts run across our entire global presence which is aligned with the world moving towards a low-carbon economy.

At the World Leaders' Summit on Forests and Land Use held at the Glasgow Climate Change Conference under the 26th UNFCCC Conference of the Parties (COP 26) in November 2021, Wilmar was one of 12 companies that committed to developing a sectoral roadmap for enhanced supply chain action that is consistent with a 1.5°C pathway to be achieved by COP 27. The 12 companies have a combined annual revenue of almost US\$500 billion and represent the major market share in key commodities including cattle, cocoa, palm oil and soy.

Environmental Footprint of Our Operations

We rely on various resources including water and energy for our business to operate. We thus acknowledge the important role that we play in minimising the environmental footprint of our operations and to support sustainable production by implementing efficiency measures to reduce our use of resources. Our Environmental Policy sets out our commitment to minimise our environmental impact from all our operations. Where possible, we reuse, recover and recycle waste, while striving to responsibly manage disposed waste, effluents and chemicals. We also strictly comply with the relevant environmental laws and regulations in the countries where we operate.

In 2021, we commenced our global Industrial Sustainability Programme which focuses on driving efficiencies in energy, water and packaging in our factories. All our facilities, including those owned by our joint ventures, were surveyed as part of the programme and baseline data on energy, water and packaging were collected. We subsequently identified efficiency improvement projects to be implemented and worked with each site to determine reduction targets.

As of 2020, 56% of our Group-wide energy consumption was from renewable sources of energy, mainly generated from biomass, biogas and solar energy sources. Renewable energy remains a major part of our energy sourcing.

We rely mostly on renewable energy in our palm oil and sugar upstream operations that are generated from biomass, which is mostly derived from our operational waste. For our palm oil mills, the primary energy sources are by-products from the milling process, such as empty fruit bunches (EFB), kernel shells and mill fibre. For our sugar milling operations in Australia and India, the main source of fuel powering our mills is cane bagasse. We are one of the largest producers of renewable biomass energy in Australia.

We have adopted a range of different technologies in our factories to reduce our energy consumption and improve energy efficiency, including steam condensate recovery, waste heat recovery of exhaust gas and steam residual pressure power generation. These initiatives also result in significant GHG emissions reduction.

We are in the midst of implementing the Process Information Management System (PIMS) which monitors the key performance parameters of process and production in our manufacturing plants in real time on a cloud based platform. PIMS will enable us to track key parameters for overall equipment and process efficiency as well as the consumption of energy, water and raw materials across all production plants globally. It will also be able to detect deviations from key parameters and allow us to take corrective actions swiftly. Phase 1 of the implementation of PIMS has been completed and phase 2 is underway.

ENVIRONMENTAL



CASE
STUDY

Photovoltaic power plants and reducing emissions through methane capture facilities in palm oil mills

In 2020, Yihai Kerry Arawana (YKA), our subsidiary in China, and Yihua Technology reached an agreement to construct photovoltaic (PV) power plants in all our factories across China. At our factory in Taizhou, a 1.557 MWp PV station was built on the roof of the building, generating power of up to 1,228,536 KWh and reducing GHG emissions by 1,057.5 metric tonnes (MT) CO₂e. By the end of 2021, we aim to build a distributed PV station of more than 110 MWp, with an annual power generation of more than 109 million kWh. In addition, the design and construction of PV power generation projects take into consideration sustainable resources such as clean energy during the building phase.

To mitigate mill methane emissions, we have invested in methane capture plants across our operations. We use these for flaring, generating electricity or feeding into boilers to replace the burning of palm kernel shells. An operational methane capture facility can potentially reduce a palm oil mill's GHG emissions by 90%. We achieved our 2020 target to complete the construction of 25 methane capture plants by the end of February 2020. With 25 methane captures in full operation, we estimated in 2015 to be able to avoid 500,000 MT CO₂e of emissions annually. As of December 2019, we saw a 571,596 MT CO₂e of total emissions avoided at all our mills, far exceeding our initial estimations.



We are constructing photovoltaic power plants in all our factories in China.

We are one of the world's largest producers of biodiesel and the largest producer of palm biodiesel. Apart from first generation biofuels such as palm biodiesel and cane ethanol, we have capabilities to also produce second generation biofuels made from wastes and residues.

Palm biodiesel offers a cost-effective way to reducing reliance on fossil fuels in the energy transition world. Our palm biodiesel is compliant with the Group's NDPE policy amongst other international sustainability standards.

Our biodiesel is non-toxic, safe to handle and meets the European (EN14214) and USA (ASTM D6751) standards. It contains virtually zero sulphur and is renewable and biodegradable, thereby burning cleaner and offering an improved carbon intensity than traditional petroleum-based fuel.

Our biofuels support government mandates focused on increasing the energy share from renewable sources and reducing reliance on fossil fuels. Such government mandates, like Indonesia's B30 programme, act as a price support policy for oil palm farmers and in turn aid the government in managing the country's foreign reserves.

Wilmar has adopted a lifecycle approach in the management of our water use in our oil palm plantations, from the design to the construction and running of our mills. We have also implemented water efficiency measures, especially for our water-intensive mills, nursery irrigation and household use. This helps us to reduce the use of water and enable cost savings in the long term. For example, in 2021, we explored ways to increase operational water consumption from wastewater recycled from our operations.

We also implemented comprehensive procedures to protect the quality of discharged water. We identify priority substances of concern in the water discharges and regularly monitor and report our progress in reducing significant pollutants. We adhere to all discharge limits specified in local regulations of the countries we operate in.

Wilmar also applies the principles of a circular economy, where possible, and is committed to reducing the amount of waste generated. We recover and reuse all the waste produced in our upstream palm activities, with organic waste including EFB, mesocarp fibre and palm kernel shells being used as fuel or organic fertiliser. Similarly, our sugar milling operations use cane bagasse as fuel for our boilers while other by-products such as press mud, ash, sludge and yeast sludge are used for soil enhancement purposes.



CASE STUDY

Manufacturing facilities designed to reduce environmental footprint

Our large-scale integrated manufacturing complexes are built to reap operational efficiencies and minimise our carbon footprint. Different plants within the same manufacturing complex are able to share common infrastructure and utilities such as steam boilers, effluent treatment and storage tanks, which reduce energy consumption. The output from one plant is often the feedstock for another plant located in the same manufacturing complex thereby reducing transportation emissions. Further energy savings are achieved by using waste products from plants as feedstock for co-generation plants to produce steam and electricity for the manufacturing complexes.

In China, we are building central kitchens in integrated and landscaped Food Parks to manufacture quality food products at affordable prices for different customer segments. Located within or close to our existing integrated manufacturing complexes, our central kitchens will use oil, flour, rice, noodles and condiments produced by our factories to prepare convenient ready-to-eat yet fresh meals.

The Food Parks will house other central kitchen operators and food manufacturers to form a complementary eco-system of tenants with products and services that enhance quality and innovation. Through bulk purchasing of raw materials, consolidated deliveries, more efficient logistics, lower inventory and shared services such as boilers and effluent treatment, the Food Parks will be able to lower carbon emissions.

A new subsidiary, Yihai Shunfeng (Shanghai) Supply Chain Technology Co., Ltd, was formed in China in November 2021 to support the logistics and warehousing requirements of our Food Parks by consolidating deliveries and optimising distribution routes to destinations to reduce our carbon footprint.

The Food Parks will also provide food safety testing and inspection as well as quality control and assurance to ensure the strictest food safety standards are met.



Central kitchen in Hangzhou, China.

ENVIRONMENTAL



CASE STUDY

Minimising wastage through the circular economy of rice

Since the establishment of our first rice mill in Heilongjiang, Jiamusi in 2006, we have invested more than RMB 1 billion in the research and development of a green and low carbon circular economy model for rice through intensive processing and maximising the usage of all by-products. This model is now adopted in all our rice mills in China.

In 2017, our rice mill in Jiamusi embarked on a pilot programme to implement a standardised circular economy model on a national level, with the approval from the National Development and Reform Commission and the National Standards Committee. In 2021, it became the official standardised circular economy of rice model that is included in the national green development plan.

CIRCULAR ECONOMY OF RICE



Sustainable Packaging

We work closely with our research and development (R&D) teams as well as the wider industry to develop packaging solutions using the least number of materials and those that can be reused or recycled by end-users. This is part of our effort to address the impact of packaging waste, particularly plastic waste, while still prioritising food safety and quality as well as seeking to lengthen product shelf life and reduce food waste. We have made significant progress with sustainable packaging across our businesses thus far.

We launched a Global Packaging Data Questionnaire in 2020 across our business units in an effort to collect

comprehensive baseline data. It concluded that we used around 300,000 tonnes of plastic across our operations. We were also able to determine the material efficiency for plastics in general and identify areas where we can potentially increase efficiency. Material efficiency refers to the amount of product packed per tonne of plastic.

Aside from material efficiency, we are also exploring the use of bioplastics and recycled plastics while being mindful that some countries have strict restrictions on the use of recycled plastics for food packaging due to food safety concerns.



CASE STUDY

Sustainable packaging initiatives in China, Australia and New Zealand

Yihai Kerry Arawana's progress

In China, we have started factoring in product circularity from the development stages of our products. Packaging efficiencies are considered from the beginning to the end of the product lifecycle. Our projects include plastic, paper and glass where we strive to reduce materials used for plastic and rice bags as well as reduce polyethylene terephthalate (PET) and glass bottles as well as bottle caps.

We have also been reusing or recycling plastic into packaging not in direct contact with food and reformulating our plastic into single-type forms so that they are more easily recyclable.

Currently, we are using calcium-plastic boxes instead of cardboard boxes, which are reusable up to 100 times for intermediate product transfers.

Through jointly developing and optimising formulas with upstream raw material suppliers to reduce material consumption and improve performance,

we have succeeded in reducing the usage of over two million woven bags and 85,000 plastic barrels by 2020. Concurrently, we are working with other industry players to conduct research on alternative plastic bags to reduce the packaging volume of rice and flour products.

We are introducing higher capacity options for our edible oil products to reduce the amount of raw materials used to make PET annually.

Goodman Fielder's progress

In New Zealand, we were able to use 30% of recycled high-density polyethylene (HDPE) plastic in our milk bottles, representing 250 tonnes of recycled plastic used instead of virgin plastic. To do this, we had to remove the white resin colouring which results in a clear plastic milk bottle. This allows the bottles to be recycled into food-grade recycled HDPE to make new bottles. While in Australia, we launched a 100% PET mayonnaise jar and bottle range, representing 380 tonnes of PET recycled. In both Australia and New Zealand, all our bread tags have been converted from polystyrene plastic into cardboard, representing 300 million fewer items of plastic produced.

LOOKING AFTER PEOPLE AND COMMUNITIES

As a multinational Group with a worldwide presence and a workforce of different nationalities and cultural backgrounds, we support the universal acknowledgement of each person's inherent dignity and remain committed to upholding the human rights and labour standards of our workers and local communities.



Plantation workers are briefed on safety standard.

SOCIAL

HUMAN RIGHTS AND LABOUR STANDARDS

We are committed to respecting human rights, as defined in the United Nations (UN) Declaration of Human Rights and International Labour Organisation (ILO) Core Conventions on Labour, and implementing the UN Guiding Principles on Business and Human Rights. Our objective is to ensure that this applies to all parties or individuals throughout our value chain. Wilmar is also a signatory of the UN Global Compact.

We adhere to local, national and ratified international laws and where legal frameworks are not yet in place, we commit to international best practices as well as Wilmar policies.

Human Rights Policies and Frameworks

In 2021, Wilmar launched our first Group-level Human Rights Defender Policy which was developed with input from key human rights experts. This came on the heels of our Human Rights Framework, which was launched in 2019. The Framework, which was developed in reference to the Organisation for Economic Co-operation and Development (OECD) guidelines, provides detailed instructions on the practical implementation of all principles, including due diligence mechanisms for identifying, preventing, mitigating and accounting for our impact on human rights, including remediating any adverse impacts.

Within our Human Rights Framework, we outlined several procedures and policies upholding human rights, including Wilmar's NDPE policy, Human Rights Policy, Whistleblowing Policy, Grievance Procedure and No Exploitation Protocol.

Wilmar works closely with human rights experts and civil society to ensure that we keep abreast of the latest developments while seeking feedback on our approach and progress. We also actively participate in partnerships and various multi-stakeholder platforms that advocate the protection of human rights.



**for the agriculture sector,
and 3rd across all industries in
East Asia and Pacific in the 2020
Corporate Human Rights Benchmark**



To better understand our systemic labour and human rights risks, we have been collaborating with our technical partner and expert, Verité – an independent non-profit organisation working to strengthen labour rights in supply chains. Verité has also been working with us to better understand the possible root causes of child labour, the link between work and pay practices as well as emerging labour issues.

We were ranked first in the agriculture sector, and third across all industries in East Asia and Pacific in the 2020 Corporate Human Rights Benchmark. A total of 57 of the world's largest products companies were assessed in the same category.

Decent Living Wages

Wilmar is also committed to ensuring that our employees, contractors and suppliers are paid a living wage. We assessed all our employees and contractors to ensure that they are paid a living wage. We also assessed our suppliers using our Supplier Reporting Tool to ensure that they are also paying their workers a living wage. We base our calculations on available frameworks for countries we operate in, including the Global Living Wage Coalition, Wage indicator Foundation, Massachusetts Institute of Technology Living Wage Calculator and the RSPO Living Wage Benchmark.

RSPO is a part of the RSPO Decent Living Wage (DLW) Task Force, which was formalised in January 2021 and formed to oversee the development of the RSPO DLW benchmarks globally.

In countries without furnished data on what is considered a living wage, we ensure that workers in our supply chain receive at least the minimum wage and have access to benefits such as savings schemes, free childcare and free transport. For Wilmar, we provide free housing, facilities and benefits for employees who choose to stay on-site at our operations in remote areas.



CASE STUDY

Creating conducive communities for our employees in our oil palm plantation operations

We provide all workers in our plantations with adequate housing to ensure they live comfortably and have access to all essential amenities. For example, apart from a concrete housing complex for workers in Malaysia, Wilmar also provides amenities like mosques, chapels, clinics, crèche and a Humana (Borneo Child Aid Society) school to provide primary education for children of migrant workers who have no access to government schools.

Similar facilities are provided in Indonesia for workers who opt to stay in the plantations where housing with electricity and water is available. As part of Wilmar's efforts to keep children in schools, we have embarked on a school redevelopment programme where 14 out of 15 schools were redeveloped and upgraded in Indonesia. The crèches and schools in our plantations are accessible for children from neighbouring communities as well.

Wilmar strives to provide similar facilities in our African plantations. In Ghana and Nigeria, free water is provided in our housing areas. In Ghana, there is a central water treatment plant with pipes linking to all housing areas whilst in Nigeria, we have borehole water at each of the workers' housing areas that supply water directly into the homes of workers.

Building layers of trust

Wilmar prohibits any form of forced, trafficked or bonded labour within our operations or supply chain. Wages, identification documents and personal belongings are not withheld from employees and workers, unless with their consent. Secure lockers are provided for workers to store their personal belongings.

Healthcare and community safety

At Wilmar, we consider health and well-being to be essential components of sustainable development. This is in line with Sustainable Development Goal 3, which focuses on ensuring healthy lives and promoting well-being for all. In addition to providing healthcare for our workers and their families, the clinics in our oil palm plantations are also accessible to local communities for basic healthcare services. In 2018, we invested in building new clinics as well as maintaining existing facilities in Indonesia and Nigeria.

Our efforts in providing essential benefits, amenities and increased freedom in movement have translated to a high employee retention rate at our plantations.

Wilmar was recognised by the ASEAN CSR Network in 2019 as the top Singapore-listed company and second in the overall ASEAN category for its human rights disclosure, aside from previously winning the inaugural RSPO Excellence Award in 2019 in the Human Rights and Labour Initiative category.



Early childhood education is a priority for Wilmar. This is a Wilmar nursery school in Benso Oil Palm Plantations in Ghana.



Worker housing in one of our plantations in Sabah, Malaysia.

SOCIAL

Recruitment of Workers

In Malaysia and Indonesia, we recruit workers directly and bear all recruitment fees and related costs to mitigate the risk of human trafficking and forced labour in our palm oil operations. This typically occurs through contract misrepresentation and debt bondage brought about by excessive recruitment fees charged by agents – a common problem in the agricultural sector especially when hiring foreign workers are involved. In cases where we do use recruitment agencies, it is only to support the documentation processes.

In Ghana and Nigeria, the use of any contracted agent is limited to logistical and administrative purposes only. Salaries and remuneration are transacted directly between Wilmar and our workers to prevent risks of exploitation.

Protecting Children's Rights in our Supply Chain

Wilmar does not tolerate child labour, exploitation and abuse of any form and is committed to protecting and safeguarding the rights of children throughout our operations. We pay closer attention to our palm oil upstream operations where the risk of child labour is highest.

We published our Child Protection Policy in 2017, outlining our commitment to protect the rights of children living with their parents in our plantations as well as within our suppliers' and contractors' operations.

Since 2018, we have been conducting annual child safety assessments covering our upstream palm operations in Indonesia and Malaysia. This was expanded to our operations in Africa in 2020. These assessments are carried out internally by a team independent of the plantation operation reporting structure, with the aim of understanding potential risks to children, if any are reoccurring issues, and to record programmes or interventions being put in place to improve overall child safety.

In 2021, we identified and reported on additional measures linked to the Covid-19 pandemic. These include creating a safer environment for children, raising awareness among caretakers and children, and protecting the health of children and families living in our plantations.

In collaboration with our plantation Women's Working Groups (WoW), we also studied health records in our



We have 145 crèches across our plantations to care for younger children so that our workers can work with peace of mind.

plantation clinics to understand and identify any potential blind spots related to the health of mothers, infants and children.

Wilmar developed a Child Protection and Safeguarding Implementation Manual, in collaboration with Business for Social Responsibility (BSR) and consumer companies including Nestlé, Colgate-Palmolive, PepsiCo, Neste and Procter & Gamble. The Manual is comprehensive field guidance for a universal understanding of the rights and protection of children and applies to the wider agriculture industry. We have progressed to the next phase by conducting two pilots, in Malaysia and Indonesia respectively, to test the practical application of the Manual. Key lessons from the assessment of the pilots will be shared with our supplier base in both countries.

In our oil palm plantation operations, Wilmar provides access to free and quality education to children of our employees as we firmly believe that education is the key to addressing poverty and improving lives. We also operate 145 crèches across our plantations to care for younger children.

Despite the challenges brought upon by the Covid-19 pandemic, these efforts persevered to ensure that these children have the facilities and instruments to gain a meaningful education that will allow them to thrive.

In 2021, Wilmar was recognised by the Global Child Forum, a Swedish non-profit foundation, as the highest achiever globally across all industries for championing the protection of children's rights by integrating them into our operations.



CASE
STUDY

Refurbishment and upgrading of schools

In addition to operating and supporting 40 schools and 145 crèches linked to our plantation operations in Ghana, Indonesia, Malaysia, and Nigeria, Wilmar has ongoing programmes to upgrade schools to ensure they are equipped with up-to-date facilities including computer labs, science labs and libraries. We also aim to ensure that school facilities can accommodate extracurricular activities such as music, arts and sports. The redevelopment programme annually benefits between 6,500 and 7,000 children from pre-primary school age through to secondary school age.



Students at a Wilmar funded and managed school in Indonesia attending computer class.

OPERATING & SUPPORTING

40

Schools

145

Crèches

linked to our plantation
operations in Ghana, Indonesia,
Malaysia, and Nigeria

REDEVELOPMENT PROGRAMME

annually benefits between

6,500 – 7,000

children

from pre-primary school age
through to secondary school age

SOCIAL

Employee Health, Safety and Well-being

With our workers undertaking a wide range of different tasks such as harvesting, operating heavy machinery and transporting goods, inculcating a culture of safety across our entire business is our highest priority as any lapses in health and safety protocols will potentially have an adverse impact on our people as well as our operations. We therefore strive to ensure the health and well-being of our employees, workers and everyone involved in our operations, which is their fundamental right, while ensuring we have a healthy, motivated and productive workforce.

We are reviewing and reissuing the standards under our Wilmar Integrated Management System (WIMS) while developing new guidelines to ensure we can manage emerging risks more effectively. These new guidelines will be supported by leading indicators that are meaningful, easy to measure, and that will improve safety. This will include the implementation of activities, practices and measures including:

- Implementation of WIMS
- High Risk Work Compliance Assessment
- Training
- Hazard and Near Hit Reports and Closures
- Environmental, Health and Safety Audit Results

In 2021, we focused on strengthening our seven High Risk Work (HRW) Standards, training and best management practices for high-risk work which includes workplaces involving the seven riskiest work types such as work at height and energy isolation.

Diversity and Inclusion

We believe in the importance of having a work environment that is diverse, non-discriminatory and provides equal opportunities as we strive to attract the right talent and empower our employees to be their best and unique selves. Having a diverse workforce allows us to benefit from new and unique perspectives that help us to serve our wide range of customers.

Wilmar has in place key policies to support our approach to diversity, including our Equal Opportunity Policy and Board Diversity Policy, among others. Every Country Head and Business Head in Wilmar is accountable for ensuring that diverse and inclusive practices are implemented in the workplace. For instance, one of our packaging facilities in China is planning to hire over 300 persons with disabilities out of a total of 1,000 employees.

In Australia, we have committed to developing an Indigenous Recognition Plan and we are part of Diversity Council Australia Limited, an independent organisation spearheading equitable diversity and inclusion in the workplace. We also have in place an apprenticeship programme for both young men and women to apply and be evaluated based on their own merits.



We also recognise the importance of empowering women in our workplace and creating a fair and inclusive environment for them to thrive in. We are committed to providing our women employees with the best possible means to support them as we recognise that they may have particular responsibilities and vulnerabilities, both in and outside the workplace.

We launched our Women's Charter in 2019 which outlines our commitment to respect women's rights and ensuring their welfare while taking into account the diverse work environments in Wilmar, including plantations, factories and offices. The Charter, which applies to our operations globally, is complemented by a number of other policies, including the Sexual Harassment, Violence and Abuse, and Reproductive Rights Policy.

Our Women's Charter outlines five key focus areas:

- Protection and care of female health
- Care of family life and welfare
- Protection from sexual harassment and violence
- Non-discriminatory, fair and equal opportunities at work and in worker representation
- Continuous education for personal and family life improvement

We formed the Women's Committee Steering Group in April 2019 to ensure that there is consistency and alignment with these five key focus areas. We began establishing women's committees in our palm oil plantations in 2007. Since 2020, we have had Women Working Groups (WoW) or Gender Committees in all our palm oil plantations in Indonesia, Malaysia, Ghana and Nigeria.

Through the efforts of our WoW, we have launched a number of initiatives focusing mostly on maternal health in our plantations. This includes trainings and group sessions to raise awareness on various topics ranging from reproductive rights to birth control options and the importance of regular screenings for breast and cervical cancer. We also ensure that there is equal access to health services while distributing maternal health cards to help track women's prenatal health indicators.

In Indonesia, we provided training on prenatal care and maternal health during the Covid-19 pandemic for women in plantations.

We support efforts to help women take better care of their children and families by conducting trainings and group sessions on topics such as childhood nutrition and awareness on child diseases as well as conducting health-related campaigns with local hospitals or health authorities to provide a better understanding of the importance of childhood vaccinations.

We also established crèches, which provide a safe space for childcare while their parents are at work, as part of our efforts to enhance women's welfare. To further improve the safety of our crèches, we have in place registration and attendance records which also include vaccination history. Through our crèches, we ensure that these children receive all the mandatory immunisations.

Our WoWs and Gender Committees were also set up as channels to investigate any sexual harassment-related cases. We also organised trainings in Malaysia and Indonesia to provide further knowledge and understanding of gender-based violence and sexual harassment.



SOCIAL

Talent Management

Our global workforce, comprising approximately 100,000 people spread across 39 countries, is a key pillar of our success. We continue to prioritise attracting and retaining the right talent across our business and value chain by creating an engaging and inclusive workplace while adhering to the highest standards of human and labour rights across our supply chain. We appreciate the importance of local talent and employ local people in our overseas operations as far as possible to leverage their local knowledge and network.

Temporary workers play an important role in fulfilling either seasonal harvest needs, specialist or timebound tasks in our upstream operations, especially in sugarcane plantations and sugar mills as sugarcane is a seasonal crop.

All our employees, regardless of their employment status, are entitled to health care and parental leave in addition to receiving life insurance as well as disability and invalidity coverage.



OUR GLOBAL WORKFORCE

comprises approximately

100,000 people
spread across **39** countries

We also recognise the increasing need and preference for flexible work arrangements, especially due to the Covid-19 pandemic. We have since amended our Human Resource policies to allow employees to exercise flexibility between working in the office or from home for work functions that are not tied to a specific site.

Our employees now have access to an e-learning platform, which is a key tool that enables us to continue delivering training during the Covid-19 pandemic. We are also developing more e-learning courses to cater to different employee levels to complement the current formal training, mentoring and on-the-job technical training.



CASE
STUDY

Recruiting and retaining top talent in China

Every year, our subsidiary in China, YKA recruits high-potential university graduates to train as future company leaders. Selected candidates undergo detailed psychometric testing to identify their skills and suitability for various business positions.

They then attend a 42-month systematic training programme that is tailored to each professional specialisation. Our trainers, both internal and external, cover topics related to professional and managerial development. Upon completing the programme,

candidates can choose to pursue a managerial or specialist professional path.

To retain top talent, we have a robust training programme in place that provides staff with customised training based on their seniority and specialisations. All levels of staff receive training, with distinct tracks for newly hired managers, recently promoted managers, sales managers and other groups. The duration of general training spans one to six months while specialised training is usually two to three days.



We are committed to helping smallholders achieve NDPE compliance and enhance their livelihoods.

Economic and Community Contribution

It is imperative to our long-term success that we support and empower the surrounding communities in which we operate through rural development programmes encompassing education, health and in recent times, Covid-19 relief measures. We rely on effective stakeholder engagement and meaningful partnerships to ensure that these programmes have a long-term impact.

The establishment of our oil palm estates have resulted in the development of infrastructure in remote rural areas, such as roads, electricity and safe drinking water. In our palm oil operations, we support rural development through stable employment opportunities and provision of infrastructure such as schools, housing for our workers, roads for better access to and around our plantations and more.

We are also in a unique position to improve the livelihoods of our palm oil smallholders and sugarcane outgrowers as a large integrated business with a global footprint across the full value chain of food production.

Our independent smallholder programmes are specific to each country and aim to address the unique challenges

faced by farmers in their respective locations. For example, in Malaysia, there are requests for support around the provision and application of fertilisers. In Ghana, farmers require support around the best agronomic practices. Our programmes also sometimes help farmers achieve relevant certification although it is not exclusively an objective.

We are committed to ensuring all smallholders in our programmes have access to a platform for expertise and sharing of best practices to enhance their livelihoods as well as guidance to achieve NDPE compliance.

We have implemented training programmes for sugar outgrowers, covering good farming practices for land preparation, planting systems, cane nutrient requirements, fertiliser application, weed control and the safe handling and application of chemicals.

We empower our subsidiaries to manage their own approach to economic and social contributions that are in line with the needs of local communities. Each subsidiary manages its own programmes which can include cash donations, employee volunteering or employee workplace giving.



CASE STUDY

Supporting palm oil smallholders in Ghana

In Ghana, our subsidiary Benso Oil Palm Plantation (BOPP), has been running a 1,650 ha oil palm smallholders scheme since 1994 at the Adum Bansa Estate in the Mpohor District in Western Ghana. 438 farmers from surrounding communities were invited to be part of this scheme. The Agence Française de Développement (AFD) provided loans to the farmers to develop their land through the Government of Ghana and the African Development Bank (ADB), which have been fully repaid.

Besides providing the land, we rendered technical support to set up the plantations and ensure they are able to adhere to our sustainability standards. Smallholders have land-use rights of up to 25 years and are committed to selling their FFB to BOPP exclusively at a guaranteed price. The annual yield of these farmers is currently 13.57 tonnes per ha which is higher than the average of eight tonnes per ha, constituting 17% of the FFB processed by our mill.

Together with our smallholders, BOPP achieved RSPO certification in 2014, becoming the first company in Ghana and the second in Africa to do so. Following the success of our first programme and in response to requests from various community groups, we established the Adum Smallholder Scheme programme in 2018 to assist 300 smallholders in developing 1,400 ha of their land into oil palm plantations.

Co-financed with the Foreign, Commonwealth & Development Office, this programme has a particular focus on protecting forests and biodiversity within the broader landscape. It was also designed with an alternative livelihood scheme to help diversify farmers' income through activities such as baking, poultry farming and beekeeping. It is important to provide an additional source of income for farmers as new plantings take an average of four years to mature. It also helps farmers to repay their initial loan. We have completed the RSPO New Planting Procedure and initiated 400 ha of planting which is currently being allocated to farmers.

SOCIAL



CASE
STUDY

PHILANTHROPIC ACTIVITIES

Yihai Kerry Education Aid Programme

The Yihai Kerry Education Aid Programme was launched by YKA to provide access to education and improve the conditions of schools in underprivileged regions. Apart from building schools, a team of employee volunteers actively work with the principal and teachers to discuss the school curriculum. YKA and the Arawana Charity Foundation have funded Yihai schools in 16 provinces, municipalities and autonomous regions across the country.

The Arawana Scholarship was set up to provide children of migrant workers in cities and children from poor rural families in western China with the means to pursue an education.

Scholarships and educational support

We work with various educational institutions in Singapore to provide scholarships and bursaries for underprivileged students with academic potential. The Wilmar Scholarship, established in 2009, and the Kuok Khoon Hong (KKH) Scholarship, established in 2012, provide undergraduates with the opportunity to embrace a holistic education and to give back to society in the years ahead.

Since 2017, Wilmar and our subsidiary, PPB Oil Palms Berhad, have been offering the Goh Ing Sing Agriculture Science Scholarship to Malaysian students who want

to pursue agriculture science and related courses. This scholarship was set up in memory of the late Mr Goh Ing Sing, who was Wilmar's Group Plantations Head until his passing in August 2016.

Apart from scholarships, Wilmar and our Chairman and CEO, Mr Kuok Khoon Hong, have collectively pledged to donate S\$7 million to The Straits Times School Pocket Money Fund over a three-year period from 2020 to 2022. The donation will provide pocket money to children from low-income families to help them through school in Singapore.

Support for those in need of medical attention

Wilmar continues to support those in need of cataract operations and prosthetic limb surgeries as we strive to improve their quality of life. We have funded over 28,000 cataract operations and over 1,000 prosthetic limb surgeries.

The Arawana Charity Foundation's "Respect for the Elderly and Children" project focuses on improving the living and rehabilitation conditions of vulnerable groups such as the elderly and disabled. Apart from donations, activities undertaken as part of this project include the purchase of medical equipment for disabled children's rehabilitation centres and the construction of orphanages and nursing homes for the elderly.



Employee volunteers organise birthday celebration for residents at an elderly nursing home and educational activities for children at an orphanage.



Covid-19 vaccination drive in one of our plantations in West Sumatra, Indonesia.

Mitigating the Impact of Covid-19

From the early outset of Covid-19, Wilmar recognised the risks the pandemic posed to our employees as well as to our business. As the world continues to battle the pandemic, it is apparent to us that sustainability is an important pillar in building business resilience. Significant resources were channelled towards identifying and developing initiatives to mitigate risks, including implementing standard operating procedures to ensure the safety and well-being of our employees and their families as well as our surrounding communities. In tandem, we also ensured that our employees' jobs, wages and related benefits were secure and not negatively impacted due to the pandemic as well as education continuity despite the closure of schools during lockdowns.

Wilmar also collaborated with local authorities in certain countries to organise local vaccination drives not just for our employees and their dependents, but for surrounding communities as well. Our multi-purpose halls were converted into vaccination centres, with all mandated regulations observed, and buses were chartered to ferry people between their homes and the vaccination centres.

We also recognise the difficulties faced by individuals, families and communities arising from the pandemic. We supported local and national relief efforts by contributing personal protective equipment (PPE), food products, medical equipment, disinfectants, hygiene products as well as monetary contributions.

The pandemic also saw the closure of schools which negatively impacted the access to education for millions of children. Children living in oil palm plantations faced additional challenges in home-based learning due to unstable internet connectivity in remote locations where our plantations are located, the unaffordable cost of mobile internet data for video streaming or virtual classrooms as well as the general lack of devices in households to access online education.

Working closely with the schools that Wilmar funds or manages in our plantations, we ensured that we were able to continue providing education through innovative solutions and novel approaches ranging from social media to smartphone apps such as WhatsApp, platforms such as Google Classroom and Zoom as well as local radio and television broadcasts to transmit educational programmes.

We also designed and implemented an 'internal homework postal system', with plantation offices and members of our Women's Working Group printing and delivering worksheets for children, which were then collected and submitted to teachers for checking. Teachers could also conduct walkabouts to check in on their students. Where possible, we would also make laptops available for students attending home-based schooling.

These efforts continued well through 2021, especially when lockdowns were in effect.

GOVERNANCE

DELIVERING PRODUCT EXCELLENCE

Wilmar is deeply committed to delivering product excellence by ensuring that we meet the highest standards of product quality and safety. We continue to focus on developing products that contribute to the health and well-being of our consumers, with transparent product marketing and labelling. An important part of our strategy revolves around R&D to continue driving innovation in our business processes, operations and product offerings.



We engage in research and development activities to drive product innovation and quality.

Innovation and Technology

We continue to invest in R&D and adopt new technologies to drive innovation.

We currently have in place over 500 projects across our global operations looking into advancing agricultural practices, optimising factory processes, enhancing product quality across various segments as well as better understanding the health benefits of various ingredients through the study of food science. We have also established strategic partnerships with leading academic and national research centres in Australia, China, New Zealand and Singapore, among others, that continue to contribute to our pipeline for talent and research collaborations.

Improving Yields and Reducing Pressure on Land Use

To increase yields without additional land expansion, we continue to focus on cloning in our upstream palm oil operations to identify and select oil palm variations based on yield performance and other parameters. We are scaling up production to 500,000 clonal palms per year by 2026 following the establishment of our new oil palm clonal lab in Central Kalimantan, Indonesia. We expect yields to improve by as much as 30 per cent through these variations.

We have been conducting research in collaboration with Temasek Life Sciences Laboratory (TLL) on the use of genetic screening to shorten the palm breeding cycle, which has the potential to halve the breeding process time compared to conventional methods. We are currently carrying out field tests on selected genetic markers against fresh fruit bunches (FFB) yields in sampled palms.

The TLL team is also currently testing DNA markers associated with *Ganoderma* resistance while also discovering that drought-tolerant oil palms could be selected at the seeding stage.

Wilmar Sugar Australia is trialling the use of Genomic Selection technology using Single Nucleotide Polymorphism (SNP) chips as part of its plant breeding programme to identify 'super' parents that contain additive traits that will help improve sugarcane yields and sugar content of their progeny.

Improving Nutrition

The WIL@NUS Corporate Laboratory has undertaken an important study over the last three years to identify food ingredients that can better contribute towards healthy living and well-being. Clinical trials were completed and its results published in the *Journal of Nutrition*. WIL@NUS is a US\$110-million, five-year partnership between Wilmar, the National University of Singapore (NUS) and the National Research Foundation that was launched in 2018.



WIL@NUS Corporate Laboratory is jointly set up by Wilmar, National University of Singapore and the National Research Foundation.

Wilmar is committed to providing consumers access to healthy, nutritious and affordable food especially in emerging markets. We are well-positioned to respond to consumer needs for healthier lifestyles through new, innovative and enhanced products with additional nutritional attributes.

Our edible food products range from vegetable oils to sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products. Regardless of whether the product is distributed wholesale or sold directly to customers, Wilmar consumer brands are renowned for their quality and reach five billion consumers worldwide. Our approach is centred on understanding the evolving science around nutrition and consumer preferences, to help us design and manufacture market-leading and nutritious food products. We also believe in being transparent in providing product information and educating our consumers. Starting with our employees, we released the first internal Wilmar Nutrition Newsletter in September 2020. This is a good way to raise



Addressing nutritional needs of indigenous communities

Goodman Fielder has been collaborating with the Menzies School of Health Research, one of Australia's leading medical research institutes dedicated to improving the health and well-being of Aboriginal and Torres Strait Islander peoples. Since the 1980s, we have developed a type of bread to help address the nutritional requirements of indigenous peoples. We initially developed a bread called Darwin Hi Fib, followed by Territory Hi Fib. Our current brand, Bush Oven Outback Bread, has been well-received by indigenous communities and is helping to address common deficiencies in folate, fibre and iron.

awareness on health and well-being topics and to provide Wilmar employees with factual news relating to progress on clinical trials, nutrition and health.

Product Quality and Safety

The quality and safety of our products are of utmost importance and we have in place Food Safety Policy, Food Fraud Policy and Food Defence Policy to ensure that our food products consistently meet regulatory and compliance standards.

Our food factories are required to be certified under the food safety certification scheme accredited by the Global Food Safety Initiative while a majority of our factories are also certified under the Food Safety System Certification (FSSC 22000) scheme, both of which are internationally recognised food safety certifications. Where relevant, Wilmar also complies with the British Retail Consortium Global Standard for Food Safety as well as the Safe Quality Food programme for our operations in the United States of America. We also adhere to the Good Manufacturing Practice system which ensures our products meet food safety, quality and legal requirements. To control food safety risks especially in retail products, we commenced implementing the Hazard Analysis Critical Control Point system in 2021.

Responsible Marketing and Labelling

Wilmar strictly complies with applicable legal requirements and regulatory guidelines in each region where we operate, to ensure that we market and label our products in a responsible manner while upholding a high level of ethical standards. This includes, but is not limited to, not targeting children in our sales and marketing activities.

GOVERNANCE

TRANSFORMING OUR SUPPLY CHAIN

As one of the world's largest agrifood companies, Wilmar is well-positioned to create a lasting influence on our supply chain. Recognising that a significant portion of our environmental and social impact derives from our supply chain instead of our direct operations, it is imperative for us to engage and work closely with our suppliers to make sustainable agriculture and food production a reality.



Wilmar's suppliers include smallholders, such as this smallholder family from South Sumatra.

Responsible sourcing and supply chain transformation remain a strategic priority for Wilmar. We must ensure that our sustainability commitments extend beyond our operations to cover the rest of our supply chain.

Prioritising palm oil and cane sugar, we have in place programmes that ensure traceable and transparent supply chains while ensuring that our suppliers meet our sustainability commitments through capacity building and monitoring. At the group level, our suppliers are expected to uphold basic principles related to legal compliance, business integrity, labour and human rights, environmental protection as well as product quality and safety.

Responsible Sourcing and Supply Chain Transformation in Palm Oil

A large proportion of our supply of FFB, crude palm oil (CPO) and palm kernel oil (PKO) come from third-party suppliers all over the world. To help with the implementation of our NDPE commitments, we have put in place a comprehensive traceability programme since 2015. Our interactive supply chain map shows all our suppliers by country and refinery, providing further details such as the name of the facility/company, location, percentage traceability to mill and progress on sustainability. In addition, we continue to monitor compliance of our direct supply chain through our Supplier Reporting Tool for each mill supplier, and our indirect supply chain through our Supplier Group Compliance Monitoring Programme using satellite data.





CASE STUDY

Our key programmes in ensuring palm supplier compliance

As part of our efforts to ensure that sustainability is integrated into all relevant business processes, including the supply chain, we conduct a due diligence process for all new suppliers. Existing suppliers are subject to supplier assessments, where relevant and necessary.

To meet our commitment to being 100% deforestation-free, Wilmar is taking a three-pronged approach to monitoring our entire supply chain.

Key Programmes

Implementation Methods



SATELLITE MONITORING

- Supplier Group Compliance Programme (SGCP) and Radar Monitoring Technology to Detect Deforestation (RADD) platform



SUPPLIER COMPLIANCE

- Commitment to NDPE
- Traceability to mill
- Assessing suppliers through Supplier Reporting Tool
- NDPE Implementation Reporting Framework



GRIEVANCE

- Suspend first
- Supplier re-entry criteria

Strengthening our Approach to Sustainability in our Sugar Supply Chain

Being one of the world's leading sugar players, we recognise the importance of extending our sustainability approach to also include our sugar supply chain and have thus launched our NDPE Sugar Policy in September 2021. This policy takes into account the specific context of the sugar supply chain while remaining fundamentally aligned with our approach and core beliefs outlined in our original NDPE policy, which we first launched in 2013 focusing on our palm oil supply chain. Core to this policy is a commitment to creating a transparent sourcing network through traceability mapping, which is a continuation of our previous work on tracing raw sugar supplies for our refineries.

We do recognise the importance of having flexibility in our approach to reflect the realities and available tools. In Australia, for example, we take into consideration its national programmes as well as the legal frameworks and their enforcement when determining compliance with our policies. In addition, we also recognise standards and schemes that are benchmarked gold or silver by the Sustainable Agriculture Initiative as equivalent to our NDPE Sugar Policy.

GOVERNANCE



Wilmar Sugar agronomist in Australia measuring apparent electrical connectivity of soil in our sugarcane farm to identify physico-chemical properties that influence crop yield patterns.



CASE
STUDY

Improving traceability and sustainability in our sugar supply chain

Smallholders make up the bulk of our sugar supply base, and to ensure inclusivity of sustainability for farmers, we launched the Wilmar NDPE Sugar policy in September 2021 based on three core principles:

- Protecting & Respecting People & Communities
- Protecting Natural Ecosystems
- Enhancing Operational Practices

PRINCIPLE 1. PROTECTING AND RESPECTING PEOPLE AND COMMUNITIES

- Respect and support internationally recognised human rights
- Respect and recognise the rights of all workers
- Respect and protect the rights of children and their welfare
- Respect land tenure rights
- Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal, or customary rights
- Identify measures to provide remediation where the company has caused or contributed to negative human rights impacts

PRINCIPLE 2. PROTECTING NATURAL ECOSYSTEMS

- No conversion of legally protected areas or HCV areas
- GHG emissions are measured, with reduction targets in place

PRINCIPLE 3. ENHANCING OPERATIONAL PRACTICES

- Improving overall efficiency of operations
- Effective management of water
- Progressive implementation of agricultural best practice
- Preserve and enhance relevant biodiversity and ecosystem services

RESPONSIBLE BUSINESS PRACTICES

Conducting business activities responsibly is the foundation of any successful business. We are committed to maintaining the trust and confidence of our stakeholders by fostering a culture of ethical business conduct and ensuring everyone complies with all relevant laws and internal policies.

Business Ethics and Compliance

Wilmar instils a widespread culture of strong business ethics and compliance throughout our business and all our operations. This guides the right behaviour and decision-making within the Group and ensures we uphold the highest standards of integrity.

All Wilmar employees receive training and specific guidance on our corporate policies, either during onboarding or refresher training sessions, while the Board of Directors is encouraged to participate in training programmes that are relevant to their role. These corporate policies, which are reviewed and approved by our Board of Directors, include Code of Conduct, Code of Ethics, Anti-Bribery and Corruption Policy, Anti-Fraud Policy and Whistleblowing Policy.

Wilmar's Tax Policy sets the direction on how all companies within the Group are to conduct their tax affairs. Our approach is based on key principles to ensure that we manage tax in a fair and responsible manner.

Our Whistleblowing Policy provides the framework for our employees and external parties, who have a business relationship with Wilmar, to raise concerns or incidences of corporate improprieties in confidence and without risk of reprisal. It also establishes the process to investigate and verify concerns followed by determining the appropriate follow-up actions.

There were no reported incidents of anti-competitive behaviour, monopolistic practices or corruption cases that involved Wilmar in 2021. There were also no significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our operations.

Wilmar also did not make any contributions to political organisations or campaigns in 2021.

Data Security and Privacy

Wilmar has established a dedicated system to address concerns surrounding data management as we strive to protect our employees' and stakeholders' rights to privacy while preventing cyber attacks from occurring.

Key developments, initiatives and emerging issues on IT security are regularly reported by our Chief Information Officer to the Chief Operating Officer and Board of Directors.

Wilmar's Internal Privacy Policy addresses how employees must handle data in accordance with these regulations.

Externally, the Wilmar Group Privacy Policy outlines how we collect, process, use and disclose personal data, while respecting the rights of individuals. In 2021, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

More information on our efforts can be found in the Information Technology chapter on page 44.



Implementing cybersecurity measures

To prevent, detect and respond to cyber attacks efficiently, we reference the National Institute of Standards and Technology (NIST) Cybersecurity Framework in our IT Security strategy, which aims to drive productivity without compromising cybersecurity. We also follow industry best practices to reinforce our cyber resiliency by ensuring high availability and recoverability of our infrastructure and services.

We recognise the importance of building a cyber-aware culture and strive to do so by conducting interactive awareness training and sending cybersecurity bulletins with tips and advice regularly. This inculcates good cyber hygiene amongst our employees and reminds them to stay vigilant.

OUR GLOBAL OPERATION

Wilmar is a global leader in processing and merchandising of edible oils, oilseed crushing, sugar merchandising, milling and refining, production of oleochemicals, specialty fats, palm biodiesel, flour milling, rice milling and consumer pack oils.



OVER **1,000**
MANUFACTURING PLANTS
IN **32** COUNTRIES AND
REGIONS*



EXTENSIVE DISTRIBUTION
NETWORK IN CHINA, INDIA,
INDONESIA AND SOME **50** OTHER
COUNTRIES AND REGIONS



MULTINATIONAL
WORKFORCE OF
ABOUT **100,000** STAFF
GLOBALLY



* Including subsidiaries, joint ventures and associates

PERFORMANCE OVERVIEW



NET PROFIT

US\$ **1.89B**

CORE NET PROFIT

US\$ **1.84B**

REVENUE

US\$ **65.79B**

EBITDA

US\$ **4.17B**

TOTAL ASSETS

US\$ **58.72B**DILUTED EARNINGS
PER SHARE**29.9** US CENTS

NET ASSET PER SHARE

US\$ **3.17**

DIVIDEND PER SHARE

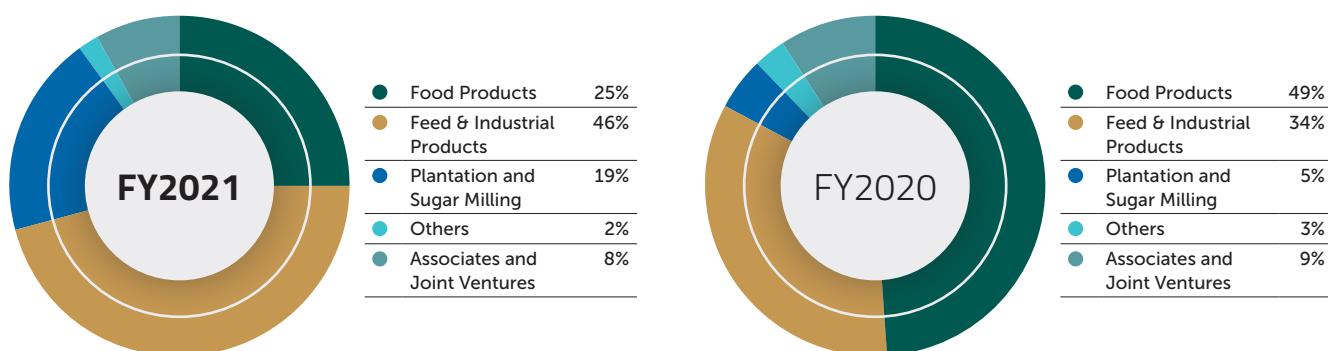
S\$ **0.155**

FINANCIAL HIGHLIGHTS

	FY2021	FY2020	FY2019	FY2018	FY2017
INCOME STATEMENT (US\$ MILLION)*					
Revenue	65,794	50,527	42,641	44,498	43,574
EBITDA	4,172	3,609	3,024	2,937	2,615
Profit before tax from continuing operations	2,766	2,311	1,698	1,612	1,563
Net profit – including discontinued operations	1,890	1,534	1,293	1,125	1,196
Earnings per share – fully diluted (US cents) – including discontinued operations	29.9	24.1	20.4	17.8	18.9
Dividend per share (Singapore cents)	15.5	13.0	12.5	10.5	10.0
Dividend payout ratio on net profit (%)#	38	40	44	43	39
Special dividend per share (Singapore cents)	–	6.5	–	–	–
CASH FLOW (US\$ MILLION)*					
Operating cash flows before working capital changes	3,994	3,594	2,894	1,956	2,513
Capital expenditure	2,527	1,976	1,813	1,325	938
Working capital changes	(3,100)	(2,443)	1,098	149	(1,728)
Investment in subsidiaries, joint ventures and associates	81	317	129	417	132
BALANCE SHEET (US\$ MILLION)+					
Shareholders' funds	19,924	18,882	16,763	16,046	15,964
Total assets**	58,718	51,020	47,045	45,713	40,933
Total liabilities**	36,116	29,637	29,169	28,938	23,947
Net loans and borrowings	17,238	13,605	13,219	13,460	12,596
Net gearing (x)	0.87	0.72	0.79	0.84	0.79
Adjusted net loans and borrowings ¹	5,349	5,038	6,102	5,426	4,222
Adjusted net gearing (x)	0.27	0.27	0.36	0.34	0.26
Net asset per share (US cents)	316.5	298.9	264.4	253.6	252.4
Net tangible assets per share (US cents)**	230.8	212.7	179.8	182.8	183.0

¹ Adjusted net loans and borrowings exclude liquid working capital and liabilities directly associated with disposal group classified as held for sale.

PROFIT BEFORE TAX BY BUSINESS SEGMENT



Note:

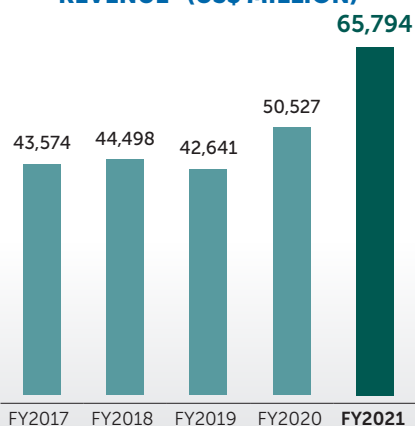
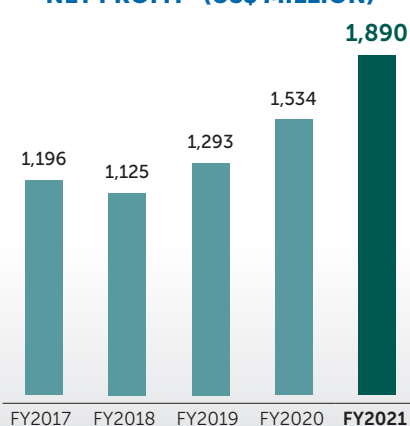
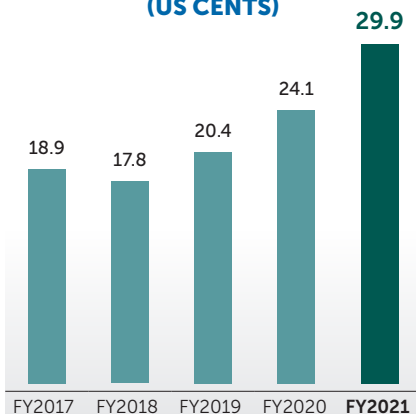
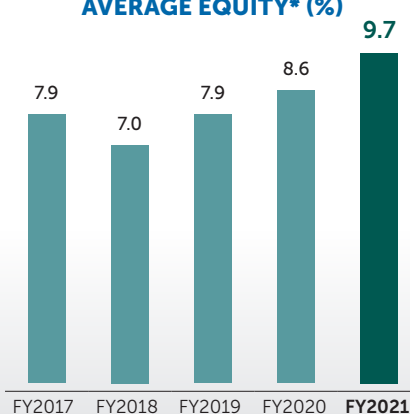
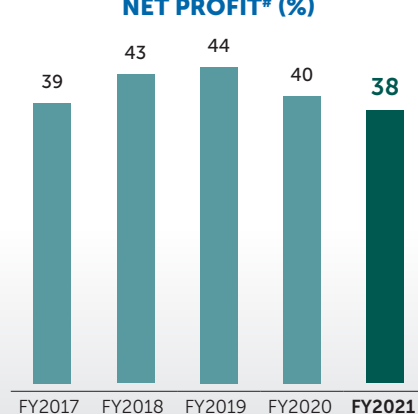
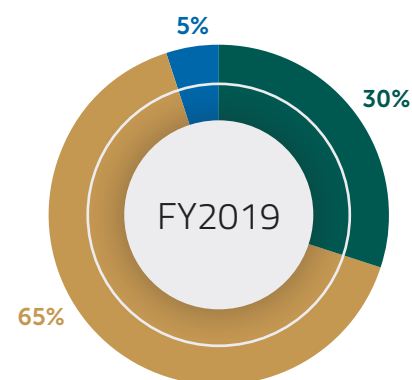
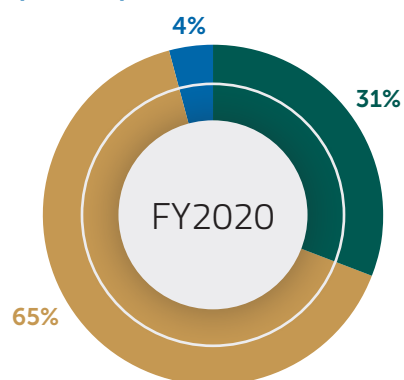
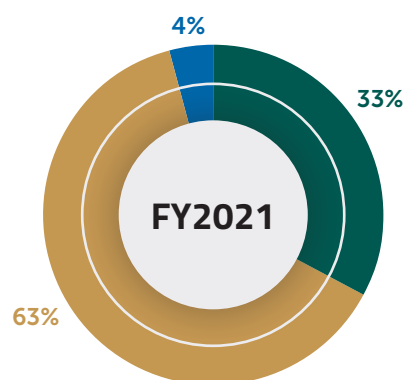
Segmental breakdown calculation excludes unallocated expenses, gains from biological asset revaluation and impairment of property, plant and equipment.

* FY2017 figures were restated upon adoption of SFRS (I) 9 Financial Instruments, SFRS (I) 15 Revenue from Contracts with Customers and IFRS Convergence. FY2018 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries.

+ FY2018 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries.

++ FY2019 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries.

FY2021 dividend payout ratio on net profit is estimated based on number of shares outstanding as at 31 January 2022.

REVENUE* (US\$ MILLION)**NET PROFIT* (US\$ MILLION)****DILUTED EARNINGS PER SHARE* (US CENTS)****RETURN ON AVERAGE EQUITY* (%)****DIVIDEND PAYOUT RATIO ON NET PROFIT# (%)****SALES VOLUME BY BUSINESS SEGMENT ('000 MT)**

Food Products	28,265
Feed & Industrial Products	54,994
Sugar Milling	3,300

Food Products	27,217
Feed & Industrial Products	58,084
Sugar Milling	3,527

Food Products	24,301
Feed & Industrial Products	52,387
Sugar Milling	3,986

WHAT WE DO

VERTICALLY INTEGRATED BUSINESS MODEL

Wilmar's strategy is to build an integrated model encompassing the entire value chain of the agricultural commodity business, from origination to processing, trading, merchandising branded products and distribution.

ORIGINATION



PLANTATION AND SUGAR MILLING

Oil palm plantation and **sugar milling** activities, which include the cultivation and milling of palm oil and sugarcane.

OIL PALM PLANTATION

FFB
4.0m MT

SUGAR MILLING

Volume
3.3m MT

Revenue
US\$3.65b
Results
US\$564.1m

PROCESSING



FEED AND INDUSTRIAL PRODUCTS

Processing, merchandising and distribution of products, which include **animal feeds**, **non-edible palm and lauric products**, **agricultural commodities**, **oleochemicals**, **gas oil** and **biodiesel**.

TROPICAL OILS

Volume
22.8m MT

OILSEEDS & GRAINS

Volume
20.2m MT

SUGAR

Volume
12.0m MT

Revenue
US\$38.89b
Results
US\$1.26b

PRODUCTS

TRADING,
MERCHANDISING
& DISTRIBUTION

CUSTOMERS

FOOD
PRODUCTS

Processing, branding and distribution of a wide range of edible food products, which include **vegetable oil produced from palm and oilseeds, sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products**. These food products are sold in either consumer and medium packaging or in bulk depending on consumer requirements.

CONSUMER
PRODUCTS

Volume
8.5m MT

MEDIUM PACK
AND BULK

Volume
19.7m MT

Revenue
US\$29.51b
Results
US\$680.9m

LOGISTICS

38
Liquid Bulk Vessels

17
Dry Bulk Vessels

9
Ports in Indonesia

7
Ports in China

1
Port in Myanmar

OPERATIONS REVIEW

A GLOBAL INTEGRATED AGRIBUSINESS

At the core of Wilmar's strategy is a resilient business model encompassing the entire value chain of the agricultural commodity business, from origination, processing, merchandising to manufacturing of a wide range of branded consumer products.

Over the years, we have invested substantially in building an integrated agri and food business which gives us economies of scale and operational efficiencies, allowing us to be one of the most efficient producers in the industry.

This efficiency is complemented by our strategically located facilities found near the coastal areas of both origin and destination markets, which enable us to manage transport, logistic and operational costs effectively. We also own a fleet of liquid and dry bulk carriers to support our shipping requirements. As at 31 December 2021, the Group owned and controlled tankers / dry bulk vessels with a total tonnage of about 2.6 million MT.

One of our key assets is our people. We believe we have some of the best people in the industry who have stayed with us for many years and built our Group to what it is today. Our business partners are another great asset who have contributed to the success of the Group in many countries.

COMPANY DEVELOPMENTS

In 2021, we continued to invest in our businesses in various countries such as China, Indonesia, India, Malaysia, Vietnam and Papua New Guinea, adding oil refinery, crushing plants, rice bran extraction plant, flour mills, rice mills, consumer edible oil, flour, rice and sugar packing plants, biodiesel plants and specialty fats plant.

In China, our Central Kitchen Food Park project is progressing well with the first facility in Hangzhou completed and in the trial production stage. We plan to build multiple integrated food park complexes throughout the country located within or close to our integrated manufacturing complexes. These 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. We plan to target institutions such as schools, elder care homes and commercial canteens. The Food Parks will also house suppliers of raw material and other food producers to create a food eco-system where direct access to food ingredients and sharing of common manufacturing facilities will improve production efficiency and product quality.

For our sugar business, our Kandla refinery in India was affected by logistic constraints related to Covid-19 lockdown in the first half of 2021. This led us to initiate an investment programme to improve quality grade, logistics and efficiency, thus lowering cost performance. The benefits of these investments are expected to show in the second half of 2022 and will allow the Kandla refinery to continue to be one of the lowest-cost producers in the country. Through our associate, Cosumar, our new refinery located in Yanbu, Saudi Arabia, started production in July 2021 and is performing in line with technical expectations. Full production will be reached in 2022, with an expected annual production capacity of 700,000 MT. We will also continue our investments in renewable energies.

GLOBAL MANUFACTURING CAPACITIES

As at 31 December 2021, the Group has plants located in 32 countries/regions with the following capacities:

	Subsidiaries Total capacity (million MT p.a.)	Associates Total capacity (million MT p.a.)
Edible Oil Refining*	33	14
Crushing**	31	13
Specialty Fats	2	<1
Sugar Refining	4	1
Flour Milling	14	3
Rice Milling	6	<1
Oleochemicals	2	<1
Biodiesel	5	0
Sugar Milling	28	4

* Edible oil refining capacity includes palm oil and soft oils

** Crushing capacity includes oilseeds crushing and rice bran extraction

OPERATIONS REVIEW



FOOD PRODUCTS

This segment comprises the processing, branding and distribution of a wide range of edible food products. These food products are sold in either consumer and medium packaging or in bulk.

We are the largest producer of consumer pack edible oils in the world, with leading positions in China, Indonesia, India, Vietnam, Sri Lanka and several African countries. We also have increasing sales of rice, flour, noodles and condiments under a diverse brand portfolio. Our range of high-quality essential food products have enabled us to build leading sales and distribution networks in many countries. Our consumer brands are well-established and renowned for their quality, having won numerous product awards in their respective markets.

Market trends

As Covid-19 lockdowns eased in many countries in 2021, there was a reversal of the trends seen in 2020. As more consumers dined out, demand for medium pack and bulk products supplied to hotels, restaurants and catering (HORECA) businesses picked up whilst demand for consumer packed food products dropped.

The pandemic brought about a new normal as consumer buying behaviours evolved, driving an uptake in e-commerce and modern retail channels. Anticipating and adapting to these changes, we have embraced new sales channels such as community group buying and online live sales. At the same time, we are also communicating with consumers through updated brand communication methods.

In 2021, we experienced tightness in vegetable oil supply driven by lower production along with sustained demand due to recovery of the economy and rising biofuel demand. This, in turn, resulted in higher raw material prices.

Our Performance

In 2021, the Food Products segment was impacted by high raw material cost, resulting in a 41% decline in pre-tax profit to US\$680.9 million.

Due to the relaxation of Covid-19 restrictions globally, there was a change in consumer consumption trend which saw consumer products sales volume decline 9% to 8.5 million MT while medium pack and bulk sales volume increased 11% to 19.7 million MT. As more people dined out, we saw stronger demand from the HORECA and food processing industries. We also focused on our rice and flour expansion plans, leading these businesses to record strong volume



New flour mill in Wuhan, China.

growth during the year. The lower rate of decrease in consumer products sales volume in 2H2021 compared to 1H2021 reflected the improvement in our sales activities in the second half of the year.

Outlook & Strategy

We will continue to leverage our existing distribution networks, prominent brands and research and development capabilities to develop new products to widen our range of food products. Over the longer term, as the consumers in various developing countries where we operate in become more affluent and place greater emphasis on food safety and health, we see increasing demand for better quality and healthier products. Through research & product development, the Group continues to develop new products tailored for the individual markets. We are also developing higher margin, superior quality products to improve our profitability. However, in the short term, high commodity prices are expected to impact overall margins.

In China, we expect sales volume to grow as we expand our plants and into central kitchen businesses. We have four projects under construction in Langfang, Xi'an, Chongqing and Zhoukou and our first central kitchen in Hangzhou is currently in the trial production stage.

In India, we expect to see higher demand for branded consumer products in the rural areas as increasing household income results in rising level of brand consciousness and growth in modern retail. For our sugar business, we will continue to expand our leading consumer pack brand "Madhur".

In Indonesia, while demand is expected to remain strong, price caps on cooking oil products are expected to limit the profitability of our consumer products business there this year.

As Covid-19 restrictions gradually ease in more countries, we foresee further recovery in the demand for our medium pack and bulk products as HORECA businesses improve.

OPERATIONS REVIEW



FEED & INDUSTRIAL PRODUCTS

This segment comprises the processing, merchandising and distribution of animal feeds, non-edible palm and lauric products, oleochemicals, gas oil and biodiesel.

We operate crushing plants in various countries such as China, India, Vietnam, Malaysia, Zimbabwe, Zambia, Tanzania and South Africa. We crush a wide range of oilseeds including soybean, rapeseed, groundnut, sunflower seed, sesame seed, cotton seed, copra and palm kernels.

Oilseeds & Grains – Crushing

In 2021, demand for soybean meal declined due to higher raw material prices and freight costs as well as weaker hog production margins in China.

Tropical Oils

Crude palm oil (CPO) prices were on an upward trend for most of 2021 due to tight supply for vegetable oils which pushed up prices for competing edible oils as well as higher crude oil prices. CPO prices started the year at RM3,130 and reached a record RM5,071 in October before closing the year at RM4,697, up 50% from the beginning of the year.

Indonesia remained committed to its B30 biodiesel programme with production increasing 2% to approximately 8.6 million kilolitres (kL) in 2021 from 8.5 million kL in 2020.

Our Performance

In 2021, the Feed and Industrial Products segment achieved a pre-tax profit of US\$1.26 billion, a 58% increase from US\$795.9 million in 2020. The growth was on the back of good refining margins and sustained demand for midstream tropical oils products, as well as steady contributions from sugar merchandising activities. Nevertheless, soybean crushing margins were thin during the year as hog farming margins continued to remain weak, resulting in lower demand for soybean meals. Overall volume for the segment decreased from 58.1 million MT in 2020 to 55.0 million MT in 2021 as a result of weaker demand for oilseeds and lower sugar merchandising activities.

Outlook & Strategy

Looking ahead to 2022, soybean crushing will be challenging with high soybean prices and poor hog farming margins in China. Nonetheless, in the longer term, meat consumption and hence demand for feed ingredients in China is projected to continue to trend upwards. Leveraging our



New biodiesel plant in the integrated industrial complex in Serang, Indonesia.

wide distribution and sales network, and close relationships with large-scale feed manufacturers, we believe these advantages will be further reflected as the scale of China's feed industry continues to expand.

On the supply side, dry weather conditions caused by La Nina during the start of the harvesting season in southern Brazil and Argentina have led to concerns over soybean production and crop yields. This is expected to keep prices firm in the near term.

For tropical oils, we expect continued support of the Indonesian biodiesel programme. The government increased its biodiesel allocation from 9.4 million kL in 2021 to 10.2 million kL for 2022, reaffirming its commitment to the biodiesel programme. The government also announced further export curbs, requiring 30% of palm oil exports to be sold domestically at a price cap of Rp9,300/kg for CPO. This is expected to result in a tighter global edible oil supply. Overall, we expect the palm processing business to perform well in 2022.



PLANTATION & SUGAR MILLING



Ethanol plant in Athani, India.

This segment comprises oil palm plantation and sugar milling activities, which includes the cultivation and milling of palm oil and sugarcane.

As at 31 December 2021, our total planted area stands at 230,480 hectares (ha). Through joint ventures, we own plantations in Uganda and West Africa totalling approximately 46,000 ha. Wilmar also directly manages 35,682 ha under smallholder schemes in Indonesia and Africa, and another 157,515 ha under smallholders schemes through associates in Africa.

In recent years, we stepped up our re-planting programme and thus maintaining the average age of our plantations at a relatively young 12 years. This will support the medium to long-term growth of our plantation operations. Around 58% of the plantations are at the prime production age of seven to 18 years and 26% are at age six years and below.

We operate sugar cane and sugar beet mills in Australia, India, Myanmar, China and Morocco. We are Australia's largest raw sugar producer accounting for more than half of Australia's raw sugar. Each year we crush about 15 million tonnes of sugarcane to make more than two million tonnes of raw sugar. About 80% of the raw sugar we produce is shipped to overseas markets.

We own 62.5% of Shree Renuka Sugars Limited (SRSL), the leading sugar company in India. SRSL has a cane crushing capacity of 8.4 million MT and ethanol distillery capacity of 160 million litres per annum.

Our associate in Morocco, Cosumar S.A., operates sugar cane/sugar beet mills and a sugar refinery. Cosumar is the sole sugar producer in Morocco and the third largest in the African continent. In Myanmar, we have a total sugar production capacity of 1.4 million MT and a bioethanol plant. In China, we process sugar beet in Inner Mongolia.

Sustainability

As one of the world's leading sugar players, we understand the importance of including our sugar supply chain in our sustainability approach. In September 2021, we launched our No Deforestation, No People Exploitation Sugar Policy which is aligned with and serves as an extension of our original No Deforestation, No Peat, No Exploitation Policy that was first launched in 2013 and focuses on the palm oil supply chain.

We recognise the critical role we play in driving change and transformation in the industry. In November 2021, we issued a joint statement at the World Leaders' Summit on Forests and Land Use at COP26 pledging 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.

For more information on our sustainability efforts, please refer to the Environmental, Social and Governance chapter.

Our Performance

In 2021, the Plantation and Sugar Milling segment's pre-tax profit increased by more than five times, from US\$104.8 million to US\$564.1 million on the back of firmer palm oil and sugar prices and absence of impairment of sugar milling assets in India.

In palm plantations, unfavourable weather conditions impacted oil palm production during the year and production yield decreased by 4% to 19.6 MT per hectare in 2021. This led to a 1% decrease in fresh fruit bunches production to 4.0 million MT for the year.

Sales volume for sugar milling operations decreased by 6% to 3.3 million MT in 2021, affected by weaker demand in first half of the year. Nevertheless, our sugar milling business in Australia had a record year, benefiting from high international sugar crop pricing and record Far-East premium. Overall, 2021 was a strong year for this division.

Outlook & Strategy

With expectation of palm oil stocks remaining low as global palm oil production is projected to recover only in the second half of 2022, coupled with the announcement of export restrictions by the Indonesian government, palm oil prices are expected to remain supported in 2022.

The sugar milling business is expected to benefit from the Indian ethanol programme and production expansion in SRSL as well as firm sugar prices. We will also continue to expand in renewable energies.

With strong crude oil prices, we expect ethanol demand to increase globally, especially in Brazil. We will continue to monitor the Brazil sugar crop allocation between sugar and ethanol as we expect it to be the crucial driver determining final sugar supply and demand.

OPERATIONS REVIEW



RESEARCH AND DEVELOPMENT

Wilmar's research and development (R&D) activities support our business operations by improving manufacturing processes, ensuring the consistency and enhancing the quality of existing products as well as developing new innovative products. Our R&D work is carried out by scientists and researchers in various locations worldwide, including Singapore, China, Indonesia, India, Malaysia, Australia and New Zealand. In line with the Group's integrated and sustainable approach, our R&D teams engage in cross-border collaborations as well as with external organisations to share knowledge and resources to enhance the collective R&D effort.

In 2021, our R&D teams focused on the following areas:

Environment and Sustainability

1. Future-proofing our production processes by shifting to clean and green technologies has been a priority for Wilmar in recent years, especially in the areas of chemical manufacturing, production of food, feed and consumer goods. We strive to produce sustainably and reduce our environmental impact by focusing research activities on the application of micro-organisms and enzymes as biocatalysts to replace traditional chemical processes:
 - a. Improve solvent tolerance and thermostability of enzymes for biodiesel and specialty fat production.
 - b. Develop in-house immobilisation process to prolong enzyme's shelf life and improve thermostability.
 - c. Optimise *Pichia pastoris* strain for improved production and stability of recombinant enzymes.
 - d. Engineer enzyme for enzymatic synthesis of biosurfactant.
 - e. Develop enzymatic degumming and interesterification technologies to reduce waste water and gases from the cooking oil production process.

2. Develop plant-based ingredients to reduce the use of animal-based products in the food industry:
 - a. Launched a variety of plant-based meat products in China and planning to develop more plant-based Chinese dishes in 2022.
 - b. Develop plant-based seafood analogues, hybrid products (meat and plant-based blends) and plant-based fat tissue mimic.
3. Explore the efficiency of black soldier fly larvae for biomass and feed meal upcycling and valorisation.
4. Develop green analytical technologies that reduce or eliminate the use of toxic chemicals and that can be applied in real time.
5. Launch aromatic rice bran oil which is produced using a new fractionation process that improves the yield and quality of the oil.
6. Develop a more efficient and cost-effective method to remove toxic substances from peanut meal.
7. Develop a new process of waste oil recovery and regeneration for spent bleaching earth.
8. Molecular assisted breeding and clonal propagation of oil palm focusing on the identification of high yield and Ganoderma tolerant palm.





9. Commitment to sustainable packaging by Goodman Fielder:
 - a. Praise Mayonnaise, Praise Whole Egg Mayonnaise and Praise Aioli jars are manufactured using 100% Australian recycled plastic material. In addition, all bottles, jars and lids are recyclable. This initiative will eliminate the usage of 380 tonnes of virgin PET each year.
 - b. Commercialisation of cardboard bread tags in Australia and New Zealand. This initiative will prevent the use of 326 million plastic tags, equivalent to 120.7 tonnes of polystyrene going to landfill each year.
 - c. Meadow Fresh was the first milk manufacturer in New Zealand to include the use of recycled high-density polyethylene (rHDPE). Meadow Fresh 1L and 2L milk now use 30% rHDPE in each bottle, eliminating the usage of 250 tonnes of virgin HDPE each year.

Social

1. We are focusing on improving the health and well-being of individuals through these initiatives:
 - a. Conduct nutritional trials and microbiome studies to understand the effect of diet interventions on prediabetes, ectopic fats accumulation and non-alcoholic steatohepatitis (a form of fatty liver disease).
 - b. Develop ready-to-eat frozen meals that are of high-plant components or nutritionally controlled.
 - c. Formulate oil blends that are healthy and suitable for long-time frying.
 - d. Develop an analytical method that allows the identification of exotic fats in breast milk that are essential for infant's healthy development and can be used in infant formula milk.
 - e. Develop a blended oil that improves blood sugar metabolism and boosts immunity.
 - f. Develop a plant-based butter substitute with 30% higher polyunsaturated fatty acid content. It received the "New Food Material Innovation" award at the 23rd Bakery China 2021 awards.
 - g. Develop a series of baking fats with 50% lower saturated fatty acids than traditional baking fats, using the oleo-gel technology.
 - h. Expand noodle product range with healthier options such as fortified noodles, fermented buckwheat noodles and multigrain noodles that aim to control blood sugar.
 - i. Improve shelf life of wheat products with technology upgrades while maintaining their nutritional profile.
 - j. Reformulate Goodman Fielder's Wonder range of breads by increases in fibre and reductions in sodium levels, resulting in an improvement in the Australian Health Star Rating from 4 to 4.5 (out of 5).

Governance

1. Food quality and safety testing covers the whole process of raw materials acquisition, production, processing and transportation. We have developed a series of rapid detection technologies for oils and grains by combining artificial intelligence and spectroscopy technologies, such as:
 - a. Big data analytics model for checking of oil adulteration.
 - b. Identification of rice seed adulteration in contract farming.

INFORMATION TECHNOLOGY

Wilmar's Information Technology (IT) team continued to be confronted with a host of Covid-19 related challenges, paradigm shifts to adapt to new norms and heightened cybersecurity risks in 2021. Whilst the pandemic has disrupted many aspects of the Group's operations, it has also accelerated technology adoption and paved the way for more innovation and digital transformation that have enabled us to remain competitive.

SCALING BUSINESS PARTNERSHIPS TO ACCELERATE GLOBAL GROWTH

Leveraging the success achieved in partnering business units to transform business models and drive growth in China, we continue to build partnerships globally through proactive and regular engagements with business teams to achieve digital business maturity. This close engagement aligns priorities, provides governance, drives synergies to increase our business agility and creates sustainable business value through faster delivery of new and innovative business capabilities.

EXPANDING DIGITALISATION IN OUR OPERATIONS

We are deepening our digitalisation effort across all business functions from sales and marketing, sourcing, supply chain planning, production, logistics to finance, amongst other corporate functions. Various innovative business-technology platforms and analytics solutions are being developed to enable new business models and capabilities, enhance operational efficiency and reduce business risks. Successful digitalisation expansion requires strong IT governance and delivery discipline. Our IT delivery teams continue to adopt and refine development, security and operations (DevSecOps) and cloud infrastructure to optimise our delivery governance, efficiency and speed.

MODERNISING SUSTAINABLE PRACTICES

We are also exploring innovative digital solutions to modernise and support our Environmental, Social and Governance (ESG) practices. To ensure responsible sourcing and traceability through our supply chain, we leverage insights obtained through satellite technologies, drones and geolocation solutions to monitor our plantation activities. We are adopting Artificial Intelligence (AI)/Machine Learning (ML) and Internet of Things (IOT) solutions to monitor our factory operations and ensure workers' health and safety. The use of digital workspace collaboration and communication tools as well as the adoption of digital signatures will continue post-pandemic and reduce our carbon footprint further. We are also committed to proper disposal and recycling of e-waste.

ELEVATING DIGITAL SKILLSETS OF OUR PEOPLE

Accelerated digital transformation has allowed us to swiftly tackle business challenges brought about by the pandemic. As we embrace our digital workplace today, our people are upskilled to nimbly pivot along these changes and leverage digital opportunities in their day-to-day work to continuously improve productivity and performance. In 2021, training for a range of topics such as robotic process automation, data visualisation best practices and cloud technologies were conducted to elevate our people's digital skills. This digital readiness is strengthened with rigorous IT security awareness programmes to build a resilient, confident and future-ready global team.

FORGING AND SUSTAINING A STRONG CYBERSECURITY FRONTIER

As our digital transformation progresses, we work in tandem to enhance the overall security posture. Utilising an industry-leading cybersecurity framework, we are moving towards a security-first mindset. Embedding security controls into business and IT processes help to leverage the full-strength of human firewall to make cybersecurity programmes sustainable. We undertake constant review of security controls to ensure no duplicate or overlaying controls and replace ineffective and/or expensive controls to increase operational efficacy while reducing overall costs. Cybersecurity programmes are outcome-oriented and aligned to our cybersecurity architecture principles to ensure all cyber investments are sustainable.



INVESTOR RELATIONS

We believe that regular two-way dialogue is essential to sustaining strong, transparent, and long-term relationships with stakeholders. Through these engagements across multiple channels, we ensure that investors, analysts and the media are furnished with prompt and accurate information on the Group's financial performance, strategic direction and business developments to assist them in making sound and informed investment decisions.

VIRTUAL STAKEHOLDER ENGAGEMENT EFFORTS

As the Covid-19 situation continued to evolve, we remained flexible in our stakeholder engagement strategies. In 2021, Wilmar's management and IR team connected with more than 130 investors via one-on-one conference calls, group video and teleconferences, virtual investor conferences, analyst meetings and results briefings. These virtual events provide stakeholders access to Senior Management to have in-depth discussions about the Group's strategic direction, industry trends, sustainability topics and financial performance. With the restriction of physical interactions amidst the pandemic, video conferences allow global investors to meet with the management team online. Any additional queries are also addressed via e-mails or phone calls in a timely and accurate manner.

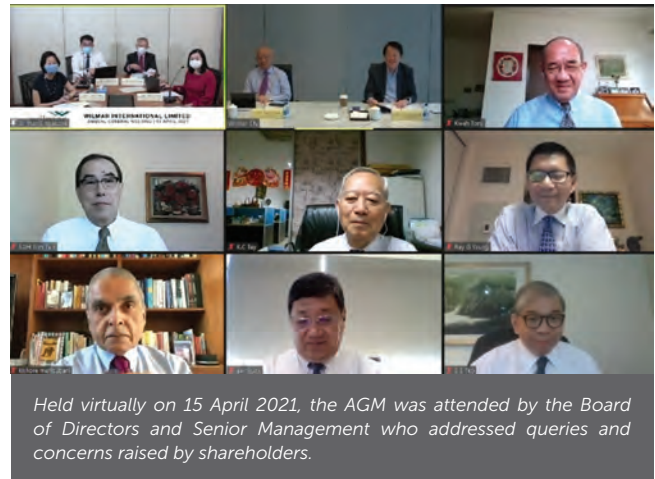
Our Annual General Meeting (AGM) was held virtually on 15 April 2021 as we continually seek to improve the quality of the meeting through the latest digital platforms and technologies. An update by our Chief Financial Officer provided insights into the Group's business operations, progress and financial highlights in the past year. The Board of Directors as well as Senior Management were also present at the AGM to address any queries and concerns raised by shareholders. Shareholders were given the opportunity to ask their questions "live" during the AGM.

Our efforts to reach out to the retail investing community also include a long-term sponsorship of the Securities Investors Association (Singapore) (SIAS). This sponsorship helps to support a wide variety of programmes such as investor education, corporate actions and membership drive.

We continue to build on the relationships with sell-side research analysts and have 14 analysts providing regular coverage on Wilmar.

IR RESOURCES

The IR website is a key resource for corporate and stock information, financial data, policies, financial results, annual reports and significant business developments. All



disclosures submitted to the Singapore Exchange (SGX) are uploaded to the Investors & Media section of the Group's corporate website (<http://ir-media.wilmar-international.com>) in a timely and consistent manner. Members of the investment community can also subscribe to our e-mail alerts and request for information through the website.

FOCUS ON ESG INVESTING

Environmental, social and governance (ESG) considerations have increasingly been incorporated into investment mandates and over the past year, we have seen a growing interest coming from the Asia Pacific region. The IR team works closely with the Group's Sustainability team to keep relevant stakeholders updated on our sustainability progress through proactive e-mails and ESG-focused meetings. Resource materials such as sustainability briefs on various programmes, the annual sustainability report as well as important updates on sustainability-related matters are made available on the Group's Sustainability Dashboard (<http://www.wilmar-international.com/sustainability>). We also regularly engage with proxy advisory service providers and ESG rating agencies to understand their voting requirements and ensure timeliness and accuracy of ESG data reported.

In August 2021, we hosted our annual sustainability webinar during which we provided key updates on our sustainability initiatives, including updates on the Sustainability Report 2020; Covid-19 interventions and contributions; carbon and climate change journey; progress on human rights initiatives as well as Roundtable on Sustainable Palm Oil certification. A question-and-answer session at the end of the webinar allowed participants to interact with the

INVESTOR RELATIONS

AGENDA

1	20 mins	General Updates on Wilmar's Sustainability Initiatives by Perpetua George
2	10 mins	• Delivering NDPE Commitments • Carbon & Climate Change by Joshua Lim
3	10 mins	RSPO Certification by Daphne Hameeteman
4	15 mins	Q&A

wilmar

Our annual sustainability webinar, held in August 2021, was well-received by analysts and portfolio managers in Singapore and globally.

sustainability team directly. The session was well-received by close to 40 analysts and portfolio managers based in Singapore, Malaysia, the United Kingdom, Norway and the Netherlands with follow-up questions from some participants post-webinar too.

We remain committed to driving the transformation of our industry to be more sustainable. During the year, our efforts were recognised by our inclusion in the FTSE4Good Index, the Dow Jones Sustainability World Index and attaining the top ranking in the 2021 assessment by the Sustainable Palm Oil Transparency Toolkit (SPOTT).

ENHANCING SHAREHOLDER VALUE

Our investment in key areas such as central kitchens, consumer products, rice and flour businesses will continue to enhance long-term shareholder value. The Group's resilient integrated business model has proven to be effective amidst macroeconomic uncertainty and fluctuations in commodity prices in recent years as we posted record net profit of US\$1.89 billion for FY2021.

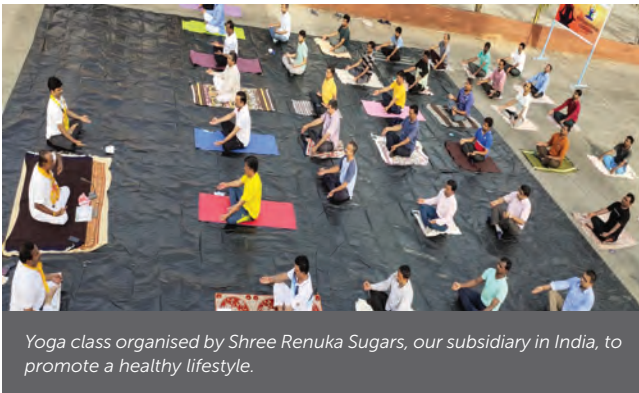
In FY2021, we bought back about S\$130 million of Wilmar shares, the third highest buyback consideration on the Singapore Exchange during the year. We are proposing a total cash dividend of 15.5 Singapore cents per share for the year, representing around 38% of the Group's net profit in 2021 and the highest cash dividend since the Group's listing on SGX in 2006.

Investor Calendar

February	• FY2020 Results Briefing
March	• 24 th Credit Suisse Asian Investment Conference
April	• Annual General Meeting • 1QFY2021 Analyst Meeting
June	• UBS OneASEAN Virtual Conference 2021 • UBS APAC Sustainable Finance Conference
August	• 1HFY2021 Results Briefing • CGS-CIMB Investor Update • Wilmar Sustainability Webinar
September	• Goldman Sachs Virtual Food Forum Asia Pacific 2021 • CITIC CLSA 28 th Annual Flagship Investors Forum
November	• 3QFY2021 Analyst Meeting

HUMAN CAPITAL MANAGEMENT

As the world continues to grapple with the Covid-19 pandemic for the past two years, we remain committed in our efforts to develop, engage and retain talent despite the challenges arising from the pandemic. We reinforced our culture of adaptability by moving quickly to identify new ways of working and ensuring that there is dynamic business continuity throughout the Group to support our continuing growth and success.



Yoga class organised by Shree Renuka Sugars, our subsidiary in India, to promote a healthy lifestyle.

HEALTH AND WELL-BEING INITIATIVES

The pandemic has underscored the importance of good health in fighting the virus and we endeavour to ramp up more health and well-being initiatives amongst our employees.

In 2021, we kickstarted numerous wellness programmes and initiatives globally to promote a healthy lifestyle. These included yoga classes and virtual seminars and workshops on topics such as mental health awareness and ergonomics.

To establish a strong support system for mental health, 40 employees from Goodman Fielder, our subsidiary in Australia, received training and are now certified Mental Health First Aiders (MHFA) who are capable of managing a mental health crisis should it happen at the workplace. Throughout September 2021, Goodman Fielder also launched “Thrive Together” – a month-long programme where over 20 different virtual activities were held for the purpose of improving emotional, social and physical well-being amongst employees. 83% of employees indicated in post programme surveys that they have benefited much from the programme.

INVESTING IN THE GROWTH OF OUR WORKFORCE

Wilmar seeks to attract hardworking, agile and innovative individuals who create value and thrive in our fast-paced business environment. We collaborate frequently with the local technical institutes and universities to extend career opportunities such as apprenticeships and internships to their students.

INNOVATION

Innovation is one of Wilmar’s core values and is strongly encouraged across all business units. It is a key driver of business growth and gives us a competitive edge which is particularly critical amid an uncertain business environment.

Our team in China constantly ideate and implement tools to optimise our supply chain and enhance its efficiency. For instance, to increase the accuracy for our packaging production line in our Bazhou factory, we reformed a few processes, added new automation tools and made adjustments to the manipulator programme. The reduction of manpower usage as well as wastage from packing scale inaccuracy have resulted in a monthly cost saving of RMB 20,000.

With the number of onsite employees being restricted by the pandemic, we took the opportunity to automate our materials unloading system with a remote-controlled hydraulic turning machine in suitable facilities across China. This replaces the conventional process where workers are required to manually open the unloading door of the truck and subsequently utilise an equipment to conduct a retrieval. The automation enhancement has reduced operational costs by RMB 2.55/tonne and improved the safety aspect of our operations.

In October 2021, Goodman Fielder completed its first electric vehicle trial, using a JAC N55 truck in Queensland. The learnings from the trial allowed Goodman Fielder to understand the usage of electric vehicle technology and how it can play a bigger role in logistics and supply chain. These insights contributed significantly to Goodman Fielder’s goal of achieving net zero carbon emissions by 2040 to support and embrace a more sustainable and pollution-free environment.

Wilmar will continue to create a safe and healthy working environment for our employees amid the pandemic, while strengthening our Human Resource strategy to enable every employee to reach his fullest potential.



The materials unloading system was automated within a facility in Fuyu, China.

NEW GLOBAL HQ



WILMAR INTERNATIONAL GLOBAL HQ IS NOW AT ONE-NORTH

In May 2021, the Wilmar International Headquarters relocated to one-north in the Biopolis precinct, the R&D heart of Singapore. Nestled within lush greenery, the new office features amenities such as an extensive research laboratory, auditorium, a staff cafeteria, café, gym and a jogging track on the rooftop.

Designed by Eric Parry Architects, the building is organic in form and is characterised by tiered landscape terraces which provide a garden aspect to each office level. The building has achieved green mark gold plus for its energy usage and responds to its tropical

climate with passive cooling effects through the continuous 2m projecting fins that adorn each office floor. Manufactured without harsh pollutants and 100% recyclable, the terracotta fins provide shade onto the façade reducing solar gain and glare whilst also protecting it from downpours. The landscape design promotes biological diversity of ecosystems, habitats and biomes and butterfly conservation has been encouraged through the enhancement of habitats and planting. The tree density of the site was increased by 70%.

The Wilmar HQ building won Silver in the Best Office Development category at the MIPIM Asia Awards 2021.



Reception lobby



Staff cafeteria



Gym

AWARDS & ACCOLADES

CORPORATE AWARDS

Wilmar International Limited

Fortune Global 500, ranked 211th
Fortune Magazine

World's Most Admired Company, ranked 3rd in Food Production Industry
Fortune Magazine

Forbes Global 2000: The World's Biggest Public Companies, ranked 276th
Forbes

Corporate Excellence & Resilience Award
Singapore Corporate Awards 2021
(Special Edition)

Top 100 Singapore Brands, ranked 8th
BrandFinance®

Most Organised Investor Relations
(2nd in Singapore), Best Senior Management IR Support (2nd in Singapore) and Most Improved Investor Relations (1st in Singapore)
Alpha Southeast Asia Corporate Institutional Investor Awards

Ranked 53rd out of 519 companies on the Singapore Governance and Transparency Index
The Business Times and the Centre for Governance, Institutions and Organisations

Best Office Development (Silver)
MIPIM Asia Awards 2021

Best Syndicated Loan in Singapore 2021
The Asset Triple A

AUSTRALIA

Wilmar Sugar Australia Limited

- Large Employer of the Year, North Queensland Region
Queensland Training Awards

Goodman Fielder

- Top 25 New Zealand FMCG Manufacturers (Ranked 1st)
IRI State of the Industry 2021 Report
- Best Learning and Development Project – Compliance Award, Platinum Winner
LearnX

CHINA

益海嘉里金龙鱼粮油食品股份有限公司 Yihai Kerry Arawana Holdings Co., Ltd.

- 2021上海企业100强第11名
上海市企业联合会/上海市企业家协会/上海市经济团体联合会
- 2021上海制造业企业100强第3名
上海市企业联合会/上海市企业家协会/上海市经济团体联合会
- 中国质量奖提名奖
国家市场监督管理总局

- 凭借1303亿元人民币的品牌价值位列2021中国上市公司品牌价值榜总榜第30名以及新锐榜第1名
每日经济新闻/清华大学经济管理学院
- 全国粮油食品行业质量领先企业和品牌
中国质量检验协会
- 2021年度卓越价值上市公司和品牌卓越企业
和讯网
- 中国最具影响力粮油集团
粮油市场报
- 年度上市公司杰出品牌奖
华夏时报
- 2021资本市场年度科技创新之星
经济观察报
- 中国食品饮料行业创新力榜“最具影响力企业”
每日经济新闻

嘉里粮油(青岛)有限公司

Jiali Oil & Grain (Qingdao) Ltd

- 山东省激励型高质量发展企业
山东省财政厅

GHANA

Wilmar Africa Limited

- Overall Industrial Company of the Year
AGI Ghana Industry & Quality Awards 2021
- Best Company – Agri-Business Sector
AGI Ghana Industry & Quality Awards 2021
- Agro-Processing Company of the Year
2021 Ghana Manufacturing Award

INDIA

Adani Wilmar Limited

- SEA Award for Highest Processors and Exporters for Year 2020-21
The Solvent Extractors Association of India

INDONESIA

PT Wilmar Nabati Indonesia

- Best Partner
Memorandum Daily Newspaper
- SNI Award Gold Category (Palm Cooking Oil)
Indonesian National Standardisation Agency
- Subroto Award 2021 (The Best Biofuel Producer and Distributor in Indonesia)
Ministry of Energy and Mineral Resources

UGANDA

Bidco Uganda Ltd

- 2021 Best Visionary Agro-Processing and Manufacturing Company
Visionaries of Uganda Awards
- Platinum Winner of Quality Excellence Award for Best Manufacturer of Edible Oils and Detergents in East Africa
East Africa Brand Quality Awards



Mr. Pua Seck Guan, Chief Operating Officer of Wilmar, receives the Corporate Excellence & Resilience Award from Ms. Indranee Rajah, Minister, Prime Minister's Office, Second Minister for Finance and National Development. Image Credit: The Singapore Corporate Awards

VIETNAM

Cai Lan Oils & Fats Industries Company Ltd

- Top 10 Food Reputation Award
Vietnam Report in collaboration with Vietnamnet Newspaper
- Top 500 Most Profitable Companies in Vietnam
Vietnam Report in collaboration with Vietnamnet Newspaper

SUSTAINABILITY AWARDS Singapore

- Ranked 1st in Singapore in Best Strategic Corporate Social Responsibility
Alpha Southeast Asia Corporate Institutional Investor Awards
- Ranked 1st globally in 2021 Palm Oil Benchmark
Sustainability Policy Transparency Toolkit (SPOTT) / Zoological Society of London (ZSL)
- Ranked 1st globally in the 2021 Benchmark Findings Report
Global Child Forum
- Inclusion in the Dow Jones Sustainability Index (DJSI) World
- Inclusion in the FTSE4Good Developed and ASEAN 5 Index

AUSTRALIA

Wilmar Sugar Australia Limited

- Excellence in Safety Communications
Australian Sugar Milling Council Safety Awards
- Best Solution to a Specific Workplace Health and Safety Issue
Australian Sugar Milling Council Safety Awards

AWARDS & ACCOLADES

CHINA

益海嘉里金龙鱼粮油食品股份有限公司
Yihai Kerry Arawana Holdings Co., Ltd.

- 2021年度乡村振兴先锋企业
人民日报社《国际金融报》
- 中国粮油产业扶贫典范企业
粮油市场报
- 2021“金钥匙 – 面向SDG的中国行动”，
优胜奖 (“深耕订单农业，助力共同富裕”
案例)
可持续经济发展导刊
- 2021中国企业ESG评选 - 最佳案例奖
 (“助力耐县乡村振兴”案例)
财联社

益海(佳木斯)粮油工业有限公司
Yihai (Jiamusi) Oils and Grains Industries
Co., Ltd.

- 通过国家标准化管理委员会国家循环经济
标准化试点考核，正式成为水稻循环经济
试点单位
国家标准化管理委员会

益海嘉里(兴平)食品工业有限公司
Yihai Kerry (Xingping) Foodstuffs
Industries Co., Ltd.

- 陕西省“放心粮油示范企业”
陕西省粮食行业协会

益海嘉里(张家口)食品工业有限公司
Yihai Kerry (Zhangjiakou) Foodstuffs
Industries Co., Ltd.

- 全国脱贫攻坚先进集体
中共中央、国务院

益海(广汉)粮油饲料有限公司
Yihai Kerry (Guanghan) Oil & Grain
Feedstuff Ltd.

- 全国侨联系统助力脱贫攻坚先进集体
中国侨联

INDIA

Adani Wilmar Limited

- Times CSR Award 2021 for Fortune
SuPoshan
CSR Times
- Commendation Certificate for
Significant Achievement in Food Safety
(Mangalore & Kakinada Refineries)
CII Food Safety Awards

INDONESIA

PT Buluh Cawang Plantations

- South Sumatra Province Climate
Village Programme Trustees in 2021
Governor of South Sumatra

PT. Jawa Manis Rafinasi

- The “Gold” category of prevention
programmes and handling Covid-19
Minister of Employment

PT Duta Sugar International

- Acceleration of Vaccines for the
Community
KADES Argawana

VIETNAM

Meizan CLV Corporation

- Certificate of Merit for active
contribution, support to the City's
Youth Union in Covid-19 precautionary
and prevention activities in the city
Ho Chi Minh City Fatherland Front
Committee

CONSUMER PRODUCT AWARDS

Brand	Award
Australia	
Helga Continental Bakehouse	• Best White Bread & Best Multigrain Bread Canstar Blue 2021
Vogel Mixed Grain Bread	• Product Lifetime Achievement Award New Zealand Food Awards
Plantry	• Plant-Based/Ready Meals Category Award Product of the Year Awards Australia
Bangladesh	
Rupchanda	• The Most Loved Brand (Edible Oil) Bangladesh Brand Forum
China	
金龙鱼	<ul style="list-style-type: none"> • 中国粮油领军品牌 粮油市场报 • 中国品牌力指数(C-BPI)食用油品牌榜榜首, 面粉和米品牌榜第二名 中国品牌评级与品牌顾问机构Chnbrand • 十佳品牌奖 中国粮油学会
金龙鱼1:1:1™ 零反式脂肪调 和油	• 优质产品金奖 中国粮油学会
金龙鱼豆花杯	• 创新品牌奖 中国食品工业协会与东莞市人民政府
Ghana	
Frytol & Fortune Rice	• Marketing Campaign of the Year Ghana Manufacturing Awards
Indonesia	
Sania	<ul style="list-style-type: none"> • Superbrands Indonesia 2021 (Cooking Oil Category) Superbrands • Sania (Flour & Rice), Marketing Award 2021, Best Marketing Campaign Majalah Marketing

Brand	Award
Indonesia	
Sania	<ul style="list-style-type: none"> • WOW Brand 2021, Bronze Champion (Cooking Oil Category) MarkPlus, Inc. • Top Brand Award 2021 in Recognition of Outstanding Achievement in Building the Top Brand (Cooking Oil Category) Frontier Consulting Group and Majalah Marketing
Fortune	• Fortune Cooking Oil, Marketing Award 2021, Best Marketing Campaign Majalah Marketing
Nigeria	
Devon King's	• Cooking Oil Brand of the Decade Award Marketing Edge 2021
Mamador	• Cooking Oil Brand of the Year Award WIMCA 2021
Uganda	
White Star Bar	• Best Laundry Soap People's Choice Quality Awards
Magic Detergent	• Best Detergent People's Choice Quality Awards
Fortune Butto	• Best Oil People's Choice Quality Awards
Vietnam	
Simply	<ul style="list-style-type: none"> • Top 10 Fastest Growing FMCG Brands by Consumer Reach Points in four main cities (HCMC, Hanoi, Da Nang, Can Tho) and rural areas Brand Footprint Report • Top 100 Products – Services Selected and Voted by Consumers Vietnam Economic Times
Zimbabwe	
Buttercup Margarine	• Superbrand Winner (FMCG Spreads Category) Marketers Association Zimbabwe

BOARD OF DIRECTORS



KUOK KHOON HONG, 72

*Chairman and Chief Executive Officer
Executive and Non-Independent Director*

Date of first appointment as Director

24 March 2006

Date of appointment as Chairman

14 July 2006

Date of last re-election as Director

15 April 2021

Length of service as Director

15 years 11 months

Board Committee(s) Membership

- Executive Committee – Chairman
- Share Purchase Committee – Chairman
- Nominating Committee – Member
- Risk Management Committee – Member
- Board Sustainability Committee – Member

Present directorship(s) in other listed company(ies)

- Shree Renuka Sugars Limited – Director
- Watawala Plantations PLC – Director
- Yihai Kerry Arawana Holdings Co., Ltd – Director
- Adani Wilmar Limited – Director and Chairman (Non-Executive)

Present principal commitment(s)

- Wilmar International Limited – Chairman and Chief Executive Officer

Other commitment(s)

- Perennial Holdings Private Limited – Director and Chairman
- Perennial Group Private Limited – Director

Past directorship(s) in listed company(ies) held over the preceding five years

- Perennial Real Estate Holdings Limited (Delisted) – Chairman

Working and professional experience

- Extensive experience in the agribusiness industry and has been involved in the grains, edible oils and oilseeds businesses since 1973

Academic and professional qualification(s)

- Bachelor of Business Administration, University of Singapore



PUA SECK GUAN, 58

*Chief Operating Officer (Part-Time)
Executive and Non-Independent Director*

Date of first appointment as Director

1 January 2016

Date of last re-election as Director

15 April 2021

Length of service as Director

6 years 2 months

Board Committee(s) Membership

- Executive Committee – Member
- Share Purchase Committee – Member

Present directorship(s) in other listed company(ies)

- Yihai Kerry Arawana Holdings Co., Ltd – Director

Present principal commitment(s)

- Perennial Holdings Private Limited – Executive Director and Chief Executive Officer
- Wilmar International Limited – Chief Operating Officer (Part-Time)

Other commitment(s)

- Perennial Group Private Limited – Director
- Singapore-China Business Council of Singapore Business Federation – Member
- Singapore-Guangdong Collaboration Council – Member
- Singapore-Sichuan Trade and Investment Committee – Member
- Singapore-Tianjin Economic and Trade Council – Member

Past directorship(s) in listed company(ies) held over the preceding five years

- Perennial Real Estate Holdings Limited (Delisted) – Executive Director and Chief Executive Officer
- United Engineers Limited – Director

Working and professional experience

- Extensive experience in real estate as well as integrated real estate and healthcare business

Academic and professional qualification(s)

- Bachelor of Science in Building (First Class Honours), National University of Singapore
- Master of Science in Civil Engineering, Massachusetts Institute of Technology, USA

BOARD OF DIRECTORS



TEO LA-MEI, 62

*Group Legal Counsel and Company Secretary
Executive and Non-Independent Director*

Date of first appointment as Director

21 February 2019

Date of last re-election as Director

24 April 2019

Length of service as Director

3 years



KUOK KHOON EAN, 66

Non-Executive and Non-Independent Director

Date of first appointment as Director

2 July 2007

Date of last re-election as Director

12 June 2020

Length of service as Director

14 years 8 months

Present principal commitment(s)

- Wilmar International Limited – Group Legal Counsel and Company Secretary

Other commitment(s)

- Perennial Holdings Private Limited – Director
- Perennial Group Private Limited – Director
- Corporate Governance & Regulatory Interest Group of the Singapore International Chamber of Commerce – Member

Past principal commitment(s) including directorship(s) held over the preceding five years

- Director, Company Secretary and Legal Counsel for the Shangri-La Hotel Limited group of companies

Working and professional experience

- Extensive experience in legal and corporate secretarial matters

Academic and professional qualification(s)

- Bachelor of Laws (Honours), National University of Singapore

Present principal commitment(s)

- Kuok (Singapore) Limited – Chairman
- Kerry Group Limited – Vice Chairman
- Kuok Brothers Sdn Berhad – Vice Chairman
- Kerry Holdings Limited – Director

Past directorship(s) in listed company(ies) held over the preceding five years

- IHH Healthcare Bhd – Director
- The Bank of East Asia, Limited – Director
- PACC Offshore Services Holdings Ltd (Delisted) – Director

Working and professional experience

- Extensive experience in investment and shipping businesses

Academic and professional qualification(s)

- Bachelor of Economics, Nottingham University, UK

**KUOK KHOON HUA, 43***Non-Executive and Non-Independent Director***Date of first appointment as Director**

1 July 2016

Date of last re-election as Director

12 June 2020

Length of service as Director

5 years 8 months

Present directorship(s) in other listed company(ies)

- Kerry Logistics Network Limited – Vice Chairman and Non-Executive Director
- Kerry Properties Limited – Executive Vice Chairman and Chief Executive Officer
- Sea Limited – Director

Present principal commitment(s)

- Kerry Group Limited – Director
- Kerry Holdings Limited – Chairman
- Kuok (Singapore) Limited – Director

Working and professional experience

- Extensive experience in investment, logistics and property businesses

Academic and professional qualification(s)

- Bachelor of Economics, Harvard University, USA

**RAYMOND GUY YOUNG, 60***Non-Executive and Non-Independent Director***Date of first appointment as Director**

28 December 2018

Date of last re-election as Director

24 April 2019

Length of service as Director

3 years 2 months

Present directorship(s) in other listed company(ies)

- International Paper Company – Director

Present principal commitment(s)

- Archer Daniels Midland Company – Vice Chairman and Chief Financial Officer
- American Cancer Society Illinois Division – Director
- CFO Advisory Board of University of Chicago Booth School of Business – Member

Past principal commitment(s) including directorship(s) held over the preceding five years

- NIL

Working and professional experience

- Extensive experience in strategy, finance and accounting

Academic and professional qualification(s)

- Bachelor of Business Administration, University of Western Ontario, Canada
- Master of Business Administration, University of Chicago, USA

BOARD OF DIRECTORS



LIM SIONG GUAN, 74

Non-Executive and Lead Independent Director

Date of first appointment as Director

1 January 2018

Date of appointment as Lead Independent Director

24 April 2019

Date of last re-election as Director

15 April 2021

Length of service as Director

4 years 2 months

Board Committee(s) Membership

- Risk Management Committee – Chairman
- Audit Committee – Member
- Nominating Committee – Member
- Remuneration Committee – Member
- Board Sustainability Committee – Member

Present principal commitment(s)

- Swiss Re Asia Pte. Ltd. – Chairman
- Honour (Singapore) Ltd. – Chairman
- Lee Kuan Yew School of Public Policy, National University of Singapore – Professor

Working and professional experience

- Extensive experience in investment and public policies

Academic and professional qualification(s)

- Bachelor of Engineering in Mechanical Engineering (First Class Honours), University of Adelaide, Australia
- Post Graduate Diploma in Business Administration, National University of Singapore



TAY KAH CHYE, 75

Non-Executive and Independent Director

Date of first appointment as Director

14 July 2006

Date of last re-election as Director

12 June 2020

Length of service as Director

15 years 7 months¹

Board Committee(s) Membership

- Audit Committee – Chairman
- Nominating Committee – Member
- Risk Management Committee – Member
- Remuneration Committee – Member

Present directorship(s) in other listed company(ies)

- Asiatic Group (Holdings) Limited – Independent Non-Executive Chairman
- Asiatravel.com Holdings Ltd – Lead Independent Director

Present principal commitment(s)

- CLMV Consult Net Private Limited – Executive Chairman
- PATA International Enterprise Private Limited – Chief Executive Officer
- PATA Consultancy Private Limited – Chief Executive Officer

Past directorship(s) in listed company(ies) held over the preceding five years

- Chemical Industries (Far East) Ltd – Director

Working and professional experience

- Extensive experience in banking and finance

Academic and professional qualification(s)

- Bachelor of Social Sciences in Economics, University of Singapore

¹ Mr Tay Kah Chye was re-appointed as an Independent Director at Wilmar's Annual General Meeting ("AGM") held on 12 June 2020 pursuant to the two-tier voting process set out in Rule 210(5)(iii) of the Listing Manual of the SGX-ST. Please refer to Note 2(d) of the Explanatory Notes to the Notice of AGM dated 21 May 2020.

**KWAH THIAM HOCK, 75***Non-Executive and Independent Director***Date of first appointment as Director**

14 July 2006

Date of last re-election as Director

12 June 2020

Length of service as Director15 years 7 months²**Board Committee(s) Membership**

- Nominating Committee – Chairman
- Remuneration Committee – Chairman
- Audit Committee – Member
- Board Sustainability Committee – Member

Present directorship(s) in other listed company(ies)

- Excelpoint Technology Ltd – Director
- Teho International Inc Ltd – Director

Present principal commitment(s)

- PM Shipping Pte Ltd – Director
- Philip Ventures Enterprise Fund 6 Ltd. – Director

Past directorship(s) in listed company(ies) held over the preceding five years

- IFS Capital Limited – Director

Working and professional experience

- Extensive experience in accounting and finance

Academic and professional qualification(s)

- Bachelor of Accountancy, University of Singapore
- Fellow, Certified Public Accountants of Australia
- Fellow, Association of Chartered Certified Accountants, UK
- Fellow, Chartered Accountants of Singapore

**KISHORE MAHBUBANI, 73***Non-Executive and Independent Director***Date of first appointment as Director**

1 January 2016

Date of last re-election as Director

15 April 2021

Length of service as Director

6 years 2 months

Board Committee(s) Membership

- Board Sustainability Committee – Chairman

Present directorship(s) in other listed company(ies)

- Zurich Insurance Group Ltd – Director

Present principal commitment(s)

- Zurich Insurance Group Ltd – Director
- Aggregate Asset Management Pte Ltd – Chairman

Working and professional experience

- Long distinguished career in diplomacy and academia

Academic and professional qualification(s)

- Bachelor of Arts in Philosophy (First Class Honours), University of Singapore
- Master of Arts in Political Philosophy & Honorary Doctorate, Dalhousie University, Canada
- Distinguished Fellow, Asia Research Institute at National University of Singapore

² Mr Kwah Thiam Hock was re-appointed as an Independent Director at Wilmar's Annual General Meeting ("AGM") held on 12 June 2020 pursuant to the two-tier voting process set out in Rule 210(5)(iii) of the Listing Manual of the SGX-ST. Please refer to Note 2(b) of the Explanatory Notes to the Notice of AGM dated 21 May 2020.

BOARD OF DIRECTORS



TEO SIONG SENG, 67

Non-Executive and Independent Director

Date of first appointment as Director

1 May 2019

Date of last re-election as Director

12 June 2020

Length of service as Director

2 years 10 months



SOH GIM TEIK, 67

Non-Executive and Independent Director

Date of first appointment as Director

1 December 2019

Date of last re-election as Director

12 June 2020

Length of service as Director

2 years 3 months

Present directorship(s) in other listed company(ies)

- Singamas Container Holdings Ltd – Chairman and Chief Executive Officer
- Cosco Shipping Holdings Co. Ltd – Director
- Cosco Shipping Energy Transportation Co Ltd – Director
- Keppel Corporation Limited – Director

Present principal commitment(s)

- Pacific International Lines (Private) Limited – Executive Chairman
- Business China – Director
- United Republic of Tanzania – Honorary Consul in Singapore
- National University of Singapore – Pro-Chancellor

Past principal commitment(s) including directorship(s) held over the preceding five years

- NIL

Working and professional experience

- Extensive experience in shipping and container industries

Academic and professional qualification(s)

- Bachelor of Science in Naval Architecture and Ocean Engineering, Glasgow University, UK

Present directorship(s) in other listed company(ies)

- Olive Tree Estates Limited – Independent Director

Present principal commitment(s)

- Finix Corporate Advisory LLP – Partner
- The Farrer Park Company Pte Ltd – Director
- Farrer Park Hospital Pte Ltd – Chairman
- Singapore Science Centre – Deputy Chairman
- Consortium for Clinical Research and Innovative Singapore Pte Ltd – Director
- SDAX Exchange Pte Ltd – Director
- Agency for Science, Technology and Research (A*Star) – Director
- MOH Holdings Pte Ltd – Chairman, Audit and Risk Committee
- National Healthcare Group Fund – Independent Director and Chairman

Past directorship(s) in listed company(ies) held over the preceding five years

- QAF Limited – Director
- UMS Holdings Limited – Director
- KS Energy Limited – Director
- BBR Holdings (S) Ltd – Director

Past principal commitment(s) including directorship(s) held over the preceding five years

- EDBI Pte Ltd – Director
- National Healthcare Group Pte Ltd – Director
- Integrated Health Information Systems Pte Ltd – Director
- Singapore Institute of Directors – Director
- Focus on the Family Pte Ltd – Director
- Advisory Committee on Accounting Standards with Accountant-General's Office – Member

Working and professional experience

- Extensive experience in corporate advisory

Academic and professional qualification(s)

- Bachelor of Accountancy, University of Singapore

**DR. CHONG YOKE SIN, 65***Non-Executive and Independent Director***Date of first appointment as Director**

7 May 2021

Date of last re-election as Director

Not Applicable

Length of service as Director

9 months

Present directorship(s) in other listed company(ies)

- Anacle Systems Ltd – Director

Present principal commitment(s)

- iGlobe Partners – Managing Partner

Past principal commitment(s) including directorship(s) held over the preceding five years

- National Kidney Foundation – Board member
- Republic Polytechnic – Board of Governors member
- Singapore Land Authority – Board member

Working and professional experience

- Extensive experience in leading transformation of people and systems, artificial intelligence, Internet of Things (IoT), cybersecurity forensics advisory, systems integration and monitoring, and digital platform business

Academic and professional qualification(s)

- Doctor of Philosophy (PhD) in Chemistry, National University of Singapore
- Fellow, Singapore Computer Society
- Fellow, Health Information Management Systems Society
- Certified Information Technology Project Manager (Senior)
- Certified Healthcare Chief Information Officer (CHCIO)s (CHIME-US Certified Healthcare Information Management Executives)

**JUAN RICARDO LUCIANO, 60***Alternate Director to Raymond Guy Young***Date of first appointment as Alternate Director**

28 December 2018

Length of service as Alternate Director

3 years 2 months

Present directorship(s) in other listed company(ies)

- Archer Daniels Midland Company – Chairman, President and Chief Executive Officer
- Eli Lilly and Company – Lead Director

Present principal commitment(s)

- Intersect Illinois – Director
- The US-China Business Council – Director
- Economic Club of Chicago and the Commercial Club of Chicago – Member
- Global Advisory Board of Kellogg Business School at Northwestern University – Member
- Rush University Medical Center – Trustee

Working and professional experience

- Extensive experience in agricultural processors and food ingredients

Academic and professional qualification(s)

- Bachelor of Science in Industrial Engineering, Buenos Aires Institute of Technology, Argentina

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of Directors of Wilmar International Limited ("Wilmar") seeking re-election at the Annual General Meeting on 21 April 2022 is set out below.

Name of Director	Ms Teo La-Mei	Mr Raymond Guy Young
Date of Appointment	21 February 2019	28 December 2018
Date of last re-appointment (if applicable)	24 April 2019	24 April 2019
Age	62	60
Country of principal residence	Singapore	United States of America
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board considered the Nominating Committee's recommendation and assessment of Ms Teo's skills, knowledge, experience and commitment in the discharge of her duties as an Executive and Non-Independent Director of Wilmar, and is satisfied that she will continue to contribute to the Board.	The Board considered the Nominating Committee's recommendation and assessment of Mr Young's skills, knowledge, experience and commitment in the discharge of his duties as Non-Executive and Non-Independent Director of Wilmar, and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ms Teo is the Group Legal Counsel and Company Secretary of Wilmar and oversees the legal and corporate secretarial matters of the Wilmar Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive and Non-Independent Director	Non-Executive and Non-Independent Director
Professional qualifications	<ul style="list-style-type: none"> Bachelor of Laws (Honours), National University of Singapore 	<ul style="list-style-type: none"> Bachelor of Business Administration, University of Western Ontario, Canada Master of Business Administration, University of Chicago, USA
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Executive Director, Group Legal Counsel and Company Secretary of Wilmar (Director - 2019 to present) Director of Shangri-La Hotel Limited (2001 – 2021) 	<ul style="list-style-type: none"> Executive Vice President, Chief Financial Officer and a member of Executive Council of Archer Daniels Midland Company ("ADM") (2010 to Feb 2022) Vice Chairman and Chief Financial Officer of ADM (March 2022 to present)
Shareholding interest in the listed issuer and its subsidiaries	Information can be found in the "Directors' Statement" section of the Annual Report 2021.	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<ul style="list-style-type: none"> Cousin of Mr Kuok Khoon Hong, Chairman, Chief Executive Officer and substantial shareholder of Wilmar Cousin of Mr Kuok Khoon Ean and Mr Kuok Khoon Hua, Non-Executive and Non-Independent Directors of Wilmar 	Nominated by Archer Daniels Midland Company, a substantial shareholder of Wilmar
Conflict of interest (including any competing business)	NIL	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships <ul style="list-style-type: none"> Past (for the last 5 years) Present 	Information can be found in the "Board of Directors" section of the Annual Report 2021.	
Information required under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	The responses under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST issued previously for appointment as a new Director i.e. "No" remain unchanged.	

Mr Teo Siong Seng	Mr Soh Gim Teik	Dr Chong Yoke Sin
1 May 2019	1 December 2019	7 May 2021
12 June 2020	12 June 2020	Not Applicable
67	67	65
Singapore	Singapore	Singapore
The Board considered the Nominating Committee's recommendation and assessment of Mr Teo's skills, knowledge, experience, independence and commitment in the discharge of his duties as a Non-Executive and Independent Director of Wilmar, and is satisfied that he will continue to contribute to the Board.	The Board considered the Nominating Committee's recommendation and assessment of Mr Soh's skills, knowledge, experience, independence and commitment in the discharge of his duties as a Non-Executive and Independent Director of Wilmar, and is satisfied that he will continue to contribute to the Board.	The Board considered the Nominating Committee's recommendation and assessment of Dr Chong's skills, knowledge, experience, independence and commitment in the discharge of her duties as a Non-Executive and Independent Director of Wilmar, and is satisfied that she will continue to contribute to the Board.
Non-Executive	Non-Executive	Non-Executive
Non-Executive and Independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
<ul style="list-style-type: none"> Bachelor of Science in Naval Architecture and Ocean Engineering, Glasgow University, UK 	<ul style="list-style-type: none"> Bachelor of Accountancy, University of Singapore 	<ul style="list-style-type: none"> Doctor of Philosophy (PhD) in Chemistry, National University of Singapore Fellow, Singapore Computer Society Fellow, Health Information Management Systems Society Certified Information Technology Project Manager (Senior) Certified Healthcare Chief Information Officer (CHCIO)s (CHIME-US Certified Healthcare Information Management Executives)
<ul style="list-style-type: none"> Executive Chairman and Managing Director of Pacific International Lines (Private) Limited (Director - 1982 to present; appointed Executive Chairman in 2018 to present) Chairman and Chief Executive Officer of Singamas Container Holdings Ltd (Director - 1993 to present; appointed Chairman and CEO in 2013 to present) 	<ul style="list-style-type: none"> Partner of Finix Corporate Advisory LLP (2008 to present) 	<ul style="list-style-type: none"> Managing Partner of iGlobe Partners (2019 to present) Chief of Enterprise Business, Starhub (2017 – 2019) Advisor to Integrated Health Holdings Bhd (2016 – 2017) CEO of IHIS (Integrated Health Information Systems) (2008 – 2016)
Information can be found in the "Directors' Statement" section of the Annual Report 2021.		
NIL	NIL	NIL
NIL	NIL	NIL
Yes	Yes	Yes

Information can be found in the "Board of Directors" section of the Annual Report 2021.

The responses under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST issued previously for appointment as a new Director i.e. "No" remain unchanged.

KEY MANAGEMENT TEAM

MR KUOK KHOON HONG

Chairman & Chief Executive Officer

MR PUA SECK GUAN

Chief Operating Officer & Executive Director

MS TEO LA-MEI

Executive Director, Group Legal Counsel and Company Secretary

MR MU YANKUI

Executive Vice Chairman, China

MR NIU YU XIN

General Manager, China

MR YEE CHEK TOONG

Country Head, Malaysia

MR DARWIN INDIGO

Country Head, Indonesia

MR MATTHEW JOHN MORGENROTH

Group Technical Head

CAPTAIN KENNY BEH HANG CHWEE

Group Head, Shipping

MR THOMAS LIM KIM GUAN

Group Head, Edible Oils

MR JEAN-LUC ROBERT BOHBOT

Group Head, Sugar

MR RAHUL KALE

Group Head, Oleochemicals & Biofuels

MR HOR KOK CHING

General Manager, Oilseeds & Grains

PROFESSOR CHUA NAM-HAI

Chief Scientific Advisor

MR CHARLES LOO CHEAU LEONG

Chief Financial Officer

MS SNG MIOW CHING

Group Financial Controller

MR JEREMY GOON

Chief Sustainability Officer

MR PATRICK TAN SOO CHAY

Group Head, Internal Audit

MR JEREMY TAN KOK LIANN

Group Head, Human Resources

MR TAN KAH CHAI

Chief Information Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

KUOK Khoon Hong (*Chairman*)
 PUA Seck Guan
 TEO La-Mei
 KUOK Khoon Ean
 KUOK Khoon Hua
 Raymond Guy YOUNG*
 LIM Siong Guan (*Lead Independent Director*)
 TAY Kah Chye
 KWAH Thiam Hock
 Kishore MAHBUBANI
 TEO Siong Seng
 SOH Gim Teik
 CHONG Yoke Sin

* Juan Ricardo LUCIANO is alternate to Raymond Guy YOUNG

EXECUTIVE COMMITTEE

KUOK Khoon Hong (*Chairman*)
 PUA Seck Guan

AUDIT COMMITTEE

TAY Kah Chye (*Chairman*)
 KWAH Thiam Hock
 LIM Siong Guan

RISK MANAGEMENT COMMITTEE

LIM Siong Guan (*Chairman*)
 KUOK Khoon Hong
 TAY Kah Chye

NOMINATING COMMITTEE

KWAH Thiam Hock (*Chairman*)
 KUOK Khoon Hong
 TAY Kah Chye
 LIM Siong Guan

REMUNERATION COMMITTEE

KWAH Thiam Hock (*Chairman*)
 TAY Kah Chye
 LIM Siong Guan

SHARE PURCHASE COMMITTEE

KUOK Khoon Hong (*Chairman*)
 PUA Seck Guan

BOARD SUSTAINABILITY COMMITTEE

Kishore MAHBUBANI (*Chairman*)
 KUOK Khoon Hong
 KWAH Thiam Hock
 LIM Siong Guan

EXECUTIVE RISK COMMITTEE

KUOK Khoon Hong
 PUA Seck Guan
 Charles LOO Cheau Leong
 Thomas LIM Kim Guan

CAPITAL APPROVAL COMMITTEE

KUOK Khoon Hong
 PUA Seck Guan
 Charles LOO Cheau Leong
 Matthew John MORGENROTH

LEAD INDEPENDENT DIRECTOR

LIM Siong Guan
 Email: siongguan.lim@sgr.wilmar-intl.com

COMPANY SECRETARY

TEO La-Mei

REGISTERED OFFICE

28 Biopolis Road
 Wilmar International
 Singapore 138568
 Telephone: (65) 6216 0244
 Facsimile: (65) 6536 2192
info@wilmar.com.sg
www.wilmar-international.com

SHARE REGISTRAR

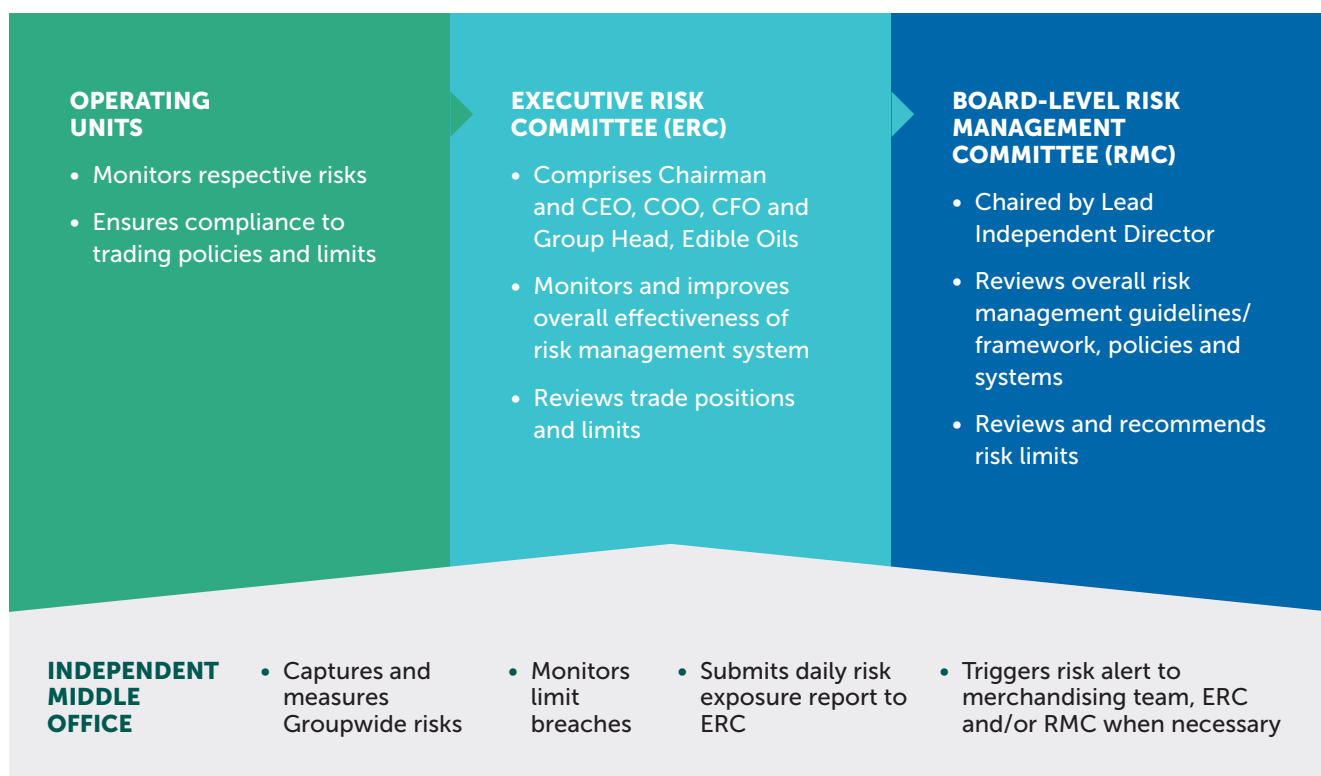
Tricor Barbinder Share Registration Services
 80 Robinson Road #02-00
 Singapore 068898
 Telephone: (65) 6236 3333
 Facsimile: (65) 6236 3405

AUDITOR

Ernst & Young LLP
 One Raffles Quay
 North Tower, Level 18
 Singapore 048583
 Partner-in-Charge: LIM Tze Yuen

(With effect from financial year ended 31 December 2019)

RISK MANAGEMENT



OVERVIEW

We have a robust risk management framework in place to identify, measure, monitor and manage the critical risks we face. The framework, including policies and procedures, is regularly reviewed and enhanced in response to changes in the external environment and business processes.

We proactively evaluate our risks and ensure coverage against our exposure. Our strategic and operational decision-making process continues to be strengthened through transparent communication and risk awareness across the organisation, while ongoing compliance with risk management processes is regularly reviewed.

COMMODITY PRICE RISK

Agricultural commodities prices are very volatile, and are affected by factors such as weather, government policies, global demographic changes and competition from substitute products. In sourcing raw materials and selling manufactured outputs, we are exposed to price fluctuations in the commodities markets because the sale and purchase commitments do not typically match at the end of each business day. To manage such price risks, we carefully monitor and manage our open commodity positions by using forward physical contracts and/or derivatives.

FOREIGN EXCHANGE RISK

The Group operates in numerous countries with dominant operations in Singapore, People's Republic of China, Indonesia, Malaysia, Australia, Europe, Ghana, Nigeria, Vietnam, India and others. We are exposed to foreign exchange risk in our normal course of business when transactions are denominated in currencies that are different from the functional currency of each business entity. The Group manages our foreign currency risk through a risk management process of exposure identification and measurement. These foreign exchange exposures are then managed through executing hedges in the over-the-counter foreign exchange market, product pricing or structuring natural hedges in our business where possible. These strategies mitigate the adverse impact of foreign exchange volatility on our financial position.

As the Group's reporting currency is U.S. Dollar (USD), we are also exposed to currency translation risk arising from our net investments in foreign operations. The net investments in these countries are not hedged, as the foreign currency exposures are considered to be long-term in nature.

INTEREST RATE RISK

A substantial portion of our borrowings is in the form of trade finance and short-term banking facilities. These are used to fund operations and are transaction-related. Interest expense arising from such financing is subject to the stock holding period assumed at the time of entering into the transaction versus the actual time taken to deliver the physical product and realise the proceeds of sale from the end-customer. Consequently, interest expense is dependent on the volume of transactions and the cash conversion cycle, and it is factored into product pricing. As such, short-term interest rate movements do not have a significant impact on the net contribution margin. We also obtain term borrowings from banks and capital markets. Interest rate risk arising from floating rate exposure is managed through the use of financial instruments, such as futures and swaps, with the objective of limiting the adverse impact from a rise in interest rates.

CREDIT RISK

The majority of our sales are export sales in bulk, for which documentary credit from customers are required. For domestic sales in China, we may grant our more substantial customers credit terms while requiring cash on delivery or advance payment for others.

New customers' credit worthiness is evaluated by considering their financial standings and operating track records as well as conducting background checks through industrial contacts. In this regard, we benefit from the experience and local knowledge of our wide manufacturing base and distribution network. Actual credit terms and limits to be granted are decided based on the information obtained, and revised according to economic or market conditions. As a practice, we will usually require documentary credit or advance payments for sales to new customers.

Credit facilities granted to existing customers are also reviewed periodically. A customer's current financial strength, payment history, transaction volume and duration of business relationship with us are taken into consideration.

GEOPOLITICAL RISK

Some of the countries in which we operate present geopolitical risks and whilst we acknowledge that investors can no longer afford to ignore these risks and that a stand has to be taken, we are also mindful that being in the essential foods business dealing with non-sanctioned products, we have a responsibility to employees and customers both locally and abroad. We will continue to monitor the situation and navigate our way carefully to ensure that we comply with all relevant laws and regulations in our operations in and dealings with these countries.

RISK GOVERNANCE

Our risk governance structure comprises the Risk Management Committee at the Board level, the Executive Risk Committee and risk management by the respective operating units. The Board-level Risk Management Committee, chaired by the Lead Independent Director, oversees the Executive Risk Committee, reviews the overall risk management guidelines/framework, reviews and recommends risk limits as well as assesses the adequacy and effectiveness of the risk management policies and systems.

The Executive Risk Committee comprises the Group's Chairman & Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Group Head, Edible Oils. Its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of its risk management system, the review of trade positions and limits to manage overall risk exposure.

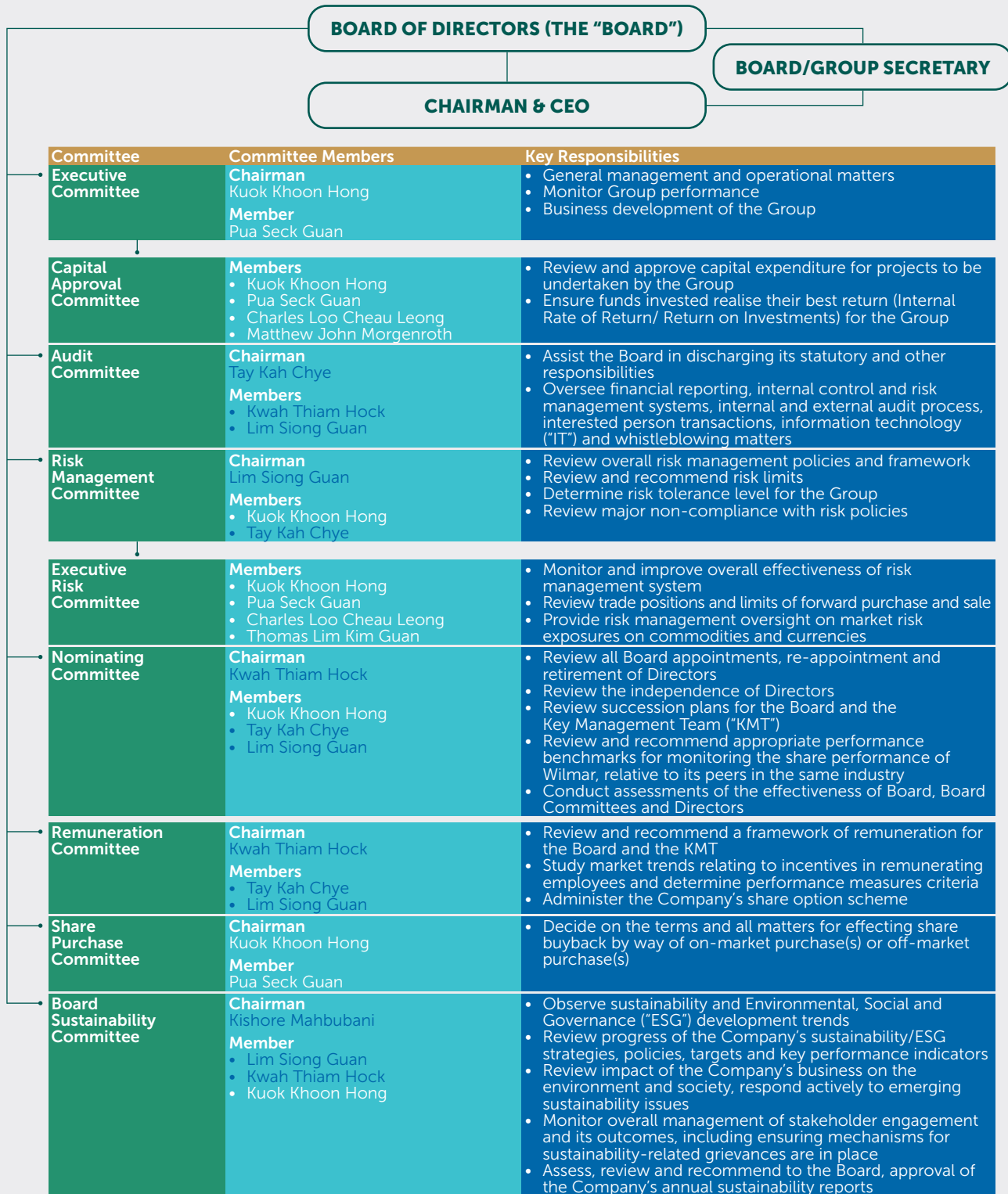
The Heads of operating units are responsible for monitoring their respective risks and adherence to trading policies and limits set by the Risk Management Committee and the Board.

To achieve effective governance and oversight by ensuring proper segregation of duties, we have a Middle Office which is independent of the front and back office. The Middle Office is responsible for the tracking and measurement of Group-wide risks as well as monitoring adherence to limits. The Middle Office circulates a daily risk exposure report, which is reviewed by the Executive Risk Committee for any significant risk issues. The Middle Office also sends out regular risk alerts to the merchandising team and the Executive Risk Committee when risk exposure is seen to be nearing trigger levels.

The documented risk management policy, which is regularly reviewed, clearly defines the procedures for monitoring, controlling and reporting risk in a timely and accurate manner. We have in place an overall risk tolerance threshold recommended by the Risk Management Committee and approved by the Board. The risk tolerance threshold refers to the maximum potential loss of all open exposures across major products and geographical regions at any given time. The risk tolerance threshold is determined after taking into account of the Group's equity strength and profitability as well as our overall production capacity, price trends of raw materials, management's overall view of the market, track record of the management of risk exposure in the prior period and financial budgets including projected sales volumes and turnover.

CORPORATE GOVERNANCE

WILMAR GOVERNANCE FRAMEWORK



Wilmar International Limited (the “Company” or “Wilmar” and together with its subsidiaries, the “Group”) affirms its commitment to upholding a high standard of corporate governance to safeguard the interests of all its stakeholders. This report sets out the Company’s corporate governance practices and activities in 2021, with specific reference to the express disclosure requirements in the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “Code”). The Company has complied with the Code’s principles of corporate governance and also substantially with the provisions underlying the principles of the Code. In so far as any provision has not been complied with, the rationale for varying from the provision is set out in this report.

A. BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The primary role of the Board is to provide entrepreneurial leadership and set the overall business direction of the Group. The Board constantly seeks to protect long term shareholder value and enhance the returns to the Company. The Board is committed to continually sustaining value creation and broadening the Group’s revenue stream. This is done through diversification into new businesses which are complementary to Wilmar’s core businesses as well as expansion of existing businesses with good prospects for long term growth. In addition, the Board sets appropriate tone-from-the-top for the Group in respect of ethics, conduct, regulatory compliance and desired organisational culture through the adoption of various Group policies endorsed by the Board.

The Board’s principal duties and responsibilities (besides statutory responsibilities) are to:

1. set strategic goals (with focus on value creation, innovation and sustainability) of the Group and ensure that the necessary financial and human resources (“HR”) are in place for the Group to meet its objectives;
2. decide on matters in relation to the Group’s operations which are of a significant nature, consistent with medium and long term goals to achieve sustainable business performance, taking into account stakeholders’ interests;
3. oversee the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
4. review the performance of the KMT (or “Management”, as set out in the Key Management Team section of the Company’s Annual Report 2021) who are responsible for ensuring the timely and effective execution of business strategies and running operations;
5. instil an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture;
6. ensure transparency and accountability to key stakeholders groups; and
7. consider sustainability issues, in particular environmental, social and governance factors, in the formulation of the business strategies and corporate policies of the Group.

Matters Requiring Board Approval

Matters that require the Board’s decision and approval include:

1. strategies and major business proposals of the Group;
2. acquisitions and disposals of investments, businesses and assets exceeding authorisation limits granted to the Executive Committee (“Exco”);
3. new lines of businesses which complement the core business activities of the Group;
4. loans and credit lines from banks and financial institutions and market fund-raising exercises for amounts exceeding authorisation limits granted to the Exco;
5. Group written policies (including policies which set out authorisation limits) and terms of reference of the various Board committees (“Board Committees”); and
6. share issuances, interim dividends and other returns to shareholders.

All Directors are expected to objectively discharge their duties and responsibilities as fiduciaries in the best interest of the Company and avoid conflicts of interest. Directors are updated on the latest relevant statutory and legal requirements to enable them to discharge their responsibilities effectively and be familiar with current corporate governance best practices to ensure proper accountability within the Company.

CORPORATE GOVERNANCE

Conflicts of Interest

The Board has clear procedures for dealing with conflicts of interest. Where a Director faces a conflict of interest, he or she should disclose this and recuse himself or herself from meetings, deliberations and making decisions involving the issue that is the subject of conflict.

Delegation of Duties by the Board

To assist in the execution of its duties, the Board has delegated specific authority to seven Board Committees, which function within the respective terms of reference approved by the Board. These terms of reference set out the composition, authority and duties of the respective Board Committees.

Executive Committee

The Exco comprises two Executive Directors ("EDs") namely, Mr Kuok Khoon Hong (Chairman and Chief Executive Officer ("CEO")), who is the Exco Chairman and Mr Pua Seck Guan (Chief Operating Officer ("COO")). The Exco oversees the management of the business and affairs of the Group and its duties and responsibilities include the following:

1. evaluate new business opportunities and submit strategic business proposals, with due consideration given for value creation and upholding sustainability, for approval by the Board;
2. recommend proposed acquisitions and disposals of investments, businesses and assets, which are not within Exco's authorisation limits, for approval by the Board;
3. ensure that the Group operates within the approved budgets, business direction and the approved internal controls put in place by the Group;
4. formulate the Company's core values, mission and culture to ensure that obligations to stakeholders are understood and met;
5. set the direction for the KMT to manage engagements with key stakeholder groups and recognise and mitigate adverse perceptions which would affect the Company's business and reputation;
6. general management and operational matters; and
7. monitor Group performance.

Share Purchase Committee

The Share Purchase Committee ("SPC") comprises two EDs namely, Mr Kuok Khoon Hong (Chairman) and Mr Pua Seck Guan. The SPC decides on the terms and all matters relating to share buyback by way of on-market purchase(s) or off-market purchase(s).

Board Sustainability Committee

Having regard to the importance of ESG issues to Wilmar and to the Board's commitment to integrating sustainability within the Wilmar business model, the Board approved the establishment of a Board Sustainability Committee ("BSC") in 2021 which was operative from 1 January 2022.

The BSC has an independent majority and its members are Mr Kishore Mahbubani (Chairman), Mr Lim Siong Guan, Mr Kwah Thiam Hock and Mr Kuok Khoon Hong. The BSC's primary responsibilities include providing specific oversight of the Company's sustainability strategy and of sustainability/ESG trends to ensure that the Company's position in these areas are current and compliant with regulatory requirements and international standards, providing input to the Board on ESG issues and sustainability performance and governance over implementation and communications of the Company's sustainability activities with its stakeholders.

In addition to the Exco, SPC and BSC, the following Board Committees, which comprise entirely independent members or of an independent majority, provide further safeguards to prevent an uneven concentration of power, authority or decision in a single individual:

1. Audit Committee ("AC") – (Principle 10)
2. Risk Management Committee ("RMC") – (Principle 9)
3. Nominating Committee ("NC") – (Principle 4)
4. Remuneration Committee ("RC") – (Principle 6)

Details of these Board Committees are set out further below in this report.

Key Features of Board Processes

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened, if requested by the Board or if warranted by circumstances deemed appropriate by the Board. All regular Board and Board Committee meetings are planned and scheduled well in advance, in consultation with the Directors. In between scheduled meetings, matters that require the Board or a Board Committee's approval are circulated to all Directors, or Board Committee members, as the case may be, for their consideration and decision. As provided in the Company's Constitution, Directors may also participate in Board and Board Committee meetings by tele-conferencing and/or video-conferencing.

Four Board meetings were held in the financial year ended 31 December 2021 (FY2021) to review and to approve, inter alia, the Company's and the Group's financial results for the first quarter, half year, third quarter and full year. The deliberations and discussions taken at the Board and Board Committee meetings are minuted. The Company Secretary attends all Board and Board Committee meetings and minutes the proceedings. The agenda for Board and Board Committee meetings are prepared in consultation with the respective Chairman.

All materials for Board and Board Committee meetings are sent to Directors at least one week prior to each meeting, to allow them sufficient time to prepare for the meetings and to enable discussions on questions or issues that they have arising from their meeting preparation. The meeting materials are also uploaded onto a secure online portal which can be readily accessed on tablet devices by Directors, in line with the Company's ongoing commitment to minimise paper waste and to reduce its carbon footprint.

As part of good corporate governance, all Directors are invited to attend meetings held by the AC and the RMC. RC and NC meetings are attended only by Independent Directors but with the Board Chairman and CEO participating by invitation of the RC and as a member of the NC.

All written resolutions passed and minutes of meetings held by the various Board Committees are circulated to the Board for information and review.

CORPORATE GOVERNANCE

Attendance at Board and Board Committee Meetings

The attendance of Directors at the Board and Board Committee meetings held in FY2021 is as follows:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
No. of meetings held	4⁽¹⁾	4⁽¹⁾	4⁽¹⁾	1	1
Name of Director	Member Attendance	Member Attendance	Member Attendance	Member Attendance	Member Attendance
Executive Directors					
Kuok Khoon Hong	4/4	–	4/4	–	1/1
Pua Seck Guan	4/4	–	–	–	–
Teo La-Mei	4/4	–	–	–	–
Non-Executive and Non-Independent Directors					
Kuok Khoon Ean	4/4	–	–	–	–
Kuok Khoon Hua	4/4	–	–	–	–
Raymond Guy Young (or in his absence, Juan Ricardo Luciano)	4/4	–	–	–	–
Non-Executive and Independent Directors					
Lim Siong Guan	4/4	3/3	4/4	1/1	1/1
Tay Kah Chye	4/4	3/3	4/4	1/1	1/1
Kwah Thiam Hock	4/4	3/3	–	1/1	1/1
Kishore Mahbubani	4/4	–	–	–	–
Weijian Shan ⁽²⁾	1/1	–	–	–	–
Teo Siong Seng ⁽³⁾	3/4	–	–	–	–
Soh Gim Teik	4/4	–	–	–	–
Chong Yoke Sin ⁽⁴⁾	2/2	–	–	–	–

Notes:

- (1) Four meetings were held in FY2021 to review and to approve, inter alia, the Company's and the Group's financial results for the first quarter, half year, third quarter and full year.
- (2) Mr Weijian Shan retired from the Board at the conclusion of the Annual General Meeting held on 15 April 2021.
- (3) Mr Teo Siong Seng was unable to attend one of the Board meetings due to a prior engagement.
- (4) Dr Chong Yoke Sin was appointed as a Non-Executive and Independent Director of Wilmar on 7 May 2021.

The Exco and the SPC conducted all matters by written resolution and did not convene meetings in FY2021.

Orientation and Training for Directors

We have an orientation framework to facilitate Directors' understanding of our business and their directorship duties. Newly-appointed Directors receive a letter of appointment from the Company which sets out the roles and responsibilities of Directors, together with a set of guidance notes which explain their duties and obligations under the Singapore Companies Act 1967 (the "Act"), the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Securities and Futures Act 2001 of Singapore. Induction sessions are arranged for newly-appointed Directors to be briefed by Management on the business, operations and financial performance of the Group, including corporate governance practices such as disclosure of interests in transactions and securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price and trade sensitive information.

New Directors with no prior experience as a director of a listed company will undergo mandatory training on their roles and responsibilities as prescribed by the SGX-ST. Such training included attending directors' training courses organised by the Singapore Institute of Directors.

Dr Chong Yoke Sin, who was appointed Non-Executive and Independent Director on 7 May 2021, was provided a briefing by the Chief Information Officer ("CIO") of the Company on the Group's IT landscape, cybersecurity threats, security framework and future plans. Dr Chong, who has extensive experience in various areas of IT, also used the opportunity to share her experience with the Wilmar IT team. Dr Chong has prior experience as a listed-company Director.

On an ongoing basis, Directors are provided with opportunities to develop and refresh their skills and knowledge. The Company encourages Directors to participate in seminars, conferences and training programmes which are relevant to their role as Directors, at the Company's expense. The professional development programmes attended by some Directors in the course of FY2021 include the ACRA-SGX-SID Audit Committee Seminar 2021, SGX Regulatory Symposium 2021, SGX Sustainability Reporting Review 2021, The Institute of Policy Studies (IPS) Women's Conference and briefings by the Singapore Institute of Directors, Singapore International Chamber of Commerce, SGX-ST and other consultants such as external counsel and auditors.

The Board is regularly briefed on the strategic and business development of the Group at each Board meeting by the CEO. The Board is also briefed on changes to the accounting standards and regulatory updates by the external auditor, Management and the Company Secretary. From time to time, the Company organises on-site visits for Directors to the Group's key operating facilities located overseas so as to enable them to gain a better understanding of the Group's businesses. For safety reasons, on-site visits were put on hold during the Covid-19 pandemic and will be arranged when the situation improves.

As part of the Company's continuing efforts to share relevant business updates with the Directors, the Company's Corporate Communications Department circulates to the Board a daily media monitoring featuring news articles and reports relevant to the Group's businesses to keep Directors updated on current industry trends and issues. News releases and newsletters issued by the SGX-ST, the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority ("ACRA"), the Company's external auditor and professional advisors, which are relevant to Directors, are also circulated to the Board.

The Board Chairman and the NC Chairman may jointly and regularly review and agree with each Director on his or her training and professional development needs.

Access to Complete, Adequate and Timely Information

Access to Information – Directors receive complete and adequate reports and discussion papers about a week before scheduled Board and Board Committee meetings, enabling them to be prepared for the meetings and to make timely and informed decisions. Amongst other reports, the Board is also provided with reports from the internal and external auditors and the Risk Management teams containing key findings arising from interim and completed financial, operations, compliance and IT audits and risk assessment reports on key businesses of the Group for review and evaluation.

The Board is briefed by the CEO at every Board meeting and relevant Management personnel are required to attend meetings of the Board and Board Committees to provide insight into matters being discussed at these meetings and to respond to any questions that the Directors may have.

Access to Management, Company Secretary and Independent Advisers – The Board has direct, independent and unrestricted access to the KMT, including the CEO, COO, Chief Financial Officer ("CFO"), Group Financial Controller, Group Treasurer, Chief Sustainability Officer, Group Head, Human Resources ("HR Head"), CIO and Company Secretary at all times.

The Board is kept updated on changes to the senior management organisation structure. An updated organisational chart of the KMT is circulated to the Board, together with the contact details of the KMT, to enable Directors to contact them directly to address any questions the Directors may have. This is to ensure direct access to the KMT at all times, to promote and facilitate good information flow between the Board and the KMT. Requests for information from the Board are dealt with promptly by the KMT. Informal gatherings between the KMT and the Board are also organised from time to time, to enable the Directors to get better acquainted with the KMT. However, due to the Covid-19 pandemic, it has not been possible to have in-person gatherings for the Board and the KMT in 2021.

CORPORATE GOVERNANCE

The Company Secretary supervises and advises the Board on all governance issues, corporate and administrative matters, as well as facilitating orientation of new Directors and assisting with professional development of existing Directors as required. She is also responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution and applicable laws and regulations are complied with. The Company Secretary assists the Chairman in ensuring good information flows within the Board and its Board Committees and between the KMT and Non-Executive Directors. The approval of the Board is required in respect of the appointment and removal of the Company Secretary.

To enable Directors to discharge their duties effectively, they are free to seek independent professional advice, if necessary, at the Company's expense.

Principle 2: Board Composition and Guidance Board Size and Board Composition

The Board, through regular reviews by the NC, seeks to ensure an appropriate balance of experience, competencies and knowledge among the Directors to provide effective entrepreneurial leadership to the Company and is guided by its Board Diversity Policy (a copy of which is posted on the Company's website), which advocates meritocracy and endorses the principle of having a Board with the appropriate and right balance of skills, knowledge, experience and diversity of perspectives which can contribute effectively to the strategy and growth of the Company. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of skills, age, experience, gender, independence, cultural ethnicity and industry knowledge of the Company. A key requirement is that only individuals with broad based experiences and right skills set will be appointed to the Board. The NC reviews the Company's progress towards achieving these objectives.

The Board will consider opportunities to increase the proportion of members from different areas of expertise, nationalities, ethnicities, gender and age groups over time when selecting and making recommendation on suitable candidates for Board appointments in order to ensure that an appropriate balance of diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices.

The Board made progress in achieving greater gender and skillset diversity with the appointment of Dr Chong Yoke Sin as Non-Executive and Independent Director on 7 May 2021. Dr Chong is the second female Director appointed to the Company's Board. Her appointment also widened the Board's diversity of expertise of experience and brings new areas of expertise to the Board with her background in leading transformation of people and systems, artificial intelligence, Internet of Things (IoT), cybersecurity forensics advisory, systems integration and monitoring, and digital platform business.

As at the date of this report, the Board comprises 13 Directors – two female and 11 male Directors as well as one male alternate Director. Taking into account the complex nature and wide scope of the Group's business and operations, the Board considers a Board size of 13 members appropriate.

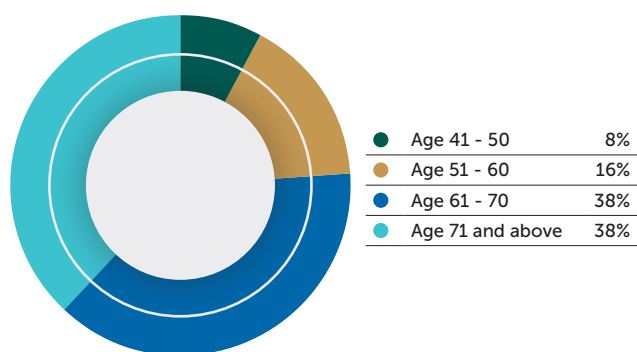
Mr Weijian Shan, who served for three years as a Non-Executive and Independent Director, retired from the Board at the conclusion of the Annual General Meeting ("AGM") held on 15 April 2021.

The Board is made up of Directors of different nationalities and cultural ethnicities, with a wide range in age and skills, experience and qualifications, ranging from banking, finance, insurance, corporate restructuring, strategy and analytics, accounting, legal, IT and risk management expertise to industry knowledge, entrepreneurial and management experience relevant to the Group's business. Reflecting the global reach of the Group's business, most of Wilmar's Directors have extensive experience in jurisdictions outside Singapore such as China, South East Asia, Australia, India, Africa and the USA. Their collective diverse experience and in-depth knowledge of the Group's business operations enable Wilmar to continue to meet the challenges and demands of the global markets in which it operates. The Board's diversity and balance are illustrated by the infographics on the next page.

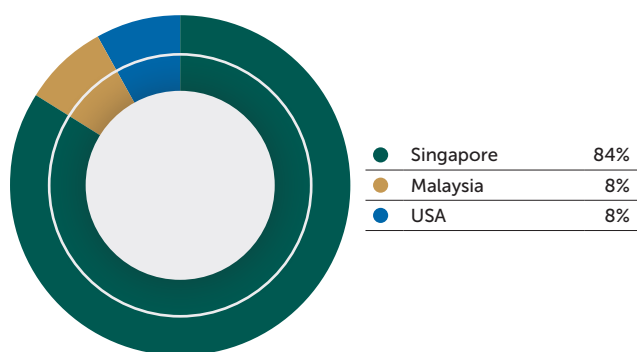
Key information on Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2021.

The following charts set out the diversity and balance in the composition of the Wilmar Board as at the end of FY2021:

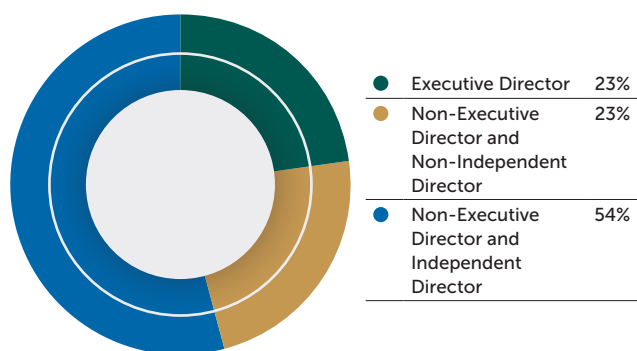
AGE SPREAD



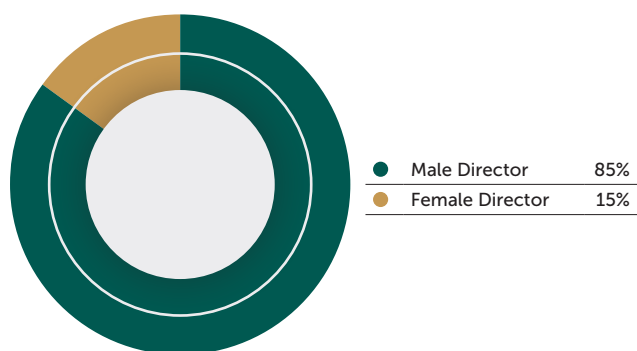
NATIONALITY SPREAD



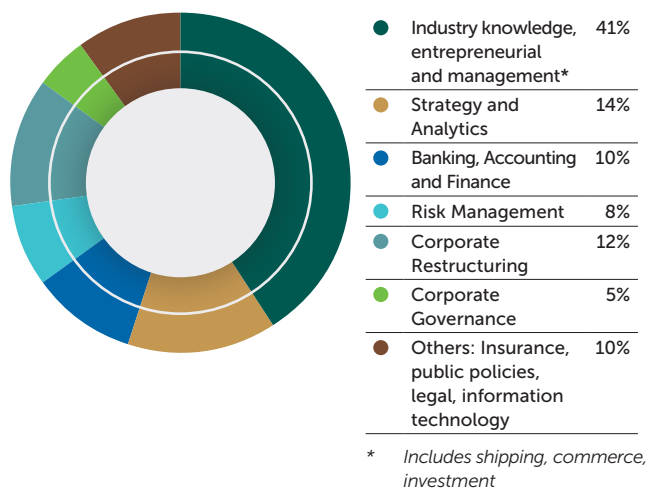
BOARD INDEPENDENCE



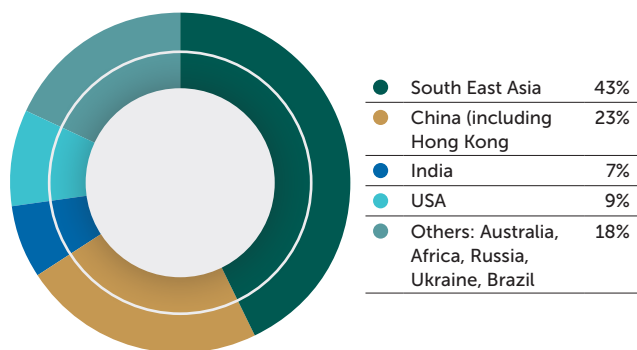
GENDER DIVERSITY



EXPERTISE AND EXPERIENCE MATRIX



EXPERTISE AND EXPERIENCE BY GEOGRAPHY



Note:
The above charts do not include the Alternate Director.

CORPORATE GOVERNANCE

Non-Executive Directors make up a majority of the Board. With their knowledge and competency in their respective fields, Non-Executive Directors provide constructive advice and good governance guidance for the Board to discharge its principal functions effectively. Non-Executive and Independent Directors provide an independent and constructive check on Management. EDs provide insights on the Company's day-to-day operations, as appropriate, and also provide Management's views without undermining Management's accountability to the Board and collaborate closely with Non-Executive Directors for the long term success of the Company.

The Independent Directors, led by the Lead Independent Director (the "Lead ID"), are free to discuss company matters without Management being present. The Lead ID may provide feedback to the Board Chairman after such discussions.

Board Independence

The NC reviews and determines annually whether each Director is independent in accordance with the requirements of the Listing Manual of the SGX-ST, the Code and where relevant, the recommendations set out in the Corporate Governance Practice Guidance 2021 ("CGPG"). Under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Company.

For the year under review, each Independent Director completed a declaration of independence form ("Declaration Form"), whereby they were required to assess their independence and submit it to the NC for review. The Independent Directors are required to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into consideration the views of the NC, determines that such Directors are still independent, notwithstanding the existence of such relationships, it will disclose the reasons for maintaining its view.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which took effect on 1 January 2022, the continued appointment as an Independent Director of two long-serving Independent Directors, namely Mr Kwah Thiam Hock and Mr Tay Kah Chye, who were both first appointed to the Board on 14 July 2006, were approved in separate resolutions by shareholders at the Company's AGM held on 12 June 2020. Their re-appointment is valid until their retirement or resignation, or the conclusion of the third AGM following the passing of the resolution, whichever is the earliest. Based on an assessment of their performance for FY2021, the NC is satisfied that Mr Kwah and Mr Tay have continued to maintain independence in their oversight role. They have demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in their conduct in the discharge of their duties and responsibilities as Independent Directors of the Company.

One of the Company's Independent Directors, Mr Teo Siong Seng, is the Executive Chairman and Managing Director of Pacific International Lines (Private) Limited ("PIL"), a container shipping company. In his annual Declaration Form, Mr Teo declared that PIL provided shipping services to Raffles Shipping International Pte. Ltd. ("RSI"), which is an indirect wholly-owned subsidiary of Wilmar and that all contracts between PIL and RSI were negotiated independently. For FY2021, PIL received freight charges amounting to US\$5.38 million from RSI.

In assessing Mr Teo's independence, the NC took into account that:

1. there is an adequate internal control process in place to appoint the most suitable container liner for the business of RSI in particular and Wilmar in general, and all liner services booked by RSI (including those provided by PIL) are transacted on arm's length terms and at market price; and
2. Mr Teo was not involved in the decisions by RSI or Wilmar to use PIL or for that matter, any container liner company for shipping services.

The NC is of the view that Mr Teo should be considered independent, notwithstanding that the value of the transactions between RSI and PIL exceeded the S\$200,000 threshold for any financial year as set out in the CGPG. Mr Teo has demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in his conduct in the

discharge of his duties and responsibilities as an Independent Director of the Company. The business relationship between RSI and PIL does not interfere with the exercise of Mr Teo's independent business judgement in the best interest of Wilmar.

Based on their respective annual Declaration Forms, Mr Lim Siong Guan, Mr Kishore Mahbubani, Mr Soh Gim Teik and Dr Chong Yoke Sin do not have any relationships identified in the Listing Manual of the SGX-ST, the Code and CGPG which may affect their independent judgement. The NC is satisfied that the abovementioned Directors have continued to maintain independence in their oversight role. They have demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in their conduct in the discharge of their duties and responsibilities as Independent Directors of the Company.

Taking into account the above, the Board concurred with the NC that Mr Lim Siong Guan, Mr Tay Kah Chye, Mr Kwah Thiam Hock, Mr Kishore Mahbubani, Mr Teo Siong Seng, Mr Soh Gim Teik and Dr Chong Yoke Sin be considered Independent Directors. Each of the Directors recused himself or herself in the assessment of his or her own independence in this review.

The number of Independent Directors of the Company made up more than half of the Board, providing a strong and independent majority element which facilitates the exercise of independent and objective judgement. This is in line with the Code which prescribes that, where the Chairman of the Board is also the CEO, the Independent Directors should make up a majority of the Board.

The Board is also satisfied that in FY2021, all Directors exercised independent judgement and made decisions objectively in the best interest of the Group.

Principle 3: Chairman and Chief Executive Officer

Wilmar's Chairman and CEO positions are filled by the same individual, Mr Kuok Khoon Hong. Combining the roles of Chairman and CEO has brought about exceptional leadership, clear accountability and unparalleled depth of knowledge to deal with the Group's strategic challenges and growth opportunities.

In his capacity as the Chairman of the Board, Mr Kuok is responsible for leading the Board in an effective, strategic manner and ensuring high standards of corporate governance. As CEO, Mr Kuok delivers the execution of the Company's strategic plans and running the day-to-day management of the Company. Mr Kuok is assisted by the COO, Mr Pua Seck Guan, in overseeing and managing the existing businesses of the Group and in developing new businesses. There is no familial relationship between Mr Kuok and Mr Pua.

In his dual role as Chairman and CEO, Mr Kuok is responsible for the management of the Wilmar Group, including risk management of its operations as well as business development. Because of the enormous opportunities available to the Group coupled with Mr Kuok's long years of experience in the business, the dual role that he holds enables him to tap maximum potential for the Group and grow the business more effectively. The effectiveness of this arrangement is proven by the fact that Wilmar became a Fortune 500 company in 2009 and is one of Asia's largest agribusiness groups, less than 20 years after its inception and has continued to grow its operations with consistent profit, even during difficult times. This is amply demonstrated by the fact that Wilmar achieved its highest profit in 2021, whilst the world was still grappling with Covid-19.

As the Chairman of the Board, Mr Kuok leads all Board meetings and sets the agenda. He ensures that Board members receive accurate and timely information to enable them to be fully cognizant of the affairs of the Group. He also promotes a culture of openness and debate at the Board and solicits contributions from the Board members to facilitate constructive discussions.

All strategic and major decisions relating to the business and management of the Group are jointly and collectively made by the Board. As such, there is a balance of power and authority and no one individual controls or dominates the decision-making process of the Company.

CORPORATE GOVERNANCE

The role of the Chairman and CEO is not separate as there is adequate accountability and transparency reflected by internal controls established within the Group as well as the fact that the Board and all Board Committees each have at least an independent majority, which ensures an element of independence in the decision-making of the Board and Board Committees and to prevent an uneven concentration of power and authority in a single individual.

Lead Independent Director

Mr Lim Siong Guan, the Lead ID plays an additional facilitative role within the Board, and where necessary, he may facilitate communication between the Board and shareholders or other stakeholders of the Company. He avails himself to address stakeholders' concerns through his email address siongguan.lim@sg.wilmar-intl.com for circumstances in which contact through the normal channels of communication with the Chairman and Management are inappropriate or inadequate. Mr Lim acts as a counter-balance on management issues in the decision-making process. The role of Mr Lim as the Lead ID may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest should these arise. As Lead ID, Mr Lim may help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO and help the RC design and assess the Chairman and CEO's remuneration.

The Board is of the opinion that there is sufficient independence in its exercise of objective judgement on business affairs of the Group and no one individual has unfettered powers of decision-making, notwithstanding that the roles of Chairman and CEO are not separate.

Principle 4: Board Membership

The members of the NC are:

1. Mr Kwah Thiam Hock (NC Chairman) – Non-Executive and Independent Director;
2. Mr Kuok Khoo Hong – Executive and Non-Independent Director;
3. Mr Tay Kah Chye – Non-Executive and Independent Director; and
4. Mr Lim Siong Guan – Non-Executive and Lead ID.

The NC met once in 2021. The NC's role is set out in its written terms of reference. The functions of the NC include the following:

1. review and recommend to the Board, all appointments, re-appointments and retirement of Directors (including Alternate Directors, if applicable);
2. determine annually, and as and when circumstances require, the independence of the Independent Directors;
3. review the balance and mix of relevant experience, knowledge, skills as well as attributes of the Directors as well as the size and composition of the Board to meet the business and governance needs of the Group;
4. evaluate whether or not a Director is able to and has been adequately carrying out his or her duties as a Director of the Company when he or she holds multiple listed company board representations and other principal commitments;
5. develop a process to conduct formal assessments of the effectiveness of the Board, the Board Committees and Directors;
6. review and recommend training needs (including professional development programmes) for the Board and its Directors;
7. review the succession plans for the Board and KMT; and
8. review and recommend to the Board, the appropriate performance benchmarks for monitoring the share performance of Wilmar, relative to its peers in the same industry and movements in the Singapore Straits Times Index ("SSTI").

Directors' Time Commitment and Multiple Directorships

In determining annually whether Directors who hold other non-Group board appointments are able to, and have adequately carried out their duties as Directors of the Company, the NC takes into account each Director's commitments, attendance record at meetings of Board and Board Committees, as well as conduct and contributions (including preparedness, participation and candour) at the Board and Board Committees meetings, the results of the assessment of the competencies, commitment and contributions of the individual Director.

The Board acknowledges that setting a prescriptive limit on listed company board representations may help to address the issue of competing time commitments of Directors and while the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of a Director. The Board is of the opinion that a more meaningful measure is the quality of time spent on the Company's matters and the ability to contribute effectively to the Board.

The NC and the Board are satisfied that in FY2021, each of the Directors was able to devote sufficient time and attention to the affairs of the Company and has diligently discharged his or her duties as a Director of the Company.

Succession Planning

The Board embraces the philosophy that a good Board needs the support of a strong and effective key management team. The Company is supportive of gender and workforce diversity and will continually train and groom capable staff to fill key positions to bolster the overall strength and depth of the key management team for the Group's global operations.

Process for Selection and Nomination of New Directors

The NC identifies potential Director candidates by tapping on its network of contacts and recommendations from Directors and/or may engage external professionals to identify and short-list the most competent individuals who are capable of contributing to the success of the Group. In the selection process, the NC takes into consideration diversity in skills, experience, gender, age and industry knowledge as well as the desired competencies of the potential Director while being guided by the Board Diversity Policy. The objective is to boost the Board's competency in its leadership strength and to add diversity of skills to the existing attributes of the Board.

The NC then interviews the short-listed candidates and makes its recommendations to the Board for approval. All Board appointments are based on merit, taking into account the contributions the candidates can bring to the Board to enhance its effectiveness. Upon the appointment of a new Director, the NC may recommend to the Board his or her appointment to the appropriate Board Committee(s) after matching the Director's skillset to the needs of each Board Committee.

Rotation and Re-election of Directors

Prior to each AGM, the Company Secretary proposes to the NC which Directors are required to retire by rotation at that AGM. The NC will then review the composition of the Board and the need for progressive Board renewal to decide whether to recommend to the Board the re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

One-third (or the number nearest one-third) of the Directors (including EDs) who have been longest in office since their last re-election, are required to retire by rotation at each AGM at least once every three years. These Directors are eligible for re-election, subject to approval by shareholders at the AGM. The Directors who are retiring and wish to be re-elected are required to provide their consent to seek re-election at the AGM.

As required under the Company's Constitution, new Directors appointed by the Board during the financial year will hold office only until the next AGM following their appointments and they will be eligible for re-election. Newly appointed Directors are not taken into account in determining the number of Directors who are to retire by rotation.

Principle 5: Board Performance

The NC conducts an annual formal assessment of the effectiveness of the Board, Board Committees and the contributions of Directors on an annual basis. The purpose of the annual evaluation is to seek the respective views of the Directors on various aspects of the Board's performance and effectiveness of the contributions of Directors. In the FY2021 assessment, an additional section on sustainability and an evaluation of the Exco were introduced.

The Board, with the assistance of the NC, approves the objective performance criteria and process, which includes comparison of key performance indicators of the Company with its peers and the Company's share price performance vis-à-vis the SSTI. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board.

CORPORATE GOVERNANCE

Board assessment is done on a collective basis by requiring each Director to complete an electronic evaluation form which covers areas such as Board processes, Board accountability, Board knowledge of key risk management and internal control issues as well as guidance to Management.

The assessment of the effectiveness of Board Committees is done by the respective Board Committee members. As for the appraisal of the contributions of Directors, the evaluation is done collectively based on several factors including Directors' effective contributions and their knowledge of the Group's business operations and regulatory requirements. The reason for adopting a collective evaluation instead of peer evaluation by each Director is to maintain and promote unity amongst Board members through constructive communication within the Board functioning as a whole. The assessment of the Board Chairman is done through assessment of him in his concurrent role as CEO.

The responses to the assessment are discussed at the NC and Board meetings and the summarised results are presented to the NC and the Board for review and decision to implement appropriate actions to enhance key areas (if any) that have been identified for improvement.

The NC, having assessed the performance of the Board, Board Committees and the contributions of Directors for FY2021 through its formal annual evaluation process, is pleased to report that there were no significant issues that warrant the Board's attention. The results of the assessments were satisfactory and accepted by the Board.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Remuneration Committee assists the Board to ensure competitive compensation policies and packages are in place. The scope of the RC covers review of remuneration packages for individual Directors and key management personnel and executive share option schemes. The RC is chaired by Mr Kwah Thiam Hock and its members comprise Mr Tay Kah Chye and Mr Lim Siong Guan. All RC members are Independent Directors. No Director is involved in deciding his own remuneration.

In accordance with the RC's terms of reference, the RC's responsibilities are to:

1. review and recommend to the Board a framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind;
2. review and determine the specific remuneration packages for each Director as well as for the key management personnel;
3. implement and administer the Company's share options schemes;
4. review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and
5. review the development of senior staff and assess their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

RC members are assisted by the Company's HR Head, who provides useful inputs from surveys conducted by independent HR consultants on market expectation of salary increments and bonuses for senior executives. The HR Head provides benchmarks of remuneration packages offered by comparable companies in various industries in order to ensure that the remuneration level of the Group's employees is market-competitive.

Principle 7: Level and Mix of Remuneration

The Group's remuneration philosophy is aimed at attracting, retaining and motivating Executive Directors and key management personnel of the highest calibre through a framework which aligns rewards with performance and the achievement of strategic objectives.

The framework consists of a fixed and a variable component. The variable component includes an annual bonus tied to the performance of the individual and the Company, as well as short and long-term incentives in the form of share options designed to strengthen the pay-for-performance framework which serves to reward and recognise key executives' contributions to the growth of the Company. The RC seeks to ensure that key criteria, namely, company profitability, competitiveness, reasonableness and linkage to performance are satisfied for the executives' remuneration package.

The fixed component is determined by benchmarking against similar industries, taking into consideration the individual's responsibilities, performance, qualification and experience. This fixed base may be presented in a combination of cash and non-cash benefits, at the Group's discretion.

These benefits aim to directly align the interests of Directors and Management with the interests of shareholders, to improve performance and achieve sustainable growth for the Company and to strengthen the ownership culture among Management in times of rapid globalisation.

Non-Executive Directors and Independent Directors of the Company do not receive any salary. They receive annual Directors' fees, which are subject to the approval of shareholders at the Company's AGM. To align the interests of Non-Executive and Independent Directors with the interests of shareholders, they also participate in the Company's share option scheme. The RC ensures that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

The structure of Directors' fees for FY2021 is as follows:

1. a single base fee of S\$80,000 for serving as Non-Executive Director;
2. additional fee of S\$20,000 for serving as Lead Independent Director; and
3. additional fee for serving as Chairman/Member on the following Board Committees:

Chairman's Fee S\$

Name of Board Committee	FY2021 S\$
Audit Committee	40,000
Risk Management Committee	40,000
Nominating Committee	20,000
Remuneration Committee	20,000

Member's Fee S\$

Name of Board Committee	FY2021 S\$
Audit Committee	20,000
Risk Management Committee	20,000
Nominating Committee	10,000
Remuneration Committee	10,000

To drive management behaviour and performance as well as to reflect the Company's commitment to protecting shareholder value and to ensure accountability for actions, the remuneration of key management personnel and selected senior executives is subject to a clawback scheme which was implemented in 2014. The clawback scheme allows the Company to reclaim, in exceptional circumstances, the incentive components of the remuneration from these key employees where negligence, misconduct or fraud has resulted in financial or reputational loss to the Company. The list of key executives subject to the clawback scheme is reviewed on a yearly basis.

CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration

The breakdown of the remuneration of the Directors and the top five Key Executives of the Company for FY2021 is as follows:

Directors

Name of Director	Proposed Directors' Fee	Salary*	Benefits	Amortisation of Share Option Expenses**	Variable Bonus	Total
Executive Directors	S\$	S\$	S\$	S\$	S\$	S\$
Kuok Khoon Hong	Nil	1,207,650	51,590	370,440	10,000,000	11,629,680
Pua Seck Guan (part-time)	Nil	625,260	41,312	246,960	2,200,000	3,113,532
Teo La-Mei	Nil	681,180	600	185,220	1,350,000	2,217,000
Non-Executive Directors						
Kuok Khoon Ean	80,000	–	–	147,500	–	227,500
Kuok Khoon Hua	80,000	–	–	147,500	–	227,500
Raymond Guy Young ^(Note 1)	80,000	–	–	147,500	–	227,500
Juan Ricardo Luciano ^(Note 2)	–	–	–	–	–	–
Lim Siong Guan (Lead Independent Director)	180,000	–	–	147,500	–	327,500
Tay Kah Chye	160,000	–	–	147,500	–	307,500
Kwah Thiam Hock	140,000	–	–	147,500	–	287,500
Kishore Mahbubani	80,000	–	–	147,500	–	227,500
Weijian Shan (Retired: 15 April 2021)	23,333	–	–	–	–	23,333
Teo Siong Seng	80,000	–	–	147,500	–	227,500
Soh Gim Teik	80,000	–	–	88,500	–	168,500
Chong Yoke Sin (Appointed: 7 May 2021)	52,063	–	–	–	–	52,063

Notes:

* The remuneration reported includes all forms of remuneration from the Group. Save as disclosed, they do not receive any other remuneration from the Group.

** The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Executive Option Valuation Module.

Note 1 – Fee is payable to Archer Daniels Midland Company.

Note 2 – No fee is payable.

Top 5 Key Executives (Names In Alphabetical Order)

Name	Salary inclusive of employer's CPF	Bonus and other benefits	Amortisation of Share Option Expenses	Total
Jean-Luc Bohbot				
Matthew John Morgenroth				
Mu Yankui	23%	73%	4%	100%
Rahul Kale				
Thomas Lim Kim Guan				

The aggregate remuneration of the top five key executives is S\$17,586,880. The remuneration of the Company's top five key executives takes into account the pay and employment conditions within the industry and is performance-related. The Company is of the opinion that it is not in the best interest of the Company to disclose the details of their remuneration due to the competitiveness of the industry for key talent.

Remuneration of Immediate Family Member(s) of Director(s), CEO or Substantial Shareholder

No substantial shareholder or immediate family of a Director, the CEO or a substantial shareholder, whose remuneration exceeds S\$100,000 during the year, is an employee of the Company.

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong (Chairman and CEO), is employed as an Executive in the Finance Department and Mr Kuok Meng Yuan, the son of Mr Kuok Khoon Hong (Chairman and CEO), is an Executive in the Business Development Department. Each of their remuneration for FY2021 is in the range of S\$50,000 to S\$100,000.

C. ACCOUNTABILITY & AUDIT

Principle 9: Risk Management and Internal Controls

The Board, with the assistance of the RMC and AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

The RMC is chaired by Mr Lim Siong Guan, the Lead ID. It comprises two other Board members, namely Mr Kuok Khoon Hong and Mr Tay Kah Chye. The RMC met four times during FY2021.

The RMC assists the Board in overseeing market, credit and operational risk governance in the Group to ensure that Management maintains a sound system of risk management to safeguard shareholders' interests and the Group's assets. It proposes to the Board for determination, the nature and extent of the significant risks which the Company is willing to take to achieve its strategic objectives and value creation. Details of the Group's risk governance processes are set out in the Risk Management Report on Page 62 of the Company's Annual Report 2021.

The function and objectives of the RMC include the following:

1. review the overall risk management policies and framework including sustainability* issues;
2. review and recommend risk limits;
3. determine risk tolerance level for the Group; and
4. review major non-compliance with risk policies.

* Sustainability issues came under the purview of the newly established Board Sustainability Committee with effect from 1 January 2022.

In carrying out its duties, the RMC is assisted by the Executive Risk Committee ("ERC") which comprises Mr Kuok Khoon Hong (Chairman and CEO), Mr Pua Seck Guan (COO), Mr Charles Loo Cheau Leong (CFO) and Mr Thomas Lim Kim Guan (Group Head, Edible Oils). The principal duties of the ERC are:

1. responsible for the monitoring and improvement of the overall effectiveness of the Group's risk management policies and systems;
2. review and oversee the implementation of trade positions and limits to manage the Group's overall market, credit and operational risk exposures;
3. provide risk management oversight on market risk exposures on commodities and currencies; and
4. establish principal considerations in relation to the type of trading partners/customers of the Group and other merchandising policies (with due consideration given to the prevailing sustainability policies mandated by the Group) to ensure that business activities are within the risk tolerance thresholds approved by the Board.

CORPORATE GOVERNANCE

Principle 10: Audit Committee

The AC comprises three Independent Directors, namely Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Lim Siong Guan, all of whom have accounting or financial management qualifications, expertise and experience. None of the AC members were former partners or directors of Ernst & Young LLP ("EY"), the Company's external auditor and they do not hold any financial interest in EY.

The Board is of the view that members of the AC have the appropriate qualifications and the relevant accounting, finance, business management and risk management expertise and experience to collectively discharge the AC functions competently.

During FY2021, the AC was briefed regularly by the external auditor on changes in Financial Reporting Standards which are relevant to the Group's businesses.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities in overseeing four main areas, namely financial reporting, internal control and risk management systems, internal and external audit processes and interested person transactions ("IPTs").

The AC's role is set out in its written terms of reference. The duties of the AC include the following:

1. review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
2. review and report to the Board at least annually on the adequacy and effectiveness of the Group's risk management systems and internal controls to address material financial, operations, IT and compliance risks which are relevant to the Group's operations;
3. review the adequacy, effectiveness and independence of the Group's internal audit ("IA") function at least annually, including the adequacy of IA resources and its appropriate standing within the Group, as well as the scope and the results of the IA procedures;
4. review terms of engagement, the scope and results of the external audit work, the cost-effectiveness of the audit, and the independence and objectivity of the external auditor;
5. recommend to the Board the appointment, re-appointment, remuneration and removal of the external auditor to be approved by the shareholders of the Company;
6. review the Whistleblowing Policy and arrangements by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken; and
7. review IPTs in accordance with the requirements of the Listing Manual of the SGX-ST and the mandate for IPTs approved by the shareholders of the Company ("IPT Mandate").

The AC has the explicit authority to investigate any matter within its terms of reference and is at liberty to obtain independent professional advice. It has full access to and the co-operation of Management, as well as reasonable resources to enable it to discharge its duties properly. It has full discretion to invite any Director or executive officer or any other person to attend its meetings.

The principal activities of the AC during FY2021 are summarised below.

Financial Reporting

All Directors (who are not AC members) and the external auditor are invited to attend AC meetings. Various members of the KMT are required to attend AC meetings, as appropriate, to present reports or answer queries.

The AC met four times during FY2021 to review, inter alia, the following:

1. the financial results and statements of the Company and the Group before each of the announcements of the Company's first and third quarters' Executive Financial Summary and half and full year's financial results and statements as well as the auditor's report on the annual financial statements. During the process, the AC reviewed, among other things, the key areas of management judgement applied for adequate provision and disclosure, critical accounting policies and any significant changes made that would have an impact on the financial statements; and
2. the external auditor's plans for the purpose of discussing the scope of the audit and reporting obligations before the audit commences. All significant audit findings and recommendations made by the external auditor were discussed, and where appropriate, implementation of such recommendations was followed up with Management.

In the review of the financial statements for FY2021, the AC has discussed with Management, the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following key audit matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

KEY AUDIT MATTERS	HOW AC REVIEWED THESE MATTERS AND WHAT DECISIONS WERE MADE
Impairment assessment on goodwill and brands	<p>The AC considered the approach and methodology applied to the valuation model in goodwill and brands impairment assessment.</p> <p>The AC reviewed the reasonableness of cash flow forecasts, the long term growth rate and discount rate.</p> <p>The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2021. Details can be found on page 104 of the Company's Annual Report 2021.</p>
Accounting for derivative transactions	<p>The AC considered and reviewed the methodology and assumptions applied to the valuation of the derivative transactions.</p> <p>The accounting for derivative transactions was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2021. Details can be found on page 105 of the Company's Annual Report 2021.</p>

Following the review and discussions on the financial statements, the AC recommended to the Board to approve the full year financial statements for FY2021.

During FY2021, the AC had one meeting with the external auditor and internal auditor separately, without the presence of Management. Such meetings enable the external auditor and Group Head, Internal Audit ("IA Head") to raise issues encountered in the course of their work directly with the AC, in a free and frank manner.

CORPORATE GOVERNANCE

Assurance from the CEO and CFO in respect of FY2021 Financial Statements and Records

The AC reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company. In addition, the Board has received and reviewed a formal assurance from the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements in respect of FY2021 give a true and fair view of the Group's operations and finances.

Opinion on the Adequacy and Effectiveness of Internal Control and Risk Management Systems

The Board has also received assurance from the CEO and CFO that the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks faced by the Group in its current business and operating environment, including material financial, operations, compliance and IT risks.

Internal control processes are regularly strengthened to take into account changes to the business needs of the Group. Audit checks are performed by the internal and external auditor, while regular reviews are done by Management, the Board and relevant Board Committees. On these bases, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems were adequate and effective as at 31 December 2021 to address financial, operations, IT and compliance risks which are relevant and material to the Group's operations.

The Board notes that the system of internal controls provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Further, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

External Audit Processes

The AC manages the relationship with the Group's external auditor, on behalf of the Board. During FY2021, the AC carried out its annual assessment of the cost-effectiveness of the audit process, together with external auditor's approach to audit quality and transparency. The AC concluded that the external auditor demonstrated appropriate qualifications and expertise and that the audit process was effective.

The AC has recommended to the Board, the re-appointment of EY, a firm registered with ACRA, as the Company's external auditor at the forthcoming AGM, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA.

The Board and AC have reviewed and are satisfied that the appointment of different audit firms for certain subsidiaries, joint ventures and associated companies would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual of the SGX-ST.

Auditor Independence

In order to maintain the independence of the external auditor, the Group has a specific policy which governs the conduct of non-audit work by the external auditor. This policy prohibits the external auditor from:

1. performing services which would result in the auditing of their own work;
2. participating in activities normally undertaken by Management; and
3. acting as advocate for the Group.

The AC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees paid to the external auditor. An analysis of fees paid in respect of audit and non-audit services provided, by breakdown for the past two years, is disclosed in note 10 of the notes to the financial statements found on page 137 of the Company's Annual Report 2021.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditor are not in any way impaired by reason of the non-audit services which they provide to the Group. The AC is also satisfied that these services were provided efficiently by the external auditor as a result of their existing knowledge of the business.

Internal Audit

The IA Department conducts audit of companies within the Group and oversees the work being carried out in the respective key operational jurisdictions by the local IA department. IA is an independent function within the Group and reports directly to the AC with unrestricted access to the AC, without the presence of CEO or Management, at least annually.

The IA Department is staffed by suitably qualified and experienced IA staff including the IA Head, who reports directly to the AC functionally, has open communication with the AC and is able to report any risks or control issues directly to the AC Chairman.

The IA Head has been with the Company since 2001 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants ("ISCA") and also a member of the Institute of Internal Auditors, Singapore ("IIA"). Prior to that, he was with the WBL Group of Companies from 1995 to 2001. He was with an international accounting firm from 1992 to 1995. The IA staff have professional qualifications and are either members of the ISCA, IIA or the Information Systems Audit and Control Association.

The Company provides training and development opportunities to maintain internal auditors' professional competence and enable them to perform their engagements with due care, proficiency and in accordance with professional standards.

The IA function adopts the International Standards for the Professional Practice of Internal Auditing (the "IIA Standards") issued by the IIA.

The AC approves the appointment, termination, evaluation and compensation of the IA Head. The scope of authority and responsibility of the IA function is defined in the AC Terms of Reference.

The primary role of the IA function is to assist the Board and Management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, internal controls and governance processes. The Group's IA approach is aligned with its risk management objectives by focusing on key financial, operations, compliance and IT risks. The annual IA plan is established in consultation with, but independent of, Management. The annual IA plan is reviewed and approved by the AC. Significant IA findings, recommendations and status of remediation, are circulated to the AC, the Board, the external auditor and relevant KMT members.

The IA Head presents the IA findings to the AC and the Board at the AC and Board meetings on a half-yearly basis. The AC meets with the IA Head once a year, without the presence of Management, to allow the internal and external auditors to speak freely with the AC on matters that may be difficult or sensitive to raise or to discuss in the presence of Management. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC and have appropriate standing within the Group.

The AC reviewed and is satisfied that the IA function is independent, effective and adequately resourced with persons with the relevant qualifications and experience and complies with IIA Standards.

CORPORATE GOVERNANCE

Interested Person Transactions

The AC reviewed the Group's IPTs for FY2021 to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a half-yearly basis, Management reports to the AC on the Group's IPTs in accordance with the IPT Mandate.

The IA Head informed the AC that the internal control procedures for determining the transaction prices of IPTs have not changed since the date of the 2021 AGM, at which the IPT Mandate was last renewed.

The AC is satisfied that the internal controls in respect of the identification, evaluation, review, approval and reporting of IPTs are effective.

The aggregate value of transactions entered into by the Group with interested persons ("IP") as defined in the Listing Manual of the SGX-ST for FY2021 is as follows:

Name of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY2021 US\$'000	FY2021 US\$'000
Archer Daniels Midland Group	Controlling shareholder and its associates	NIL	1,230,060
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	Associates of Directors	65,112	148,876
Kuok Khoon Hong's Associates	Associates of Director	12,033	6,637
PPB Group Berhad	Controlling shareholder and its associates	229,724	NIL
Kuok Brothers Sdn Bhd	Associates of Director	559	NIL

[#] The IP associates for Mr Kuok Khoon Ean and Mr Kuok Khoon Hua are substantially the same and are not disclosed separately to avoid duplication.

Whistleblowing Policy

The Company has in place a Whistleblowing Policy which covers employees and external parties including customers, suppliers, contractors and anyone who is a stakeholder of the Group. The objective of the Whistleblowing Policy is to provide an avenue for employees and external parties to raise concerns about dishonesty, fraudulent acts, corruption and improper conduct, with the assurance that they will be protected from reprisals or victimisation for whistleblowing in good faith and this assurance is set out in the policy. Where whistleblowing results in prevention or recovery of what would otherwise have been monetary damage to the Company, the whistle-blower may be given a reward.

Whistleblowing cases reported are objectively assessed. Investigation and appropriate remedial measures are taken where warranted, and if substantiated, they are reported to the AC in accordance with the guidelines set out in the Company's Whistleblowing Policy and as directed by the AC.

The implementation of the Whistleblowing Policy has been communicated to employees of the Group and it is posted on the Group's intranet, accessible by all staff. The Whistleblowing Policy is also posted on the Company's website where it is available to the public. On an ongoing basis, the Whistleblowing Policy is covered during staff training as part of the Group's efforts to promote awareness of possible corporate improprieties.

Dealings in Securities

The Company has in place a written Securities Trading Policy approved by the Board setting out procedures and best practices on the prohibition of dealings in securities of the Company by all Directors and employees of the Group, which include the following:

1. all Directors and employees of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks prior to the announcement of the Group's first and third quarters' Executive Financial Summary, and one month prior to the announcement of the Group's half and full years financial results;
2. the Company is prohibited from dealing in the Company's securities such as share buyback pursuant to its Share Purchase Mandate during the abovementioned trade blackout periods;
3. to further prevent insider trading of Wilmar securities, the trade blackout periods are extended by two weeks for certain members of Management and staff including CEO, COO and EDs, who by virtue of their positions or job functions, may have access to confidential, unpublished information on the Group's financial results and statements. This group of employees is prohibited from dealing in Wilmar securities during the period commencing four weeks (instead of two weeks) prior to the announcement of the Group's first and third quarters' Executive Financial Summary and one month plus two weeks (instead of one month) prior to the announcement of the Group's half and full years' financial results; and
4. the prohibition against dealings in securities by Directors and employees of the Group extends not only to the securities of the Company and its listed subsidiaries but also to the securities of other companies, whether listed in Singapore or elsewhere, while they are in possession of price or trade sensitive information or have access to unpublished price or trade sensitive information relating to such securities, including information which is acquired in the course of work with the Company.

A copy of the Company's Securities Trading Policy is posted on the Company's intranet accessible by all staff.

Directors and employees of the Group are reminded on a quarterly basis to refrain from dealing in the Company's securities on short term considerations and to observe insider trading laws at all times, even when dealing in securities during the permitted trading period. A set of guidance notes on laws against insider trading is made available to employees of the Group through various communication channels, including dissemination by internal circulars and posting on the Company's intranet. These procedures and best practices are reviewed and updated from time to time and further strengthened for good corporate governance.

Compliance-Related Policies

In addition to the Whistleblowing Policy and the Securities Trading Policy, the Company has in place other compliance-related policies such as the Code of Conduct, Code of Ethics, Anti-Bribery and Corruption Policy and Anti-Fraud Policy, which set out the principles and standards of behaviour that are expected of employees of the Group when dealing with customers, suppliers, business associates and colleagues as well as how the Group deals with fraud incidents.

These policies have been communicated to employees of the Group and are also available on the Group's intranet and website. To ensure compliance with these policies, compulsory refresher sessions on compliance-related topics are organised for employees on a regular basis via an e-learning application developed by the Company's HR Department.

CORPORATE GOVERNANCE

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Shareholder Rights

The Company is committed to treating all shareholders fairly and equitably to enable them to exercise their ownership rights and to provide them with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company's annual report which gives shareholders a balanced and understandable assessment of its performance, position and prospects, is available on Wilmar's corporate website. Printed copies of the annual report are sent to shareholders only upon request, which is in line with Wilmar's commitment to environmental conservation. Notice of AGM and notice(s) of extraordinary general meeting(s) (where applicable) are made available on Wilmar's corporate website within the prescribed notice periods set out in the Company's Constitution and the prevailing laws and regulations together with their respective circular(s) and letter(s) to shareholders. The notices are also released via SGXNet and published in local newspapers.

Besides exercising their voting rights at the general meetings convened by the Company, shareholders are encouraged to participate actively and communicate their views on any matters relating to the Company and the Group.

Conduct of General Meetings

The Board supports and encourages effective shareholder participation at general meetings. Shareholders are informed of the general meetings of the Company through notices of general meetings, news releases via SGXNet, publication in local newspapers, as well as postings on the Company's website.

In compliance with the Act, all resolutions tabled at the Company's general meetings are separate and voted on individually.

The Company's 2021 AGM was held by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Attendance at the 2021 AGM was via electronic means accessed via live audio-visual webcast or live audio-only stream. Questions were submitted to the Chairman of the Meeting in advance of the 2021 AGM. To improve interaction with shareholders during the 2021 AGM, a "chat function" was made available to shareholders to type and submit their questions during the AGM. The Company endeavoured to address substantial and relevant questions. Voting was conducted by appointing the Chairman of the Meeting as proxy at the 2021 AGM. To comply with safe management rules, only the Chairman, Lead Independent Director, COO, Company Secretary and CFO were present in person at the 2021 AGM. The non-executive Directors (except for Mr Kuok Khoon Hua), other members of Management, external legal advisors and external auditor attended the 2021 AGM via electronic means. In line with past years' practice, at the start of the 2021 AGM, Wilmar's CFO presented an update on the Group's progress and financial highlights. The presentation is available on the websites of SGX-ST and the Company for the benefit of shareholders who were unable to attend the 2021 AGM electronically. The results of the proxy voting were published at the meeting and announced via SGXNet after the conclusion of the 2021 AGM. Minutes of the 2021 AGM, which include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Management, are also available on the websites of the Company and SGX-ST.

The Company's 2022 AGM will be held by electronic means pursuant to the Order and also physically at the Company's registered office. Attendance at the 2022 AGM will in person or via electronic means accessed via live audio-visual webcast or audio-only stream. Live voting will be conducted during the 2022 AGM for shareholders and proxyholders online and those at the physical venue. The results of the 2022 AGM will be announced at the meeting and via the SGXNet after the conclusion of the 2022 AGM. Minutes of the 2022 AGM which will include relevant and substantial comments from attendees relating to matters on the agenda of the meeting and responses from Directors and Management, will also be available on the websites of the Company and SGX-ST.

Questions may be submitted in advance of the 2022 AGM and the Company will publish its responses to these questions at least 48 hours before the closing date and time for the lodgment of proxy forms for the 2022 AGM.

To improve interaction with shareholders during the 2022 AGM, the Company will make available an "Ask a Question" feature for shareholders online and also those at the physical venue to type and submit their questions during the meeting. Shareholders attending the meeting may also choose to raise their question(s) in-person.

Details of the arrangements will be provided in the Notice of 2022 AGM which will be disseminated by electronic means via publication on the websites of the Company and SGX-ST.

Dividend Policy

The Company has been declaring dividends twice a year to its shareholders at half-year and year-end since 2008. In considering the level of dividend payments, the Board takes into account various factors, including but not limited to the projected levels of capital expenditure and other investment plans, as well as the Group's working capital requirements and general financial condition.

For FY2021, the Board has recommended a final dividend of S\$0.105 per ordinary share. Including the interim dividend of S\$0.05 per ordinary share paid in August 2021, the total dividend for the year of S\$0.155 per ordinary share, represents a dividend payout of around 38% of the Group's net profits.

Principle 12: Engagement with Shareholders

Disclosure of Information on a Timely Basis

The Company maintains a current corporate website www.wilmar-international.com to communicate and engage with shareholders and stakeholders.

The Company is committed to maintaining a high standard of corporate disclosure and transparency. The Company has an Investor Relations Policy (a copy of which is posted on the Company's website) which allows for an ongoing exchange of views to actively engage and promote regular, effective and fair communication with shareholders. It will also ensure that all material information is disclosed in a comprehensive, accurate and timely manner through the release of announcements and news releases posted on the SGX-ST website. Shareholders and the investing public can access the Company's announcements, news releases, presentation materials disseminated at briefings and other corporate information that have been uploaded on its website. The website provides an effective method of reaching a wide audience and also allows users to sign up for alerts to such disclosures, providing an easy and timely way to stay updated on the Company's latest corporate developments.

To ensure a level playing field and provide confidence to shareholders, unpublished price and trade sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to a select group in the course of the Group's interactions with the investing community, a news release or announcement will be released to the public via SGXNet.

CORPORATE GOVERNANCE

Interaction with Shareholders

The Group has a dedicated investor relations ("IR") team which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns in a timely manner. Investors may submit their view and feedback and raise any questions to the Company via ir@wilmar.com.sg and through which the Company responds to such questions.

The IR team participates in investor seminars and conferences, together with members of the KMT, to keep the market and investors apprised of the Group's corporate developments and financial performance.

During FY2021, the IR team, together with members of the KMT, engaged with over 130 Singapore and foreign investors at conferences, roadshows as well as one-on-one and group meetings. The aim of such engagements is to:

1. provide shareholders and investors with relevant information promptly, to enable them to have a better understanding of the Group's businesses and performance; and
2. solicit feedback from the investment community, including shareholders, on a range of strategic and topical issues. Such engagements provide invaluable insights to the Board and Management on investors' views and concerns. It also helps the Group to identify areas of improvement for investor communication.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board has adopted an inclusive approach by balancing the needs and interests of material stakeholders, beyond shareholders, using the following methods:

1. identifying and managing relationships with material stakeholder groups;
2. delineation of key focus areas in relation to management of stakeholder relationships; and
3. maintaining a current corporate website to communicate and engage with stakeholders.

How the engagement with stakeholders was undertaken and executed in FY2021 is described in the following summary table. Please also refer to <https://www.wilmar-international.com/sustainability/policies/stakeholder-engagement> for specific stakeholder engagements with regard to sustainability matters and issues.

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Workplace Health & Safety • Fair Workplace Practices • Career advancement • Learning and Development • Instilling Wilmar core values and sense of belonging 	<ul style="list-style-type: none"> • Implement workplace safety policies for a safe working environment • User-friendly internal platform for employee's welfare • Reward for performance • Equal opportunity in all aspects of employment • Provide opportunity for career advancement • Employee engagement initiatives and events 	<ul style="list-style-type: none"> • Employee Learning & Development Programmes • Health and Wellness activities found on the Company's Intranet • Company and Department wide social and teambuilding activities • Announcements and memos from HR and Management where appropriate

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Women empowerment & equitable Employment • Protection from sexual harassment • Health and safety • Welfare of families and children • Education for children • Better direct communication with Management 	<ul style="list-style-type: none"> • Wilmar has a comprehensive Women's Charter, which defines Women's Committee structure which provides an avenue to address issues specific to women in the workforce, and for these to be raised with Management. In the plantation operation, the Women's Committee includes a specific sexual harassment investigation unit and procedure • Wilmar has a Health & Safety policy across all operations. In addition, many of Wilmar's own operations are Health & Safety certified, or certified to sustainability production standards which include specific requirements for Health & Safety • Wilmar has child-friendly and supporting measures that various global offices provide to our staff • In Wilmar's oil palm plantation and mill operations, housing (with electricity and running water) is provided to all workers and their families. This includes access to schools supported by Wilmar, creche services for children under school going age, school bus service, and access to playground facilities • Wilmar has in place grievance procedures at each workplace that allows for grievances to be directly raised with Management 	<ul style="list-style-type: none"> • In the countries where Wilmar operates, the HR Department has relationships with unions and has regular meetings with local union chapters and their members within Wilmar's operations • Women's Committees meet once a quarter to discuss issues specific to their operations • Wilmar organises a variety of employee gatherings in all operations throughout the year. This provides a direct avenue for engagement between employees and Management
Shareholders and the Investing Public	<ul style="list-style-type: none"> • Accurate and timely updates on the Company's strategy, business and financial performance • Business outlook • ESG reporting 	<ul style="list-style-type: none"> • Practise good corporate governance, transparency and disclosure including ESG material topics • Provide accurate and timely updates via SGXNet, the Company's website and regular meetings with the investing community 	<ul style="list-style-type: none"> • AGM • Quarterly updates and briefings on financial results • ESG/Sustainability focused meetings/webinars • Participation in investor conferences and meetings • Responding to investor/ shareholder queries via email and telephone • Corporate website – including dedicated sections for Investors & Media and Sustainability as well as functions to subscribe for email alerts to the latest corporate developments and to request for information.

CORPORATE GOVERNANCE

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Customers	Quality of products, food safety	Group Quality Control system and regular audit and training	Online Customer Response System for feedback on quality and service
	Customer's sustainability policy	<ul style="list-style-type: none"> Company to comply with customer's sustainability policy Wilmar is an active member of Palm Oil Collaboration Group (POCG) which is a collective of companies throughout the supply chain, including many of Wilmar's customers, to address pre-competitive solutions to sustainability concerns in palm oil 	Regular direct engagement between Group Commercial and Sustainability teams and customers
	Supply chain management	Ensure smooth and timely supply of products	Integrated supply chain planning
Suppliers	No Deforestation, No Peat, No Exploitation ("NDPE") policy	Suppliers to comply with NDPE policy	<ul style="list-style-type: none"> Proactive engagement through local offices and in collaboration with Non-Government Organisations ("NGOs") Online sustainability reporting
	<ul style="list-style-type: none"> Support for sustainability requirements Balancing development needs and no deforestation requirements 	<ul style="list-style-type: none"> Wilmar engages constructively with all suppliers for sustainability improvement. This engagement with suppliers is built into the process of supplier monitoring for NDPE policy compliance and has been in place since 2014 Wilmar's updated NDPE policy contains elements of how smallholders and local communities can be engaged in various respects to meet Wilmar's sustainability requirements. In addition, we continue to engage with NGOs to discuss cases that are linked to community and smallholder development 	<ul style="list-style-type: none"> Wilmar has regular sessions and workshops with suppliers to explain sustainability requirements and to share Wilmar's own knowledge and examples on sustainability Wilmar's membership in trade associations and sustainable production roundtables ensures it is in constant interface with suppliers on relevant issues
Government/ Regulators/ Associations	<ul style="list-style-type: none"> Social responsibility Requires Company to comply with local regulations 	All business is done in compliance with applicable local laws	Comply with existing laws through implementing policies, guidelines and procedures to ensure adherence and continuous sustainability of business

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Civil society	<p>Environmental NGOs</p> <ul style="list-style-type: none"> Deforestation Loss of wildlife and their habitat Contribution of agriculture to climate change Transparency of concession maps <p>Social NGOs</p> <ul style="list-style-type: none"> Livelihood of smallholders and local communities Respect of customary lands & restitution Human Rights for communities and employees Women's empowerment & equitable employment Protecting Children's Rights Protection of Human Rights Defenders <p>Labour Unions</p> <ul style="list-style-type: none"> Fair wages Human Rights for employees Safe working conditions Improvement of industrial relations 	<ul style="list-style-type: none"> Wilmar has a comprehensive NDPE policy which represents requirements for Wilmar's own operations as well as that of its suppliers. In 2019, the NDPE policy was updated to include more specifics on a deforestation cut-off date of 31 December 2015 (requiring recovery plans for land clearing after this date), and adoption of "suspend then engage" approach upon verification of actual deforestation or peat development after 1 January 2019. The No Exploitation component of the policy incorporates respect of Free Prior Informed Consent, as well as respect for labour rights Wilmar has a comprehensive Human Rights Framework; Child Protection Policy; Women's Charter; and Whistleblowing Policy All Wilmar's employees are covered with clear terms & conditions, and these terms spell out work conditions. In countries where Wilmar has active labour unions, the terms & conditions are negotiated with the unions. Where unions are restricted by regulation, Wilmar provides alternative avenues for workers to organise and collectively bargain Wilmar's Human Rights Defender Policy was launched on 21 December 2021 after a process of development that included input from international as well as Indonesian and Malaysian based civil society organisations 	<ul style="list-style-type: none"> Wilmar meets with NGOs several times a year to discuss updates on Wilmar's sustainability commitments Wilmar consults across civil society in the development of key policies and procedures linked to sustainability As members of the RSPO, European Palm Oil Alliance, Roundtable on Responsible Soy, Bonsucro (the global sugarcane platform) and Tropical Forest Alliance, Wilmar interfaces with many NGOs and other civil society in dialogue Wilmar respects the right to collective bargaining and as a result, it has local chapters of unions in its operations. Wilmar maintains open and constructive dialogue with various trade and workers unions, as well as union confederations

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or a controlling shareholder of the Company, except for those IPTs announced via SGXNet from time to time in compliance with the Listing Manual of the SGX-ST.

Save as mentioned above, there are no other material contracts entered into by the Company or any of its subsidiaries involving the interest of the Director or controlling shareholder, which are either subsisting at the end of FY2021 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2020.

3 March 2022

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FINANCIAL REVIEW

CAPITAL STRUCTURE

As at 31 December 2021, shareholders' funds grew by US\$1.04 billion to US\$19.92 billion on the back of record net profits recognised in FY2021. We continue to maintain an efficient capital structure that supports our business operations and maximises returns to shareholders while preserving the strength of our balance sheet. Higher working capital requirements led net loans and borrowings (net of cash, bank deposits and other deposits with financial institutions) to increase to US\$17.24 billion. This resulted in a higher net debt to equity ratio of 0.87x as at 31 December 2021 (31 December 2020: 0.72x).

Given the nature of our business, the level of financing for our working capital requirements fluctuates in accordance with prices of agricultural commodities and business volume, and a significant proportion of our borrowings are used for such working capital financing. Our working capital comprise very liquid or near cash assets like inventories and trade receivables. Inventories are primarily agricultural commodities with a ready market, while trade receivables have short turnover period and are substantially supported by documentary credits. Taking the above into consideration, our adjusted net debt (excluding liquid working capital) to equity ratio which better reflects our Group's debt position, remains healthy and stable at 0.27x as at 31 December 2021 (31 December 2020: 0.27x).

Our investments in property, plant and equipment are funded through cash flows generated from operations while working capital requirements and investments in subsidiaries, joint ventures and associates are predominately funded through loans and borrowings. Our focus to grow the Group's business for the long term and develop businesses with synergies for our existing operations, as well as constructing integrated processing facilities to increase our competitiveness, have resulted in higher capital expenditure (including advances paid) of US\$2.53 billion for FY2021. Since our Group's listing, our total long-term assets have grown by 3 times to US\$23.77 billion (FY2007: US\$7.88 billion) while total equity grew by 2.8 times to US\$22.60 billion (FY2007: US\$8.18 billion).

As at 31 December

	2021 US\$ million	2020 US\$ million
Shareholders' funds	19,923.9	18,882.4
Net loans and borrowings	17,237.7	13,605.5
Net debt to equity	0.87x	0.72x
Liquid working capital:		
Inventories (excluding consumables)	11,157.0	8,976.8
Trade receivables	6,833.4	5,277.9
Less: Current liabilities (excluding loans and borrowings)	(6,101.4)	(5,687.2)
	11,889.0	8,567.5
Net loans and borrowings (excluding liquid working capital)	5,348.7	5,038.0
Adjusted net debt to equity	0.27x	0.27x

FINANCIAL REVIEW

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

Our total net debt of US\$17.24 billion comprised:

As at 31 December	2021 US\$ million	2020 US\$ million
Short-term loans and borrowings	22,291.8	17,145.9
Long-term loans and borrowings	6,822.7	6,003.6
	29,114.5	23,149.5
Cash and bank balances (current & non-current)	8,680.0	5,928.2
Other deposits with financial institutions (current)	3,196.8	3,615.8
	11,876.8	9,544.0
Net loans and borrowings	17,237.7	13,605.5

Higher commodity prices during the year led to higher working capital requirements, resulting in an increase in net debt by US\$3.63 billion to US\$17.24 billion. As of 31 December 2021, about 86% of our short-term loans and borrowings were trade financing lines with minimal refinancing risks as they were backed by trade flows and were self-liquidating. Long-term loans and borrowings comprised of committed loans due from 2023 onwards. Our loans and borrowings were predominantly on floating rates.

Majority of our loans and borrowings were denominated in United States Dollar (US\$) while the rest are borrowings in the local currencies of the countries where our subsidiaries operate in. This mainly comprised loans and borrowings denominated in Chinese Renminbi (RMB), Indonesian Rupiah (IDR) and Australian Dollars (AUD).

Financial risk management

We operate in several countries and are exposed to a variety of financial risks including credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk and market price risk. Risk management is discussed in greater details under "Risk Management" and "Notes to the Financial Statements" sections, and has been summarised as follows:

- **Credit risk.** Majority of our export sales require documentary credits from customers. Our domestic sales are executed on cash terms or where appropriate, credit terms are granted. We conduct thorough credit assessments before granting credit terms and limits to our customers, who are then monitored closely for adherence. The terms and limits are reviewed periodically and revised where necessary, taking into account customers' credit worthiness and market conditions.
- **Liquidity risk.** We maintain sufficient liquidity by monitoring our cash flow closely and maintaining sufficient credit facilities, including the use of trade financing for our raw material purchases. We also aim to maintain flexibility in funding by having available credit facilities with different banks in various countries.
- **Interest rate risk.** We have minimal exposure to interest rate risk as most of our loans and borrowings are short-term and trade related, with interest cost typically priced into our products and passed on to customers. For long-term borrowings, we may use financial instruments such as interest rate swaps to hedge or minimise the interest rate risk.
- **Foreign currency risk.** Currency risk arises as entities in the Group regularly transact or borrow in currencies other than their respective functional currencies, including US\$, RMB, IDR, MYR, INR and AUD. We seek to manage our currency risk by constructing natural hedges where sales and purchases matches in the same currency or through financial instruments, such as foreign currency forward contracts. We are also exposed to currency translation risk arising from our net investments in foreign operations, which are not hedged as these currency positions are considered long-term in nature and the cost of hedging is higher than its benefits.

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- **Commodity price risk.** The prices of agricultural commodities can be very volatile, exposing us to commodity price risk as our sale and purchase commitments do not usually match at the end of each business day. We use forward physical and/or derivative contracts to mitigate such risk.
- **Market price risk.** Market price risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices (other than commodity price, interest or exchange rates). We are exposed to equity price risk arising from our investment securities.

CASH FLOW, FUNDING AND LIQUIDITY

Cash flow

As of 31 December 2021, the Group continued to maintain a robust and stable cash and cash equivalents balance of US\$2.59 billion (31 December 2020: US\$2.58 billion). Strong operating cash flows before working capital changes of US\$3.99 billion was generated on the back of record net profits recognised in FY2021. However, higher working capital requirements from high commodity prices and increased sales activities resulted in an overall cash outflow from operating activities of US\$45.0 million for the year.

	FY2021 US\$ million	FY2020 US\$ million
Total cash and bank balances	8,680.0	5,928.2
Less: Fixed deposits pledged for bank facilities	(3,964.2)	(1,136.1)
Less: Other deposits with more than 3 months maturity	(2,023.3)	(2,085.9)
Less: Bank overdrafts	(104.9)	(122.7)
Cash and cash equivalents	2,587.6	2,583.5
Net cash flows (used in)/generated from operating activities	(45.0)	552.8
Net cash flows used in investing activities	(2,356.1)	(1,806.9)
Net cash flows generated from financing activities	2,405.3	1,788.7
Net increase in cash held	4.2	534.6
Turnover days:		
Inventories	69	63
Trade receivables	32	32
Trade payables	12	14

Note: Turnover days are calculated by averaging the monthly turnover days. Monthly turnover days are computed using revenue and cost of sales for the month.

Other major applications and source of funds in FY2021 were as follows:

- US\$2.53 billion was used to fund our capital expenditure for plantations development, property, plant and equipment (FY2020: US\$1.98 billion). Major additions of property, plant and equipment during the year included refineries, oilseeds crushing, flour and rice milling plants in China and Indonesia, as well as for the construction of new vessels, and development of our central kitchen businesses in China.
- US\$2.41 billion was generated from financing activities, mainly from higher loan drawdowns on the back of higher working capital requirements. This was offset by higher fixed deposits pledged with financial institutions as of 31 December 2021.

Cash and cash equivalents were held in US\$ and the local currencies of the respective countries where we operate in, most notably in RMB.

FINANCIAL REVIEW

Funding and liquidity

As at 31 December 2021, total short-term debt stood at US\$22.29 billion. Our liquid assets comprising cash, bank and structured deposits, marketable securities, receivables and inventories amounted to US\$21.75 billion, which included short-term cash and bank balances of US\$2.69 billion. In addition, we have committed undrawn credit facilities of US\$2.10 billion and approximately US\$23.74 billion of uncommitted trade financing and short-term loan facilities available. Therefore, we do not foresee any problem in meeting our maturing short-term debt obligations.

Our capital expenditure for FY2022 is expected to be met mainly by internal resources. China's expansion plans will also be partially funded by the remaining proceeds raised from the listing of YKA back in FY2020.

Operationally, assuming no major fluctuations in the prices of agricultural commodities, our funding requirements coincide with the seasonality of sales. Our seasonal peak sales period is typically in the second half of the year. The additional funding requirements in this period would be met by our healthy liquidity position.

Our covenants with lenders are not restrictive on our ability to utilise additional credit facilities.

SHAREHOLDERS' RETURNS AND SHARE BUY-BACKS

For FY2021, our Board of Directors has proposed a final dividend of 10.5 Singapore cents per share. Together with the interim dividend of 5.0 Singapore cents per share paid on 27 August 2021, total dividend for FY2021 will amount to 15.5 Singapore cents per share (FY2020: 13.0 Singapore cents per share). This will result in a dividend payout ratio of approximately 38% of net profit (FY2020: 40% of net profit).

We have been declaring dividends at our half-year and year-end periods to our shareholders. In considering the level of dividend payments, our Board takes into account various factors including but not limited to the projected levels of capital expenditure and other investment plans; as well as our working capital requirements and general financing condition. Over the years, the amount of dividends declared to our shareholders has been increasing and the total dividends (interim and final) declared in FY2021 will be our highest dividend declared since listing.

During the year, the company re-purchased 28.0 million of its ordinary shares for a consideration of US\$97.5 million as part of its share buyback programme. Currently, we have a share buy-back mandate which will be expiring on 21 April 2022, being the date of the forthcoming Annual General Meeting. Shareholders' approval for the proposed renewal of the mandate will be sought at the Annual General Meeting on the same day. Share purchases would only be made when it is in the best interests of the Company and in appropriate circumstances which will not materially and adversely affect the liquidity and orderly trading of the Company's shares, including the working capital requirements and gearing level of the Group.

During the year, the Company has re-issued approximately 7.0 million treasury shares pursuant to the employee share option plans.

ACCOUNTING POLICIES

Our financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) "SFRS(I)". The preparation of our financial statements also requires management to exercise judgements and use estimates and assumptions. Significant accounting judgements, estimates and assumptions, which are discussed in greater details under "Notes to the Financial Statements", include:

- Assessment for impairment of goodwill and brands which requires an estimate of the expected future cash flows from cash-generating units and a suitable discount rate for present value calculation.
- Provision for income taxes and deferred taxes involves significant judgement as there are transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Wilmar International Limited (the "Company" or "Wilmar") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are:

KUOK Khoon Hong
PUA Seck Guan
TEO La-Mei
KUOK Khoon Ean
KUOK Khoon Hua
Raymond Guy YOUNG
LIM Siong Guan
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
TEO Siong Seng
SOH Gim Teik
CHONG Yoke Sin (appointed on 7 May 2021)
Juan Ricardo LUCIANO is alternate to Raymond Guy YOUNG

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and its related corporations as stated below:

Name of Director	Direct Interest			Deemed Interest		
	As at 1.1.2021	As at 31.12.2021	As at 21.01.2022	As at 1.1.2021	As at 31.12.2021	As at 21.01.2022
The Company						
<i>(Ordinary Shares)</i>						
Kuok Khoon Hong	1,990,000	2,500,000	2,500,000	807,307,435	805,307,435	805,307,435
Pua Seck Guan	–	–	–	860,000	860,000	860,000
Teo La-Mei	1,197,000	1,452,000	1,452,000	–	–	–
Kuok Khoon Ean	400,000	400,000	400,000	55,667,479	59,942,479	59,942,479
Kuok Khoon Hua	680,000	1,017,021	1,017,021	54,946,021	58,884,000	58,884,000
Tay Kah Chye	200,000	100,000	100,000	200,000	300,000	300,000
Kwah Thiam Hock	300,000	300,000	300,000	200,000	200,000	200,000
Kishore Mahbubani	–	–	–	10,000	510,000	510,000
Teo Siong Seng	20,000	20,000	20,000	–	–	–
<i>(Share options exercisable at S\$3.04 per share)</i>						
Kuok Khoon Hong	510,000	–	–	–	–	–
Pua Seck Guan	340,000	340,000	340,000	–	–	–
Teo La-Mei	255,000	–	–	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	500,000	500,000	500,000	–	–	–
Tay Kah Chye	500,000	500,000	500,000	–	–	–
Kwah Thiam Hock	500,000	500,000	500,000	–	–	–
Kishore Mahbubani	500,000	–	–	–	–	–
<i>(Share options exercisable at S\$3.94 per share)</i>						
Kuok Khoon Hong	1,500,000	1,500,000	1,500,000	–	–	–
Pua Seck Guan	1,000,000	1,000,000	1,000,000	–	–	–
Teo La-Mei	750,000	750,000	750,000	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	500,000	500,000	500,000	–	–	–
Raymond Guy Young	500,000	500,000	500,000	–	–	–
Lim Siong Guan	500,000	500,000	500,000	–	–	–
Tay Kah Chye	500,000	500,000	500,000	–	–	–
Kwah Thiam Hock	500,000	500,000	500,000	–	–	–
Kishore Mahbubani	500,000	500,000	500,000	–	–	–
Teo Siong Seng	500,000	500,000	500,000	–	–	–
Soh Gim Teik	300,000	300,000	300,000	–	–	–

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, at the beginning of the financial year and at the end of the financial year.

DIRECTORS' STATEMENT

SHARE OPTION SCHEMES

Wilmar Executives Share Option Scheme 2009 ("Wilmar ESOS 2009")

The Wilmar ESOS 2009 was adopted to replace the Wilmar Executive Share Option Scheme 2000 ("Wilmar ESOS 2000"). Wilmar ESOS 2009 was approved by shareholders at the Company's extraordinary general meeting ("EGM") held on 29 April 2009 and it expired on 28 April 2019.

For the entire duration of the Wilmar ESOS 2009, the Company granted options for a total of 221,555,000 ordinary shares of the Company in accordance with the rules of the aforesaid scheme. As at 31 December 2021, options for a total of 54,445,100 ordinary shares were exercised, options for a total of 153,151,500 ordinary shares had lapsed/expired and options for a total of 13,958,400 ordinary shares remain valid until their respective expiry dates.

2017 Grant

On 8 September 2017, the Company granted options to subscribe for a total of 62,585,000 ordinary shares of the Company at S\$3.04 per share (at a 7.32% discount to the Market Price (as defined below)) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 13,958,400.

All options granted under the 2017 Grant are valid for a period of five years from the date of the grant and are exercisable in the following manner:

For Executive Directors and executives

- After 2nd anniversary of the date of grant – 33% of the options granted
- After 3rd anniversary of the date of grant – 33% of the options granted
- After 4th anniversary of the date of grant – 34% of the options granted

For Non-Executive Directors

- After 2nd anniversary of the date of grant – 100% of the options granted

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019")

The Wilmar ESOS 2019, the rules of which were set out in a circular to shareholders dated 4 April 2019, was approved by shareholders at the Company's EGM held on 24 April 2019. It was adopted to replace the Wilmar ESOS 2009 which expired on 28 April 2019.

Under the rules of the Wilmar ESOS 2019:

- (a) the eligible participants may be granted options to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price up to a maximum of 20%;
- (b) the maximum number of ordinary shares (in respect of the options) that may be granted under the Wilmar ESOS 2019, after taking into account (i) the total number of new ordinary shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares and subsidiary holdings delivered in respect of options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant date of grant;
- (c) controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Wilmar ESOS 2019; and
- (d) there is no restriction on the eligibility of any participant to participate in any other share options or share incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

DIRECTORS' STATEMENT

SHARE OPTION SCHEMES (CONTINUED)

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019") (continued)

The Wilmar ESOS 2019 is administered by the Remuneration Committee ("RC"). The members of the RC are Mr Kwah Thiam Hock (Chairman), Mr Tay Kah Chye and Mr Lim Siong Guan, all of whom are Independent Directors. The RC is authorised to determine, *inter alia*, the persons to be granted options, the number of options to be granted, whether the options continue to be valid in the event of cessation of employment (as provided under the rules of Wilmar ESOS 2019), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2019 (if deemed appropriate).

2020 Grant

On 29 September 2020, the Company granted options to subscribe for a total of 40,380,000 ordinary shares of the Company at S\$3.94 per share (at a 10% discount to the Market Price) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 39,755,000. The options are valid for a period of five years (including the respective vesting periods) from the date of grant and are exercisable in the following manner:

For Executive Directors and executives

- After 2nd anniversary of the date of grant – 33% of the options granted
- After 3rd anniversary of the date of grant – 33% of the options granted
- After 4th anniversary of the date of grant – 34% of the options granted

For Non-Executive Directors

- After 2nd anniversary of the date of grant – 100% of the options granted

SHARE OPTIONS EXERCISED

Options for a total of 6,986,700 ordinary shares of the Company were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009.

UNISSUED SHARES UNDER OPTION

As at the end of the financial year, unissued ordinary shares of the Company under options were as follows:

Date of Grant	As at 1.1.2021	No. of options granted	No. of options lapsed/ expired	No. of options exercised	As at 31.12.2021	Exercise Price	Exercise Period
<i>Wilmar ESOS 2009</i>							
08.09.2017	6,585,400	–	(24,700)	(2,304,000)	4,256,700	S\$3.04	09.09.2019 to 08.09.2022
08.09.2017	5,249,200	–	(24,700)	(2,234,100)	2,990,400	S\$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,246,300	–	(86,400)	(2,448,600)	6,711,300	S\$3.04	09.09.2021 to 08.09.2022
Sub-total	21,080,900	–	(135,800)	(6,986,700)	13,958,400		
<i>Wilmar ESOS 2019</i>							
29.09.2020	16,541,400	–	(541,200)	–	16,000,200	S\$3.94	30.09.2022 to 29.09.2025
29.09.2020	11,741,400	–	(41,200)	–	11,700,200	S\$3.94	30.09.2023 to 29.09.2025
29.09.2020	12,097,200	–	(42,600)	–	12,054,600	S\$3.94	30.09.2024 to 29.09.2025
Sub-total	40,380,000	–	(625,000)	–	39,755,000		
Grand Total	61,460,900	–	(760,800)	(6,986,700)	53,713,400		

DIRECTORS' STATEMENT

UNISSUED SHARES UNDER OPTION (CONTINUED)

The information on Directors of the Company participating in the Wilmar ESOS 2009 is as follows:

Name of Directors	Aggregate options granted during the financial year	Aggregate options granted since commencement of the option scheme to 31.12.2021	Aggregate options exercised since commencement of the option scheme to 31.12.2021	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2021	Aggregate options outstanding as at 31.12.2021
Kuok Khoon Hong	–	6,500,000	3,500,000	3,000,000	–
Pua Seck Guan	–	1,000,000	660,000	–	340,000
Teo La-Mei	–	1,400,000	1,400,000	–	–
Kuok Khoon Ean	–	1,900,000	400,000	1,000,000	500,000
Kuok Khoon Hua	–	500,000	–	–	500,000
Tay Kah Chye	–	1,900,000	500,000	900,000	500,000
Kwah Thiam Hock	–	1,900,000	500,000	900,000	500,000
Kishore Mahbubani	–	500,000	500,000	–	–
Total	–	15,600,000	7,460,000	5,800,000	2,340,000

The information on Directors of the Company participating in the Wilmar ESOS 2019 is as follows:

Name of Directors	Aggregate options granted during the financial year	Aggregate options granted since commencement of the option scheme to 31.12.2021	Aggregate options exercised since commencement of the option scheme to 31.12.2021	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2021	Aggregate options outstanding as at 31.12.2021
Kuok Khoon Hong	–	1,500,000	–	–	1,500,000
Pua Seck Guan	–	1,000,000	–	–	1,000,000
Teo La-Mei	–	750,000	–	–	750,000
Kuok Khoon Ean	–	500,000	–	–	500,000
Kuok Khoon Hua	–	500,000	–	–	500,000
Raymond Guy Young	–	500,000	–	–	500,000
Lim Siong Guan	–	500,000	–	–	500,000
Tay Kah Chye	–	500,000	–	–	500,000
Kwah Thiam Hock	–	500,000	–	–	500,000
Kishore Mahbubani	–	500,000	–	–	500,000
Teo Siong Seng	–	500,000	–	–	500,000
Soh Gim Teik	–	300,000	–	–	300,000
Total	–	7,550,000	–	–	7,550,000

DIRECTORS' STATEMENT

UNISSUED SHARES UNDER OPTION (CONTINUED)

Except as disclosed above, since the commencement of the Wilmar ESOS 2000, Wilmar ESOS 2009 and Wilmar ESOS 2019 ("Option Schemes") until the end of the financial year under review:

- no options have been granted to controlling shareholders of the Company and their associates except for options granted on 21 May 2009 to Mr Kuok Khoon Hong (for 1,000,000 ordinary shares) and former Wilmar Director, Mr Martua Sitorus (for 800,000 ordinary shares), who were controlling shareholders on the date of grant (but are no longer controlling shareholders as at the end of the financial year), which have expired;
- no participant has received 5% or more of the total number of options available under the Option Schemes;
- no options that entitle the holders to participate, by virtue of the options, in any share issue of any other corporation have been granted;
- no options have been granted to Directors and employees of the parent company as the Company does not have a parent company; and
- no options have been granted at a discount except for the options under the 2015 Grant (which expired on 19 June 2020), the 2017 Grant and the 2020 Grant.

AUDIT COMMITTEE

The Audit Committee ("AC") members at the date of this statement are Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Lim Siong Guan.

The AC performs the functions specified in Section 201B(5) of the Act, the Listing Manual of the SGX-ST, the Singapore Code of Corporate Governance 2018 and the revised Guidebook for Audit Committees in Singapore issued in 2014.

The principal responsibilities of the AC are to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities. The operations of the AC are regulated by its terms of reference. The Board is of the opinion that the members of the AC have sufficient accounting, financial and management expertise and experience to discharge their duties.

Notwithstanding that the Group has appointed different auditors for certain subsidiaries, joint ventures and associated companies, the Board and the AC are satisfied that such appointments do not compromise the standard and effectiveness of the audit of the Group.

During the year, the AC met four times to review, *inter alia*, the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The AC also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the AC prior to submission to the Board of the Company for adoption. The AC also met with the internal and external auditors, without the presence of the Company's Management, to discuss issues of concern to them.

The AC has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions ("IPTs"), reviewed the procedures set up by the Group and the Company to identify and report and where necessary, seek approval for IPTs and, with the assistance of the internal auditors, reviewed IPTs.

The AC was satisfied that proper risk management procedures were in place and will consider regularly the need to conduct independent risk management reviews.

The AC, having reviewed all non-audit services provided by Ernst & Young LLP ("EY"), the external auditor of the Group, was satisfied with the independence and objectivity of the external auditor and has nominated EY for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC, including the AC's commentary on key audit matters, are disclosed in the Corporate Governance Report in the Company's Annual Report 2021.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP has expressed its willingness to accept re-appointment as external auditor.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Pua Seck Guan
Director

15 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Wilmar International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment on goodwill and brands

(Refer to Note 15 to the financial statements)

As at 31 December 2021, the Group recorded goodwill and brands of US\$5.4 billion, which represents approximately 24% of the Group's net assets. We considered the audit of management's annual goodwill and brands impairment assessment to be a key audit matter because the assessment process involves management exercising significant judgement and making assumptions of future market and economic conditions.

As disclosed in Note 15, the goodwill and brands are allocated to individual cash-generating units ("CGU") which are also the reportable segments for impairment testing. The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The cash flow projections include assumptions of profitability and growth rates. Based on the impairment assessment, management has concluded that the goodwill and brands are not impaired. We checked that the cash flows were based on approved management forecasts, and evaluated management's forecasting process by comparing previous forecasts to actual results. We evaluated the assumptions used by comparing them to historical data as well as recent trends and market outlook, taking into consideration current market condition. We also evaluated the discount rates used to determine the present value by comparing them to external comparable data. Our internal valuation specialists assisted us in performing some of these procedures. Finally, we reviewed the adequacy of the disclosures made on the goodwill and brands impairment assessment in Note 15.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

Accounting for derivative transactions

(Refer to Note 20 and Note 34(a) to the financial statements)

The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rates swaps and various commodity futures, options and swap contracts to hedge its risks associated with interest rates, foreign currency and commodity price fluctuations.

At 31 December 2021, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US\$575.9 million (current: US\$564.0 million) and US\$621.9 million (current: US\$566.6 million) respectively.

We considered the audit of this to be a key audit matter due to the volume of trades entered into. Our audit procedures included, amongst others, understanding the Group's overall commodity trading process and testing management's controls around the origination and maintenance of complete and accurate information relating to the recording of the derivative contracts. For firm commitment contracts, we checked management's process to derive the market prices and recomputed the unrealised gains/losses on the contracts. For the other types of derivatives, we independently obtained statements from banks and other financial institutions to compare against the fair values of the derivatives recorded, and to verify the existence and ownership of the derivatives. We involved our internal valuation specialists in assessing the reasonableness of the fair values of derivatives.

We also assessed the adequacy of the related disclosures in the Notes 20 and 34(a) to the financial statements.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP

Public Accountants and Chartered Accountants

Singapore
15 March 2022

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 US\$'000	2020 US\$'000
Revenue	4	65,793,619	50,526,794
Cost of sales	5	(58,602,446)	(44,929,244)
Gross profit		7,191,173	5,597,550
Other items of income			
Net gain arising from changes in fair value of biological assets	14	21,335	6,107
Finance income	6	335,287	419,826
Other operating income	7	255,487	334,886
Other items of expense			
Selling and distribution expenses		(3,412,741)	(2,517,636)
Administrative expenses		(1,095,798)	(955,519)
Other operating expenses	7	(196,813)	(176,760)
Finance costs	8	(588,422)	(651,110)
Non-operating items	9	36,858	51,533
Share of results of joint ventures		63,548	71,123
Share of results of associates		155,947	131,062
Profit before tax	10	2,765,861	2,311,062
Income tax expense	11	(699,602)	(620,088)
Profit after tax		2,066,259	1,690,974
Attributable to:			
Owners of the Company		1,890,390	1,534,110
Non-controlling interests		175,869	156,864
		2,066,259	1,690,974
Earnings per share attributable to owners of the Company (US cents per share)			
– Basic	12	30.0	24.2
– Diluted	12	29.9	24.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US\$'000	2020 US\$'000
Profit after tax	2,066,259	1,690,974
Other comprehensive income:		
Items that will not be reclassified subsequently to income statement		
Fair value adjustment on investment securities at fair value through other comprehensive income	10,880	(77,187)
Gain/(loss) on disposal of investment securities at fair value through other comprehensive income	6	(19,147)
(Loss)/gain on remeasurements of defined benefit plan	(550)	25,417
	10,336	(70,917)
Items that may be reclassified subsequently to income statement		
Foreign currency translation	196,369	810,410
Fair value adjustment on cash flow hedges	74,741	(20,427)
Fair value adjustment on forward elements of forward contracts	(11,961)	8,006
	259,149	797,989
Other comprehensive income, net of tax	269,485	727,072
Total comprehensive income for the year	2,335,744	2,418,046
Attributable to:		
Owners of the Company	2,122,261	2,164,511
Non-controlling interests	213,483	253,535
	2,335,744	2,418,046

BALANCE SHEETS

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	14,192,433	12,773,714	119,798	97,627
Investment properties	13	38,286	32,475	–	–
Bearer plants	14	638,118	666,133	–	–
Intangible assets	15	5,393,884	5,445,692	–	–
Investment in subsidiaries	16	–	–	10,468,178	10,141,987
Investment in joint ventures	17	631,572	624,159	–	3,800
Investment in associates	17	2,874,956	2,726,322	13,677	13,677
Investment securities	18	365,301	370,808	–	–
Deferred tax assets	19	204,495	203,494	–	–
Derivative financial instruments	20	11,956	61,188	–	–
Other financial receivables	21	150,136	127,642	313,255	303,137
Other non-financial assets	21	63,874	64,779	–	–
Other bank deposits	24	2,338,437	–	–	–
		26,903,448	23,096,406	10,914,908	10,560,228
Current assets					
Inventories	22	11,738,686	9,436,151	–	–
Trade receivables	23	6,833,416	5,277,871	–	–
Other financial receivables	21	4,183,458	4,548,468	5,678,762	5,913,550
Other non-financial assets	21	1,827,070	1,804,917	7,473	6,337
Derivative financial instruments	20	563,981	641,249	–	–
Investment securities	18	326,846	286,706	–	–
Other bank deposits	24	3,649,000	3,222,044	–	–
Cash and bank balances	24	2,692,541	2,706,164	1,033	6,371
		31,814,998	27,923,570	5,687,268	5,926,258
TOTAL ASSETS		58,718,446	51,019,976	16,602,176	16,486,486
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	2,009,073	1,613,448	–	–
Other financial payables	26	2,374,133	2,084,097	5,376,050	5,566,865
Other non-financial liabilities	26	862,926	764,248	–	–
Derivative financial instruments	20	566,612	893,729	–	–
Loans and borrowings	27	22,291,835	17,145,894	308,724	163,593
Tax payables		288,652	331,740	–	–
		28,393,231	22,833,156	5,684,774	5,730,458
NET CURRENT ASSETS		3,421,767	5,090,414	2,494	195,800

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Non-current liabilities					
Other financial payables	26	276,525	268,604	1,425,000	589,708
Other non-financial liabilities	26	200,723	182,678	—	—
Derivative financial instruments	20	55,279	49,836	—	—
Loans and borrowings	27	6,822,646	6,003,578	—	323,180
Deferred tax liabilities	19	367,713	298,817	—	—
		7,722,886	6,803,513	1,425,000	912,888
TOTAL LIABILITIES		36,116,117	29,636,669	7,109,774	6,643,346
NET ASSETS		22,602,329	21,383,307	9,492,402	9,843,140
Equity attributable to owners of the Company					
Share capital	28	8,458,995	8,458,995	8,895,134	8,895,134
Treasury shares	28	(304,886)	(222,039)	(304,886)	(222,039)
Retained earnings		11,726,821	10,953,237	696,726	972,709
Other reserves	29	42,945	(307,838)	205,428	197,336
		19,923,875	18,882,355	9,492,402	9,843,140
Non-controlling interests		2,678,454	2,500,952	—	—
TOTAL EQUITY		22,602,329	21,383,307	9,492,402	9,843,140
TOTAL EQUITY AND LIABILITIES		58,718,446	51,019,976	16,602,176	16,486,486

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				Equity attributable to owners of the Company, total US\$'000	Non-controlling interests US\$'000	Equity total US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000			
2021							
GROUP							
Opening balance at 1 January 2021	8,458,995	(222,039)	10,953,237	(307,838)	18,882,355	2,500,952	21,383,307
Profit for the year	–	–	1,890,390	–	1,890,390	175,869	2,066,259
Other comprehensive income	–	–	6	231,865	231,871	37,614	269,485
Total comprehensive income for the year	–	–	1,890,396	231,865	2,122,261	213,483	2,335,744
Grant of equity-settled share options	–	–	–	6,871	6,871	–	6,871
Share capital contributed by non-controlling shareholders	–	–	–	–	–	41,416	41,416
Acquisition of treasury shares	–	(97,503)	–	–	(97,503)	–	(97,503)
Reissuance of treasury shares pursuant to exercise of share options	–	14,656	–	1,221	15,877	–	15,877
Dividends on ordinary shares	–	–	(968,301)	–	(968,301)	–	(968,301)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(81,210)	(81,210)
Net transfer to other reserves	–	–	(148,511)	148,511	–	–	–
Total contributions by and distributions to owners	–	(82,847)	(1,116,812)	156,603	(1,043,056)	(39,794)	(1,082,850)
Acquisition of subsidiaries	–	–	–	–	–	27,225	27,225
Acquisition of additional interest in subsidiaries	–	–	–	(37,998)	(37,998)	(20,509)	(58,507)
Liquidation of subsidiaries	–	–	–	–	–	(2,590)	(2,590)
Dilution of interest in subsidiaries	–	–	–	313	313	(313)	–
Total changes in ownership interests in subsidiaries	–	–	–	(37,685)	(37,685)	3,813	(33,872)
Closing balance at 31 December 2021	8,458,995	(304,886)	11,726,821	42,945	19,923,875	2,678,454	22,602,329

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				Equity attributable to owners of the Company, total US\$'000	Non-controlling interests US\$'000	Equity total US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000			
2020							
GROUP							
Opening balance at 1 January 2020	8,458,995	(122,579)	10,113,650	(1,687,557)	16,762,509	1,113,609	17,876,118
Profit for the year	–	–	1,534,110	–	1,534,110	156,864	1,690,974
Other comprehensive income	–	–	(19,147)	649,548	630,401	96,671	727,072
Total comprehensive income for the year	–	–	1,514,963	649,548	2,164,511	253,535	2,418,046
Grant of equity-settled share options	–	–	–	3,467	3,467	–	3,467
Share capital contributed by non-controlling shareholders	–	–	–	–	–	22,538	22,538
Acquisition of treasury shares	–	(141,009)	–	–	(141,009)	–	(141,009)
Reissuance of treasury shares pursuant to exercise of share options	–	41,549	–	2,339	43,888	–	43,888
Dividends on ordinary shares	–	–	(618,578)	–	(618,578)	–	(618,578)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(80,130)	(80,130)
Net transfer to other reserves	–	–	(56,798)	56,798	–	–	–
Total contributions by and distributions to owners	–	(99,460)	(675,376)	62,604	(712,232)	(57,592)	(769,824)
Acquisition of subsidiaries	–	–	–	–	–	3,312	3,312
Acquisition of additional interest in subsidiaries	–	–	–	(154,864)	(154,864)	(9,490)	(164,354)
Disposal of subsidiaries	–	–	–	(1,062)	(1,062)	–	(1,062)
Dilution of interest in subsidiaries	–	–	–	823,493	823,493	1,197,578	2,021,071
Total changes in ownership interests in subsidiaries	–	–	–	667,567	667,567	1,191,400	1,858,967
Closing balance at 31 December 2020	8,458,995	(222,039)	10,953,237	(307,838)	18,882,355	2,500,952	21,383,307

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				Equity attributable to owners of the Company, total
	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000	US\$'000
2021					
COMPANY					
Opening balance at 1 January 2021	8,895,134	(222,039)	972,709	197,336	9,843,140
Profit for the year	–	–	692,318	–	692,318
Total comprehensive income for the year	–	–	692,318	–	692,318
Grant of equity-settled share options	–	–	–	6,871	6,871
Acquisition of treasury shares	–	(97,503)	–	–	(97,503)
Reissuance of treasury shares pursuant to exercise of share options	–	14,656	–	1,221	15,877
Dividends on ordinary shares	–	–	(968,301)	–	(968,301)
Total transactions with owners in their capacity as owners	–	(82,847)	(968,301)	8,092	(1,043,056)
Closing balance at 31 December 2021	8,895,134	(304,886)	696,726	205,428	9,492,402
2020					
COMPANY					
Opening balance at 1 January 2020	8,895,134	(122,579)	1,381,856	233,753	10,388,164
Profit for the year	–	–	167,208	–	167,208
Total comprehensive income for the year	–	–	167,208	–	167,208
Grant of equity-settled share options	–	–	–	3,467	3,467
Acquisition of treasury shares	–	(141,009)	–	–	(141,009)
Reissuance of treasury shares pursuant to exercise of share options	–	41,549	–	2,339	43,888
Dividends on ordinary shares	–	–	(618,578)	–	(618,578)
Transfer to retained earnings	–	–	42,223	(42,223)	–
Total transactions with owners in their capacity as owners	–	(99,460)	(576,355)	(36,417)	(712,232)
Closing balance at 31 December 2020	8,895,134	(222,039)	972,709	197,336	9,843,140

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US\$'000	2020 US\$'000
Cash flows from operating activities		
Profit before tax	2,765,861	2,311,062
Adjustments for:		
Net gain arising from changes in fair value of biological assets	(21,335)	(6,107)
Depreciation of bearer plants	58,707	72,483
Depreciation of property, plant and equipment	1,084,495	982,958
Net (gain)/loss from changes in fair value of investment properties	(2,129)	2,834
(Gain)/loss on disposal of investment in joint ventures	(2,393)	998
Gain on disposal of investment in associates	—	(2,275)
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(1,879)	(1,010)
Amortisation of intangible assets	3,454	2,554
Loss on disposal of property, plant and equipment	6,780	12,694
Gain on disposal of biological assets	(390)	(168)
Loss on disposal/liquidation of subsidiaries	575	59
Gain on disposal of investment securities at fair value through profit or loss	(1,060)	(2,271)
Grant of share options to employees	6,871	3,467
Net fair value (gain)/loss on derivative financial instruments	(103,633)	126,986
Net fair value (gain)/loss on investment securities at fair value through profit or loss	(3,014)	44,472
Foreign exchange differences arising from translation	203,986	117,980
Investment income from investment securities	(40,751)	(110,527)
Interest expense	594,674	660,216
Interest income	(335,287)	(419,826)
Share of results of joint ventures	(63,548)	(71,123)
Share of results of associates	(155,947)	(131,062)
Operating cash flows before working capital changes	3,994,037	3,594,394
Changes in working capital:		
Increase in inventories	(2,257,517)	(1,306,492)
Increase in receivables and other assets	(1,330,359)	(1,378,586)
Increase in payables	487,789	242,187
Cash flows generated from operations	893,950	1,151,503
Interest paid	(535,394)	(645,177)
Interest received	283,502	452,963
Income taxes paid	(687,102)	(406,502)
Net cash flows (used in)/generated from operating activities	(45,044)	552,787

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US\$'000	2020 US\$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	9,442	(83,360)
Decrease/(increase) in plasma investments	8,464	(2,481)
Increase in investment securities at fair value through profit or loss	(35,132)	(13,328)
Increase in other non-financial assets	(54,188)	–
Payments for property, plant and equipment	(2,482,070)	(1,921,835)
Payments for bearer plants	(44,685)	(54,146)
Decrease in investment securities at fair value through other comprehensive income	18,554	54,244
Investment income from investment securities	40,751	110,527
Net cash flow on investment in joint ventures	(29,214)	(51,079)
Payments for investment in associates	(2,233)	(17,868)
Payments for intangible assets	(503)	(1,145)
Dividends received from joint ventures	11,339	27,766
Dividends received from associates	58,383	55,700
Proceeds from disposal of property, plant and equipment	85,519	53,747
Proceeds from disposal of interest/capital reduction in joint ventures	62,083	260
Proceeds from disposal/dilution of interest in associates	–	24,472
Net cash flow from disposal/liquidation of subsidiaries	(2,588)	11,613
Net cash flows used in investing activities	(2,356,078)	(1,806,913)
Cash flows from financing activities		
Decrease in net amount due from related parties	47,071	4,672
Increase in net amount due from joint ventures	(11,253)	(14,148)
Increase in net amount due from associates	(37,879)	(23,836)
Increase/(decrease) in advances from non-controlling shareholders	19,631	(37,999)
Proceeds from loans and borrowings	6,338,583	685,065
Increase in fixed deposits pledged with financial institutions for bank facilities	(3,313,731)	(1,646,742)
Decrease in other financial receivables	462,691	2,869,677
Decrease/(increase) in other deposits with maturity more than 3 months	62,672	(1,110,750)
Interest paid	(14,288)	(20,621)
Net cash flow from acquisition of additional interest in subsidiaries	(58,507)	(164,354)
Shares buy-back held as treasury shares	(97,503)	(141,009)
Dividends paid by the Company	(968,301)	(618,578)
Dividends paid to non-controlling shareholders by subsidiaries	(81,210)	(80,130)
Proceeds from dilution of interest in subsidiaries	–	2,021,071
Proceeds from reissuance of treasury shares by the Company	15,877	43,888
Proceeds from issue of ordinary shares by subsidiaries to non-controlling shareholders	41,416	22,538
Net cash flows generated from financing activities	2,405,269	1,788,744
Net increase in cash and cash equivalents	4,147	534,618
Cash and cash equivalents at the beginning of the year	2,583,496	2,048,878
Cash and cash equivalents at the end of the year	2,587,643	2,583,496

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

Wilmar International Limited (the "Company") is a limited liability company, incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 28 Biopolis Road, Wilmar International, Singapore 138568.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries, joint ventures and associates. The principal activities of the significant subsidiaries are disclosed in Note 39 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. The financial statements are presented in US Dollars ("USD" or "US\$"), which is also the parent company's functional currency, except when otherwise indicated. All values in the tables are rounded to the nearest thousands (US\$'000) except when otherwise indicated.

2.2 Changes in accounting policies

Adoption of new and revised SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 3 Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to SFRS(I) 17 Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations

With the exception of business combinations involving entities under common control, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability, will be recognised in the income statement.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the income statement.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.14(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the income statement on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities. No additional goodwill is recognised as a result of the combination. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as equity transaction reserve. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity as equity transaction reserve and attributed to owners of the Company.

2.6 *Foreign currency*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statement of the Group on disposal of the foreign operation.

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their income statements are translated at the weighted average exchange rates for the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the income statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the income statement.

2.7 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 *Joint Arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

(a) *Joint operations*

The Group recognises in relation to its interest in a joint operation:

- (a) Its assets, including its share of any assets held jointly;
- (b) Its liabilities, including its share of any liabilities incurred jointly;
- (c) Its revenue from the sale of its share of the output arising from the joint operation;
- (d) Its share of the revenue from the sale of the output by the joint operation; and
- (e) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) *Joint ventures*

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.9.

2.9 *Associates and joint ventures*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's or joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate or joint venture in the period in which the investment is acquired.

Under the equity method, the investments in associates and joint ventures are measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The Group's profit or loss reflects its share of the associates' or joint ventures' profit or loss after tax and non-controlling interests in the subsidiaries of associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investments. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses once its interest in the associate or joint venture is reduced to zero, unless it has incurred obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 *Associates and joint ventures (continued)*

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the income statement.

The most recent available audited financial statements of the associated companies or joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the income statement.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to the income statement the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the income statement on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates and joint ventures are carried at cost less accumulated impairment loss.

2.10 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at costs. Such costs include the cost of replacing parts of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	–	10 to 40 years
Plant and machineries	–	2 to 40 years
Furniture, fittings and office equipment	–	2 to 20 years
Vessels	–	5 to 30 years
Motor vehicles, trucks and aircraft	–	4 to 15 years

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 *Property, plant and equipment (continued)*

Interest on borrowings to finance the construction of property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.11 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement upon derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the property is remeasured to fair value. Any gain arising on remeasurement is recognised in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the asset revaluation reserve in equity. Any loss is immediately recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 *Bearer plants and biological assets*

Bearer plants are living plants used in the production or supply of agricultural produce, are expected to bear produce for more than one period, and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 20-25 years, upon commencement of commercial production.

In general, oil palms are considered mature 30 to 36 months after field planting.

Interest on borrowings to finance the acquisition and construction of bearer plants is capitalised during the period of time that is required to complete and prepare the bearer plants for its intended use. All other borrowing costs are expensed.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

2.13 *Plasma investments*

Costs incurred during the development phase up to the conversion of the plasma plantation are capitalised as plasma investments. The development of the plasma oil palm plantations is financed by plasma loans, which was received by the plasma farmers (represented by "Cooperatives"), plus additional funding by the Group, should bank financing not be adequate to finance the development costs. Accumulated development costs are presented net of the plasma loans and are presented as "Plasma investments".

When the carrying amount of the plasma investments is higher than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the accumulated development costs of plasma plantations and their conversion value is charged to the income statement.

2.14 *Intangible assets*

(a) *Goodwill*

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets (continued)

(a) Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit (or group of cash-generating units) retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development assets, are not capitalised and expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable, if not the change in useful lives from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(i) Brands

The brands were acquired in business combinations. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

(ii) Trademarks & licenses and others

Trademarks & licenses and others acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 20 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income statement when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in the income statement when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 *Financial assets (continued)*

Subsequent measurement (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the income statement.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the income statement.

2.16 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 *Impairment of non-financial asset*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 *Impairment of non-financial asset (continued)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.18 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired. These also include bank overdrafts that form an integral part of the Group's cash management. The accounting policy for this category of financial assets is stated in Note 2.15, under amortised cost.

2.19 *Inventories*

(a) **Physical inventories, futures and other forward contracts**

Physical inventories of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities are valued at the lower of cost and spot prices prevailing at the end of the reporting period. Cost is determined using the weighted average method.

The Group has committed purchases and sales contracts for palm oil and other agricultural commodities that are entered into as part of its merchandising and processing activities. The prices and physical delivery of the sales and purchases are fixed in the contracts. For committed purchases and sales contracts that are entered into for own use, the contracts are not recognised in the financial statements until physical deliveries take place. For committed purchases and sales contracts that are entered into as part of the merchandising activities, the fair value arising from the contracts are recognised in the financial statements until physical deliveries take place.

The Group also enters into non-physical delivery forward contracts and commodity derivatives to manage the price risk of its physical inventory and to hedge against fluctuations in commodity prices. Commodity derivatives include futures, options and swap contracts on palm oil and palm based products, soybeans and other non-palm products.

Gains or losses arising from matched forward and derivative contracts are recognised immediately in the income statement. Any difference arising from the fair value assessment will be recognised in the financial statements. Unrealised losses arising from the valuations are set off against unrealised gains on an aggregated basis.

The outstanding forward and derivative contracts are valued at their fair value at the end of the reporting period against quoted market prices. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar. The notional principal amounts of the outstanding forward and futures contracts are off-balance sheet items.

(b) **Other inventories**

Other inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price less the costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in income statement.

2.21 *Borrowings*

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.22 *Borrowing costs*

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 *Employee benefits (continued)*

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the income statement upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(c) Provision for employee service entitlements

For certain companies in Indonesia, the Group recognises long-term employee benefits liabilities in order to meet and cover the minimum benefits required to be paid to qualified employees under Government Regulation No. 35/2021 and Job Creation Act No. 11/2020 (2020: Under Labour Law No. 13/2003). The liabilities are estimated from actuarial calculations using the "Projected Unit Credit Method". For short-term employee benefits which are due for payment within twelve months after the reporting period, the Group recognises the liabilities when services have been rendered by the employees.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in the income statement. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in the income statement.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income as general reserve in the period in which they arise. Remeasurements are recognised in general reserve within equity and are not reclassified to the income statement in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and land rights	–	3 to 90 years
Buildings	–	2 to 20 years
Plant and machineries	–	2 to 30 years
Furniture, fittings and office equipment	–	2 to 5 years
Vessels	–	2 to 9 years
Motor vehicles, trucks and aircraft	–	2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

2.26 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sales arising from the physical delivery of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.

(b) Ship charter income

Revenue from time charters is recognised on a time apportionment basis.

(c) Interest income

Interest income is amortised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.27 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the income statement except when they relate to items recognised outside the income statement, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Taxes (continued)

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Taxes (continued)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.28 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rates swaps, forward freight agreements and various commodities futures, options and swap contracts to hedge its risks associated with interest rates, foreign currency, freight charges and commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward contracts is determined by reference to current forward prices for contracts with similar maturity profiles. The fair value of forward freight agreements, futures, options and swap contracts is determined by reference to available market information and option valuation methodology. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedged item or transaction, the hedging instrument, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's (or transaction's) cash flows attributable to or fair values of the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows or fair value, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they are designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of the hedging instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 *Derivative financial instruments and hedging activities (continued)*

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised initially in other comprehensive income and accumulated under the hedging reserve, while the ineffective portion is recognised immediately in the income statement.

Amounts recognised in other comprehensive income are transferred to the income statement when the hedged transaction affects the income statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction or firm commitment affects the income statement.

Forward elements of forward contracts

When forward contracts are used to hedge forecast transactions, the Group designates only the spot element of the forward contracts as the hedging instrument.

The Group elects for each hedge designation, whether the change in the fair value of the forward elements of forward contracts that relate to the hedge item are recognised directly in income statement, or in other comprehensive income with the cumulative change in fair value accumulated in equity being subsequently recognised:

- as initial cost or carrying amount of the asset or liability if the hedged item subsequently results in the recognition of a non-financial asset or a non-financial liability, or a firm commitment for a non-financial asset or a non-financial liability for which fair value hedge accounting is applied; or
- as a reclassification adjustment to the income statement when the hedged expected future cash flows affect the income statement.

2.29 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 *Share capital and treasury shares*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

The Company's own ordinary shares, which are reacquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, reissuance or cancellation of treasury shares. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity ("General Reserves") as gain or loss on reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.31 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.32 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the income statement over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it is recognised in the income statement over the period necessary to match them on a systematic basis to the costs it is intended to compensate. Grants related to income are presented as a credit under other operating income.

2.33 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(a) Impairment of goodwill and brands

The Group determines whether goodwill and brands are impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill and brands are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill and brands as at 31 December 2021 were approximately US\$3,819,147,000 (2020: US\$3,868,037,000) and US\$1,552,461,000 (2020: US\$1,552,654,000) respectively.

(b) Income and deferred taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax assets and deferred tax liabilities as at 31 December 2021 were approximately US\$288,652,000 (2020: US\$331,740,000), US\$204,495,000 (2020: US\$203,494,000) and US\$367,713,000 (2020: US\$298,817,000) respectively.

4. REVENUE

	Group	
	2021	2020
	US\$'000	US\$'000
Sales of agricultural commodities and consumable products	65,125,646	50,029,155
Ship charter income	396,378	261,505
Others	271,595	236,134
	65,793,619	50,526,794

5. COST OF SALES

	Group	
	2021	2020
	US\$'000	US\$'000
Cost of inventories recognised as expense – physical deliveries	50,783,356	38,665,012
Labour and other overhead expenses	7,001,634	5,648,605
Net loss on fair value of derivative financial instruments	817,456	615,627
	58,602,446	44,929,244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. FINANCE INCOME

	Group	
	2021	2020
	US\$'000	US\$'000
Finance income:		
– From associates	4,827	8,828
– From bank balances	47,167	35,497
– From fixed deposits	166,406	120,067
– From joint ventures	3,257	4,092
– From other deposits with financial institutions	102,150	237,261
– From other sources	5,233	5,547
– From related parties	3,311	4,451
– Late interest charges pertaining to trade receivables	2,936	4,083
	335,287	419,826

7. OTHER OPERATING INCOME OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating income/(expenses):

	Group	
	2021	2020
	US\$'000	US\$'000
Amortisation of intangible assets	(3,454)	(2,554)
Bad debts written off (non-trade)	(260)	(1,452)
Compensation income/(penalty expenses)	23,380	(6,534)
Energy/power/steam income	49,675	39,474
Fair value gain arising from changes of interest in joint ventures resulting in change of control	1,879	1,010
Fair value loss of derivative financial instruments	(560)	(3,854)
Foreign exchange (loss)/gain, excluding net foreign exchange (loss)/gain on shareholders' loans to subsidiaries	(42,195)	80,077
Gain/(loss) on disposal of investment in joint ventures	2,393	(998)
Gain on disposal of investment in associates	–	2,275
Loss on disposal/liquidation of subsidiaries	(575)	(59)
Government grants/incentive income	40,188	51,140
Grant of share options to employees	(6,871)	(3,467)
Income from sales cancellation	3,526	1,333
Inventories written off	(5,452)	(115)
Loss on disposal of property, plant and equipment	(6,780)	(12,694)
Pre-operating expenses	(630)	(51)
Processing fee income/tolling income	1,173	727
Rental and storage income	23,375	17,117
Scrap sales	22,630	16,985
Service fees/management fees/commission income	20,535	24,973
Write back of allowance for expected credit losses	14,804	2,657

The Group has received government grants of different nature during the reporting periods, among them are grants in relation to the investment and development of plants and machineries, technical skill transformation and value added tax/business tax/corporate income tax subsidy for quality enterprise.

Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the balance sheets. There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. FINANCE COSTS

	Group	
	2021	2020
	US\$'000	US\$'000
Interest expense:		
– Loans and borrowings	526,344	545,548
– Loans from associates	264	198
– Loans from joint ventures	1,450	1,903
– Loans from related parties	105	180
– Interest rate swaps	3,110	27,075
– Amortisation of forward elements of forward currency contracts	39,208	56,710
– Interest on lease liabilities	11,849	11,228
– Others	14,128	19,784
	596,458	662,626
Less: Amount capitalised		
– Bearer plants	(660)	(767)
– Property, plant and equipment	(7,376)	(10,749)
	588,422	651,110

9. NON-OPERATING ITEMS

	Group	
	2021	2020
	US\$'000	US\$'000
Net foreign exchange loss on shareholders' loans to subsidiaries	(3,844)	(4,853)
Finance costs on bank borrowings for acquisition of		
Wilmar Sugar Australia Limited & its subsidiaries	(6,252)	(9,106)
Gain on disposal of investment securities at FVPL	1,060	2,271
Investment income from investment securities	40,751	110,527
Net fair value gain/(loss) on investment securities at FVPL	3,014	(44,472)
Net gain/(loss) from changes in fair value of investment properties	2,129	(2,834)
	36,858	51,533

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2021	2020
	US\$'000	US\$'000
Audit fees paid to:		
– Auditor of the Company	611	594
– Other auditors	6,434	4,651
Non-audit fees paid to:		
– Auditor of the Company	3	39
– Other auditors	1,360	926
Depreciation of property, plant and equipment	1,047,818	939,222
Depreciation of bearer plants	60,563	74,784
Less: Amount capitalised as part of costs of bearer plants	(1,856)	(2,301)
Add: Impairment loss of property, plant and equipment	36,677	43,736
Depreciation and impairment loss of property, plant and equipment and bearer plants – net	1,143,202	1,055,441
Employee benefits expense	2,084,854	1,782,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2021 and 31 December 2020 are:

	Group	
	2021	2020
	US\$'000	US\$'000
Consolidated Income Statement		
<i>Current income tax</i>		
Current year	594,063	557,705
Over provision in respect of previous years	(22,813)	(1,894)
Withholding tax expenses	52,913	10,170
	624,163	565,981
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	55,795	32,848
Under provision in respect of previous years	19,644	21,259
Income tax expense recognised in the income statement	699,602	620,088
Deferred income tax related to other comprehensive income:		
Net tax charges/(credit) in fair value of derivative financial instruments designated as cash flow hedges and others	4,916	(2,865)

(b) Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Accounting profit before income tax	2,765,861	2,311,062
Tax calculated at tax rate of 17% (2020: 17%)	470,196	392,881
Adjustments:		
Effect of different tax rates in other countries	202,351	156,591
Effect of tax incentives	12,807	34,792
Effect of changes in tax rates for deferred tax recognised previously	(9,560)	20,793
Income not subject to taxation	(49,364)	(46,922)
Non-deductible expenses	39,676	38,260
Deferred tax assets not recognised	55,318	31,141
(Over)/under provision in respect of previous years	(3,169)	19,365
Share of results of joint ventures and associates	(38,657)	(34,469)
Utilisation of previously unrecognised tax losses/capital allowances	(31,221)	(4,102)
Withholding tax expenses	52,913	10,170
Others	(1,688)	1,588
Income tax expense recognised in the consolidated income statement	699,602	620,088

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (exclude treasury shares outstanding) during the financial year.

	Group	
	2021	2020
Profit for the year attributable to owners of the Company (US\$'000)	1,890,390	1,534,110
Weighted average number of ordinary shares ('000)	6,308,080	6,346,997
Basic earnings per share (US cents per share)	30.0	24.2

(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2021	2020
Profit for the year attributable to owners of the Company (US\$'000)	1,890,390	1,534,110
Weighted average number of ordinary shares ('000)	6,308,080	6,346,997
Effects of dilution		
– Grant of equity-settled share options ('000)	9,841	9,287
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	6,317,921	6,356,284
Diluted earnings per share (US cents per share)	29.9	24.1

There are no share options (2020: 40,380,000) granted to employees (including directors) under existing employee share option plans that have not been included in the calculation of diluted earnings per share during the financial year because they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS

Property, plant and equipment

	Land and land rights US\$'000	Buildings US\$'000	Plant and machineries US\$'000	Furniture, fittings and office equipment US\$'000	Vessels US\$'000	Motor vehicles, trucks and aircraft US\$'000	Construction in-progress US\$'000	Total US\$'000
Group								
Costs								
At 1 January 2020	135,802	4,083,163	8,503,825	308,230	881,448	295,156	1,352,193	15,559,817
Acquisition of subsidiaries	6,852	19,437	45,112	808	—	376	252	72,837
Disposal of subsidiaries	—	(2,031)	(855)	(46)	—	(82)	(1,950)	(4,964)
Additions	1,710	20,617	125,057	20,871	24,780	16,392	1,664,845	1,874,272
Disposals	(1,591)	(35,984)	(81,670)	(8,335)	(22,598)	(14,432)	(47)	(164,657)
Transfers	27	375,849	712,847	15,890	7,303	4,043	(1,115,959)	—
Reclassifications	—	2,130	(3,097)	(190)	—	1,228	(71)	—
Currency translation differences	9,069	196,892	450,994	17,057	(114)	(467)	104,504	777,935
At 31 December 2020, and 1 January 2021	151,869	4,660,073	9,752,213	354,285	890,819	302,214	2,003,767	18,115,240
Acquisition of subsidiaries	—	26,920	46,805	418	—	259	9,254	83,656
Disposal of subsidiaries	—	—	(265)	—	—	—	—	(265)
Additions	33	40,583	85,788	28,367	22,479	22,869	2,049,298	2,249,417
Disposals	—	(169,336)	(92,033)	(19,123)	(85,335)	(10,552)	(429)	(376,808)
Transfers	9,992	584,115	993,253	28,845	93,286	5,225	(1,714,716)	—
Transfer to investment properties	—	—	—	—	—	—	(2,758)	(2,758)
Transfer to right-of-use assets	—	—	—	—	—	—	(73,162)	(73,162)
Reclassifications	—	1,420	(117,438)	500	—	2,059	113,459	—
Currency translation differences	(8,316)	(9,726)	(167,572)	(4,316)	(42)	(3,538)	19,378	(174,132)
At 31 December 2021	153,578	5,134,049	10,500,751	388,976	921,207	318,536	2,404,091	19,821,188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Property, plant and equipment (continued)

	Land and land rights US\$'000	Buildings US\$'000	Plant and machineries US\$'000	Furniture, fittings and office equipment US\$'000	Vessels US\$'000	Motor vehicles, trucks and aircraft US\$'000	Construction in-progress US\$'000	Total US\$'000
Group								
Accumulated depreciation and impairment loss								
At 1 January 2020	–	1,145,327	3,833,443	227,301	242,604	165,318	–	5,613,993
Disposal of subsidiaries	–	(814)	(619)	(45)	–	(82)	–	(1,560)
Depreciation charge for the year	–	167,994	546,600	31,199	71,846	23,316	–	840,955
Disposals	–	(10,395)	(60,552)	(7,807)	(10,929)	(13,527)	–	(103,210)
Impairment loss	11,666	13,746	17,886	–	–	–	–	43,298
Reclassifications	–	(97)	(454)	(288)	–	839	–	–
Currency translation differences	–	63,026	277,281	11,317	(116)	(868)	–	350,640
At 31 December 2020 and 1 January 2021	11,666	1,378,787	4,613,585	261,677	303,405	174,996	–	6,744,116
Disposal of subsidiaries	–	–	(265)	–	–	–	–	(265)
Depreciation charge for the year	–	187,390	616,007	35,267	72,130	24,463	–	935,257
Disposals	–	(146,535)	(68,797)	(18,698)	(52,406)	(10,034)	–	(296,470)
Impairment loss	–	12,257	24,332	88	–	–	–	36,677
Reclassifications	–	(125)	(1,269)	111	–	1,283	–	–
Currency translation differences	–	(9,321)	(118,323)	(3,964)	(17)	(3,304)	–	(134,929)
At 31 December 2021	11,666	1,422,453	5,065,270	274,481	323,112	187,404	–	7,284,386
Net carrying amount								
At 31 December 2020	140,203	3,281,286	5,138,628	92,608	587,414	127,218	2,003,767	11,371,124
At 31 December 2021	141,912	3,711,596	5,435,481	114,495	598,095	131,132	2,404,091	12,536,802

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Property, plant and equipment (continued)

	Buildings US\$'000	Furniture, fittings and office equipment US\$'000	Motor vehicles US\$'000	Construction in-progress US\$'000	Total US\$'000
Company					
Costs					
At 1 January 2020	–	10,519	678	59,233	70,430
Additions	–	794	–	35,300	36,094
Disposals	–	(46)	(203)	–	(249)
At 31 December 2020 and 1 January 2021	–	11,267	475	94,533	106,275
Additions	–	4,462	–	21,299	25,761
Disposals	–	(71)	–	–	(71)
Transfers	72,867	–	–	(72,867)	–
Transfer to right-of-use assets	–	–	–	(35,155)	(35,155)
At 31 December 2021	72,867	15,658	475	7,810	96,810
Accumulated depreciation					
At 1 January 2020	–	6,672	159	–	6,831
Depreciation charge for the year	–	1,823	53	–	1,876
Disposals	–	(45)	(14)	–	(59)
At 31 December 2020 and 1 January 2021	–	8,450	198	–	8,648
Depreciation charge for the year	767	2,119	48	–	2,934
Disposals	–	(66)	–	–	(66)
At 31 December 2021	767	10,503	246	–	11,516
Net carrying amount					
At 31 December 2020	–	2,817	277	94,533	97,627
At 31 December 2021	72,100	5,155	229	7,810	85,294

Capitalisation of borrowing costs

The Group's property, plant and equipment include borrowing costs arising from bank term loans borrowed specifically for the purpose of the construction of plants. During the financial year, the borrowing costs capitalised as cost of plant and machineries amounted to approximately US\$7,376,000 (2020: US\$10,749,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US\$80,109,000 (2020: US\$218,082,000) are pledged as security for bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Investment properties

	Group	
	2021	2020
	US\$'000	US\$'000
Balance sheet		
At 1 January	32,475	33,181
Transfer from property, plant and equipment	2,758	–
Net gain/(loss) from changes in fair value recognised in profit or loss	2,129	(2,834)
Currency translation differences	924	2,128
At 31 December	38,286	32,475
Income statement		
Rental income from investment properties		
– Minimum lease payments	1,470	1,453
	1,470	1,453
Direct operating expenses arising from:		
– Rental generating properties	491	477
	491	477

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2021. The valuations were performed by Beijing Zhuoxin Dahua Appraisal Co., Ltd., an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The investment properties held by the Group as at 31 December 2021 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
8/25/26/33 Hua Neng Union Tower, Shanghai, China	Office	Leasehold	22 years
Floor 1-3, C 118 Gaodong Road, Shanghai, China	Industrial Plant	Leasehold	32 years
8 Yihai Avenue, Zhangpu Town, Kunshan, Jiangsu, China	Industrial Plant	Leasehold	38 years
No.12 Machong West Xingang Road, Machong Town, Dongguan, Guangdong, China	Industrial Plant	Leasehold	21 years
No.12 Machong West Xingang Road, Machong Town, Dongguan, Guangdong, China	Land	Leasehold	21 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets

	Land and land rights US\$'000	Buildings US\$'000	Plant and machineries US\$'000	Furniture, fittings and office equipment US\$'000	Vessels US\$'000	Motor vehicles, trucks and aircraft US\$'000	Total US\$'000
Group							
Costs							
At 1 January 2020	1,147,426	104,124	20,827	18,055	68,495	14,313	1,373,240
Acquisition of subsidiaries	–	21,877	4,676	11	–	–	26,564
Disposal of subsidiaries	(2,452)	–	–	–	–	–	(2,452)
Additions	46,547	35,971	11,675	196	18,145	6,041	118,575
Disposals	(5,312)	(8,741)	(11)	(49)	(767)	(1,288)	(16,168)
Currency translation differences	48,776	6,067	265	1,859	–	755	57,722
At 31 December 2020 and 1 January 2021	1,234,985	159,298	37,432	20,072	85,873	19,821	1,557,481
Acquisition of subsidiaries	19,612	2,956	–	–	–	184	22,752
Additions	213,062	33,223	3,386	44	14,913	10,500	275,128
Disposals	(10,235)	(9,036)	(2,330)	(12)	(18,322)	(1,424)	(41,359)
Transfer from property, plant and equipment	73,162	–	–	–	–	–	73,162
Reclassifications	(288)	(1,106)	1,394	–	–	–	–
Currency translation differences	14,186	(7,039)	(898)	(1,132)	–	(284)	4,833
At 31 December 2021	1,544,484	178,296	38,984	18,972	82,464	28,797	1,891,997
Accumulated depreciation and impairment loss							
At 1 January 2020	33,317	13,023	1,421	1,175	11,901	3,384	64,221
Disposal of subsidiaries	(418)	–	–	–	–	–	(418)
Depreciation charge for the year	33,723	32,972	5,809	1,331	18,461	5,971	98,267
Disposals	(1,851)	(7,800)	(2)	(18)	(258)	(1,245)	(11,174)
Impairment loss	438	–	–	–	–	–	438
Currency translation differences	29	2,808	241	241	–	238	3,557
At 31 December 2020 and 1 January 2021	65,238	41,003	7,469	2,729	30,104	8,348	154,891
Depreciation charge for the year	42,673	35,705	5,309	1,410	20,366	7,098	112,561
Disposals	(2,390)	(6,901)	(1,362)	(12)	(17,394)	(1,339)	(29,398)
Reclassifications	(154)	(100)	254	–	–	–	–
Currency translation differences	2,115	(3,174)	(284)	(185)	–	(160)	(1,688)
At 31 December 2021	107,482	66,533	11,386	3,942	33,076	13,947	236,366
Net carrying amount							
At 31 December 2020	1,169,747	118,295	29,963	17,343	55,769	11,473	1,402,590
At 31 December 2021	1,437,002	111,763	27,598	15,030	49,388	14,850	1,655,631

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets (continued)

	Land and land rights US\$'000	Total US\$'000
Company		
Costs		
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–
Transfer from property, plant and equipment	35,155	35,155
At 31 December 2021	35,155	35,155
Accumulated depreciation		
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–
Depreciation charge for the year	651	651
At 31 December 2021	651	651
Net carrying amount		
At 31 December 2020	–	–
At 31 December 2021	34,504	34,504

Property, plant and equipment in the balance sheets comprise the following:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Net carrying amount				
Property, plant and equipment	12,536,802	11,371,124	85,294	97,627
Right-of-use assets	1,655,631	1,402,590	34,504	–
Total	14,192,433	12,773,714	119,798	97,627

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. BEARER PLANTS BIOLOGICAL ASSETS

	Group	
	2021	2020
	US\$'000	US\$'000
Bearer plants		
Group		
Costs		
At 1 January	1,250,517	1,217,006
Additions	37,865	44,569
Disposals	(1,400)	(547)
Capitalisation of interest	660	767
Capitalisation of depreciation	1,856	2,301
Capitalisation of employee benefits	6,820	9,577
Written off	(15,304)	(23,540)
Currency translation differences	(14,832)	384
At 31 December	1,266,182	1,250,517
Accumulated depreciation and impairment loss		
At 1 January	584,384	526,366
Depreciation charge for the year	60,563	74,784
Disposals	—	(172)
Written off	(12,804)	(18,622)
Currency translation differences	(4,079)	2,028
At 31 December	628,064	584,384
Net carrying amount		
At 31 December	638,118	666,133
	Group	
	2021	2020
	US\$'000	US\$'000
Biological assets (Note 21)		
At 1 January	44,724	38,641
Fair value gain of biological assets	21,335	6,107
Currency translation differences	(47)	(24)
At 31 December	66,012	44,724

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,005,000 metric tonnes (2020: 4,030,000 metric tonnes) of FFB, which had a fair value less estimated point-of-sale costs of approximately US\$723,658,000 (2020: US\$482,251,000). The fair value of FFB was determined with reference to their monthly average market prices during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. BEARER PLANTS

BIOLOGICAL ASSETS (CONTINUED)

(b) Analysis of bearer plants

At the end of the financial year, the Group's total planted area and related value of mature and immature plantations are as follows:-

	Group	
	2021 Hectares	2020 Hectares
Area		
Planted area:		
– Mature	211,800 ⁽¹⁾	205,229 ⁽¹⁾
– Immature	26,203	34,748
	238,003	239,977
	Group	
	2021 US\$'000	2020 US\$'000
Value		
Planted area:		
– Mature	529,718 ⁽¹⁾	528,452 ⁽¹⁾
– Immature	108,400	137,681
	638,118	666,133

(1) Mature planted areas include sugar cane plantations.

- (c) The interest capitalised is actual interest incurred on the bank borrowings to finance the development of oil palm plantations.
- (d) The fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. The estimated yield is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
FFB average selling price of US\$168 to US\$248 (2020: US\$108 to US\$179) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield (annual) is 19.6 (2020: 20.4) metric tonne per hectare	The estimated fair value increases as the estimated average yield increases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS

	Goodwill US\$'000	Trademarks & licenses and others US\$'000	Brands US\$'000	Total US\$'000
Group				
Cost				
At 1 January 2020	3,897,405	34,589	1,544,267	5,476,261
Additions	–	1,145	–	1,145
Acquisition of subsidiaries	23,966	140	3,584	27,690
Currency translation differences	63,293	(2,254)	4,803	65,842
At 31 December 2020 and 1 January 2021	3,984,664	33,620	1,552,654	5,570,938
Additions	–	551	–	551
Acquisition of subsidiaries	75	–	–	75
Disposal of subsidiaries	(1,470)	–	–	(1,470)
Currency translation differences	(54,205)	1,827	(193)	(52,571)
At 31 December 2021	3,929,064	35,998	1,552,461	5,517,523
Accumulated amortisation and impairment loss				
At 1 January 2020	105,886	7,482	–	113,368
Amortisation during the year	–	2,554	–	2,554
Impairment charge	272	–	–	272
Currency translation differences	10,469	(1,417)	–	9,052
At 31 December 2020 and 1 January 2021	116,627	8,619	–	125,246
Amortisation during the year	–	3,454	–	3,454
Currency translation differences	(6,710)	1,649	–	(5,061)
At 31 December 2021	109,917	13,722	–	123,639
Net carrying amount				
At 31 December 2020	3,868,037	25,001	1,552,654	5,445,692
At 31 December 2021	3,819,147	22,276	1,552,461	5,393,884

Amortisation expense

The amortisation of trademarks & licenses and others is included in other operating expenses in the consolidated income statement.

Brands

Brands include 'Arawana', 'CSR', 'Madhur' and various brand names held under the Group's subsidiaries. As explained in Note 2.14(b)(i), the useful lives of the brands are estimated to be indefinite.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill and brands

Goodwill arising from business combinations and brands have been allocated to individual cash-generating units ("CGU") which are also the reportable operating segments for impairment testing.

The carrying amounts of goodwill and brands allocated to each CGU are as follows:

	Food Products US\$'000	Feed and Industrial Products US\$'000	Plantation and Sugar Milling US\$'000	Others US\$'000	Total US\$'000
2021					
Goodwill	913,406	1,104,758	1,784,899	16,084	3,819,147
Brands	1,544,369	8,092	–	–	1,552,461
2020					
Goodwill	952,832	1,107,111	1,792,021	16,073	3,868,037
Brands	1,549,070	3,584	–	–	1,552,654

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five to ten years period for Food Products, Feed and Industrial Products and Sugar Milling segments. For Palm Oil Plantation, management has used cash flow projections based on the age of the plantations. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year to ten-year period are as follows:-

	Food Products		Feed and Industrial Products		Plantation and Sugar Milling	
	%	%	%	%	%	%
	2021	2020	2021	2020	2021	2020
Terminal growth rates	1.9 – 3.4	1.9 – 3.4	2.0 – 3.0	2.0 – 3.0	1.5 – 2.0	1.0
Pre-tax discount rates	5.9 – 19.0	6.2 – 19.2	11.0 – 14.4	11.0 – 14.4	7.6 – 12.0	7.0 – 12.0

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted profit margin based on past performance and its expectations of the market development. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments. The forecasted growth rates were based on published industry research and did not exceed the long-term average growth rate for the industries relevant to the CGU.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	US\$'000	US\$'000
Unquoted equity shares, at cost	10,468,178	10,141,987

Details of the list of significant subsidiaries are included in Note 39.

Acquisition of subsidiaries

The list of major acquisition of subsidiaries during the financial year:

Name of subsidiaries acquired	Equity interest acquired %	Consideration US\$'000	Month of acquisition
Global Eco Chemicals Singapore Pte. Ltd.	50	4,080	Jan 2021
Yihai Chenke (Maoming) Agriculture Co., Ltd (formerly known as Chenke Yihai (Maoming) Agriculture Co., Ltd)	11	—*	Jul 2021
PT Agri Hikay Indonesia ⁽¹⁾	100	—*	Jul 2021
PT Agri Indomas ⁽¹⁾	100	8,451	Jul 2021
Wuan Chuang Arawana (Taizhou) Foods Industries Co., Ltd	20	5,200	Dec 2021

* The consideration is less than US\$1,000.

(1) The entities were acquired from a related party. Further, the Group also completed a conditional asset purchase agreement to acquire assets and inventory of approximately US\$65,016,000 from the same related party, based on terms agreed between both parties.

In addition to the above, the Group acquired a 75% interest in the registered capital of Arawana Jinchu (Guangdong) Condiments Co., Ltd ("AJGC") by way of cash contribution of approximately US\$65,900,000 into the registered capital and capital reserve of AJGC on 22 June 2021.

The fair values of the identifiable assets and liabilities of the subsidiaries acquired and the effect thereof as at the date of above acquisition were as follows:

	Fair value recognised on acquisition US\$'000
Property, plant and equipment	106,408
Inventories	77,835
Deferred tax assets	6,515
Trade receivables and other assets	227,498
Cash and cash equivalents	27,173
	445,429
Trade and other payables (including provision for employee gratuity)	338,674
Loans and borrowings	42,933
	381,607
Net identifiable assets	63,822
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(27,225)
Identifiable net assets acquired	36,597
Less: Transfer from investment in joint ventures	(15,295)
Less: Transfer from investment in an associate	(1,767)
	19,535
Positive goodwill arising from acquisition recognised as part of intangible assets	75
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(1,879)
Total consideration for acquisition	17,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Total cost of business combination

The total cost of the business combination is as follows:

	Cashflow on acquisition US\$'000
The effects of acquisition on cash flow are as follows:	
Consideration settled in cash	17,731
Less: Cash and cash equivalents of subsidiaries acquired	(27,173)
Net cash inflow on acquisition	(9,442)

Impact of acquisitions on consolidated income statement

From the respective dates of acquisition, the acquirees have contributed additional revenue and net profit of approximately US\$166,378,000 and US\$8,741,000 respectively for the financial year ended 31 December 2021. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US\$66,034,745,000 and net profit would have been approximately US\$1,893,295,000.

Acquisition of non-controlling interests

During the year, the Group acquired additional interests in certain subsidiaries. The list of major acquisition of non-controlling interests:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition %	Consideration US\$'000	Book value US\$'000	Premium/ (discount) arising from acquisition US\$'000	Month of acquisition
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kerry (Zhengzhou) Logistic Co., Ltd	11	85 ⁺	—*	1,169	(1,169)	Sep 2021
Yihai Kerry Arawana Holdings Co., Ltd	Liaoning Yihai Kerry Starch Technology Co., Ltd (formerly known as Liaoning Yihai Kerry Tereos Starch Technology Co., Ltd)	49	100	35,000	7,934	27,066	Nov 2021
Yihai Kerry Arawana Holdings Co., Ltd	Dongguan Yihai Kerry Starch Co., Ltd (formerly known as Dongguan Yihai Kerry Syral Starch Technology Co., Ltd)	49	100	12,500	(7,289)	19,789	Nov 2021
Wilmar International Limited	Wilmar Rice Trading Pte. Ltd. (formerly known as Wilmar Riceland Trading Pte. Ltd.)	40	100	441	6,157	(5,716)	Dec 2021

+ Rounded to the nearest whole % as indicated.

* The consideration is less than US\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal/liquidation of subsidiaries

During the year, the interests in the following major subsidiaries were disposed/liquidated:

Name of subsidiaries disposed/liquidated	Equity interest disposed/liquidated %	Proceeds US\$'000	Month of disposal/liquidation
Yihai (Chongqing) Foodstuffs Co., Ltd	80	10,352	Feb 2021
Yihai (Jiamusi) Properties Management Co., Ltd	100	55	Aug 2021
Yihai Kerry (Qinzhou) Food Industries Co., Ltd	100	11	Sep 2021
Wilmar Yuanda BioTech (Lianyungang) Co., Ltd	100	1,993	Sep 2021

The carrying amounts of assets and liabilities of the subsidiaries disposed/liquidated and the effect thereof as at date of disposal/liquidation were as follows:

	Cashflow on disposal US\$'000
Intangible assets	1,470
Cash and cash equivalents	14,999
	<u>16,469</u>
Trade and other payables	18
Net carrying amounts of assets disposed	16,451
Less: Non-controlling interest	(2,590)
Net assets disposed	<u>13,861</u>
Net assets disposed	13,861
Less: Foreign currency translation reserve realised upon disposal/liquidation of subsidiaries	(875)
Loss on disposal/liquidation	(575)
Sales proceeds, net	<u>12,411</u>
Less: Cash and cash equivalents of subsidiaries disposed/liquidated	(14,999)
Net cash outflow on disposal/liquidation of subsidiaries	<u>(2,588)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. INVESTMENT IN JOINT VENTURES INVESTMENT IN ASSOCIATES

The Group's investment in joint ventures are summarised below:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Adani Wilmar Limited	264,377	226,727	–	–
Other joint ventures	367,195	397,432	–	3,800
Investment in joint ventures	631,572	624,159	–	3,800

Details of the list of significant joint ventures are included in Note 40.

The summarised financial information of material joint venture is as follows:

	Adani Wilmar Limited	
	2021	2020
	US\$'000	US\$'000
Assets and liabilities:		
Current assets	1,959,650	1,251,944
Non-current assets	720,200	608,529
Total assets	2,679,850	1,860,473
Current liabilities	1,922,866	1,238,227
Non-current liabilities	235,752	233,615
Total liabilities	2,158,618	1,471,842
Shareholders' equity	494,898	419,598
Proportion of the Group's ownership interest	50%	50%
Group's share	247,449	209,799
Goodwill on acquisition	16,928	16,928
Carrying amount of the investment	264,377	226,727
Revenue	6,626,080	4,570,316
Profit for the year	82,284	93,266
Other comprehensive income	(651)	(189)
Total comprehensive income	81,633	93,077
Cash and cash equivalents	24,530	6,682
Current financial liabilities (excluding trade and other payables and provisions)	240,822	205,332
Non-current financial liabilities (excluding other payables and provisions)	188,321	203,883
Depreciation and amortisation	38,779	36,019
Finance income	10,643	11,182
Finance expense	72,317	68,831
Income tax expense	14,879	36,172

The activities of Adani Wilmar Limited ("AWL") is strategic to the Group's activities. No dividends were received during the financial year ended 31 December 2021 (2020: US\$Nil).

On 8 February 2022, AWL, a 50% owned joint venture of the Group, was listed on BSE Limited and National Stock Exchange of India Limited. Subsequent to the listing of AWL, the Group will be accounting AWL as an associate and will continue to account for its investment in AWL using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. INVESTMENT IN JOINT VENTURES INVESTMENT IN ASSOCIATES (CONTINUED)

Aggregate information about the Group's shares in joint ventures that are not individually material are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Share of the joint ventures' profit for the year	22,406	24,490
Share of the joint ventures' total comprehensive income	22,406	24,490

The Group's investment in associates are summarised below:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	603,251	587,941	—	—
Cosumar S.A.	342,811	338,727	—	—
Other associates	1,928,894	1,799,654	13,677	13,677
Investment in associates	2,874,956	2,726,322	13,677	13,677

Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)

	870,780	705,180	18,605	16,113
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Details of the list of significant associates are included in Note 40.

The summarised financial information of material associates are as follows:

	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd		Cosumar S.A.	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Assets and liabilities:				
Current assets	561,611	519,965	710,213	869,820
Non-current assets	323,592	263,346	577,567	613,664
Total assets	885,203	783,311	1,287,780	1,483,484
Current liabilities	213,139	146,107	595,686	800,756
Non-current liabilities	1,084	1,634	115,056	121,355
Total liabilities	214,223	147,741	710,742	922,111
Shareholders' equity	655,582	620,787	577,585	563,764
Proportion of the Group's ownership interest	44%	44%	30% ⁺	30% ⁺
Group's share	288,456	273,146	170,699	166,615
Goodwill on acquisition	314,795	314,795	172,112	172,112
Carrying amount of the investment	603,251	587,941	342,811	338,727
Revenue	3,501,773	2,620,866	1,001,245	895,059
Profit for the year	25,293	19,994	104,554	89,566
Total comprehensive income	25,293	19,994	104,554	89,566

⁺ The effective interest of the Group has been rounded to the nearest whole % as indicated

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The activities of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd and Cosumar S.A. are strategic to the Group's activities. Dividend of approximately US\$3,544,000 (2020: US\$Nil) was received from COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd during the financial year ended 31 December 2021. Dividend of approximately US\$19,056,000 (2020: US\$21,516,000) was received from Cosumar S.A. during the financial year ended 31 December 2021.

Aggregate information about the Group's shares in associates that are not individually material are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Share of the associates' profit for the year	114,720	94,939
Share of the associates' total comprehensive income	114,720	94,939

18. INVESTMENT SECURITIES

	Group	
	2021	2020
	US\$'000	US\$'000
At fair value through other comprehensive income		
Non-current:		
Quoted equity instruments*	215,687	216,552
Unquoted equity instruments	39,512	33,697
Investment funds	110,102	120,559
	365,301	370,808
At fair value through profit or loss		
Current:		
Quoted equity instruments	326,846	286,706
	326,846	286,706

* Included in the quoted equity instruments is an investment in shares quoted on National Stock Exchange of Australia. As the sale and purchase of this investment is restricted, the valuation is determined using discounted cash flow projections.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
At fair value through other comprehensive income		
Preference shares issued by financial institutions in China	145,464	132,428
Unity Foods Limited	34,912	46,693
Primavera Capital (Cayman) Fund I L.P.	17,307	39,651
Sugar Terminals Limited	35,270	37,415
Others	132,348	114,621
	365,301	370,808

The Group has elected to measure these investment securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

During the year, the Group recognised investment income of US\$40,751,000 (2020: US\$110,527,000) from its investment securities at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. DEFERRED TAX

	Group			
	Balance sheet		Consolidated income statement	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Deferred tax assets:				
Provisions	129,969	107,507	(24,034)	(20,384)
Unutilised tax losses	116,615	139,179	32,006	(16,161)
Timing differences for tax purposes	145,210	179,506	29,755	(16,457)
Fair value adjustments on derivatives classified as cash flow hedges	10,276	26,799	—	—
Other items	2,890	1,260	(157)	286
	404,960	454,251		
Less: Deferred tax liabilities:				
Timing differences for tax purposes	423,007	409,556	26,394	107,021
Fair value adjustments on acquisition of subsidiaries	29,727	31,275	(4,438)	(1,011)
Fair value adjustments on derivatives classified as cash flow hedges	19,155	28,328	—	—
Fair value adjustments on biological assets	14,875	9,163	5,712	(111)
Undistributed earnings	80,734	69,386	11,348	423
Other items	680	1,866	(1,147)	501
	568,178	549,574		
	(163,218)	(95,323)		
Deferred income tax charge			75,439	54,107

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, were shown in the statements of financial position:

	Group	
	2021 US\$'000	2020 US\$'000
Deferred tax assets	204,495	203,494
Deferred tax liabilities	(367,713)	(298,817)
	(163,218)	(95,323)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US\$937,850,000 (2020: US\$902,882,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised temporary differences relating to investments in subsidiaries

At the balance sheet date, no deferred tax liability (2020: US\$Nil) has been recognised for taxes that would be payable on certain of the Group's subsidiaries' undistributed earnings as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to approximately US\$6,731,032,000 (2020: US\$6,110,457,000). The deferred tax liability is estimated to be approximately US\$539,785,000 (2020: US\$468,445,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2021			2020		
	Contract/ Notional amount US\$'000	Assets US\$'000	Liabilities US\$'000	Contract/ Notional amount US\$'000	Assets US\$'000	Liabilities US\$'000
Forward currency contracts, options and cross currency interest rate swaps	14,669,666	137,265	180,912	10,576,276	185,348	254,837
Futures, options and swap contracts	10,436,870	264,288	331,230	11,447,195	341,894	596,679
Interest rate swap	117,106	–	6,045	1,113,978	–	10,972
Fair value of firm commitment contracts	7,282,237	174,384	103,704	6,952,962	175,195	81,077
Total derivative financial instruments		575,937	621,891		702,437	943,565
Less: Current portion		(563,981)	(566,612)		(641,249)	(893,729)
Non-current portion		11,956	55,279		61,188	49,836

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. The Group does not apply hedge accounting, except for those designated as hedges of commodity products, Medium Term Notes and foreign exchange risk.

Certain derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements and Long Form Confirmations. In general, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Cash flow hedges

The Group enters into various commodities futures, options, swap and forward currency contracts in order to hedge the financial risks related to the purchases and sales of commodity products. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain of approximately US\$1,149,000 (2020: loss of US\$73,501,000), with related deferred tax charge of approximately US\$8,683,000 (2020: tax charge of US\$1,529,000), is included in the hedging reserve in respect of these contracts.

The cash flows arising from these derivatives are expected to occur and enter into the determination of profit or loss during the next two financial years as follows: US\$96,000 and US\$1,053,000 (2020: (US\$73,504,000) and US\$3,000).

Fair value changes to the forward elements of forward currency contracts not designated as hedging instruments are accounted for as cost of hedging. A net fair value loss of approximately US\$6,375,000 (2020: gain of approximately US\$2,981,000), with related deferred tax credit of approximately US\$2,089,000 (2020: tax charge of approximately US\$1,416,000), is included in the cost of hedging reserve in respect of these contracts.

Fair value hedges

The Group enters into commodities future contracts to hedge the financial risk related to the carrying value of commodity products. A net fair value gain of approximately US\$32,818,000 (2020: loss of US\$66,458,000) is recognised in the income statement and offset with a similar loss on the inventory.

The Group also enters into cross currency interest rate swaps to hedge the financial risk related to Medium Term Notes issued by the Company. A net fair value loss of approximately US\$1,458,000 (2020: gain of US\$1,035,000) is recognised in the income statement with a similar decrease in the loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. OTHER FINANCIAL RECEIVABLES OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current:				
Other non-trade receivables	78,861	19,400	–	19
Other deposits with financial institutions	–	12,991	–	–
Amounts due from subsidiaries – non-trade	–	–	263,317	247,045
Amounts due from joint ventures – non-trade	34,764	19,871	49,938	–
Amounts due from associates – non-trade	17,643	54,780	–	56,073
Amounts due from related parties – non-trade	18,868	20,600	–	–
Other financial receivables	150,136	127,642	313,255	303,137
Current:				
Deposits	183,852	150,027	53	56
Loans to non-controlling shareholders of subsidiaries	5,017	4,923	–	–
Other non-trade receivables	397,325	353,317	27,247	30,169
Other deposits with financial institutions	3,196,798	3,615,798	–	–
Amounts due from subsidiaries – non-trade	–	–	5,647,029	5,879,227
Amounts due from joint ventures – non-trade	103,825	121,871	1,756	1,215
Amounts due from associates – non-trade	258,664	216,531	2,677	2,883
Amounts due from related parties – non-trade	37,977	86,001	–	–
Other financial receivables	4,183,458	4,548,468	5,678,762	5,913,550
Non-current:				
Prepayments	50,914	45,356	–	–
Plasma investments	12,960	19,423	–	–
Other non-financial assets	63,874	64,779	–	–
Current:				
Prepayments and other non-financial assets	267,091	192,338	7,473	6,337
Biological assets (Note 14)	66,012	44,724	–	–
Tax recoverables	130,150	119,994	–	–
Advances for property, plant and equipment	490,673	452,142	–	–
Advances for acquisition of subsidiaries	47,532	–	–	–
Advances to suppliers	825,612	995,719	–	–
Other non-financial assets	1,827,070	1,804,917	7,473	6,337

Amounts due from subsidiaries, joint ventures, associates and related parties (non-current)

Other than the non-current non-trade receivables from joint ventures, associates and related parties, which bear interest rates ranging from 2.5% to 4.2% (2020: 2.5% to 7.7%) per annum, the remaining amounts are interest-free, unsecured and have no fixed terms of repayment. These balances are not expected to be repaid within the next twelve months and are expected to be settled in cash.

As at 31 December 2021, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US\$6,914,000 (2020: US\$6,914,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. OTHER FINANCIAL RECEIVABLES

OTHER NON-FINANCIAL ASSETS (CONTINUED)

Amounts due from subsidiaries, joint ventures, associates and related parties (current)

The current non-trade receivables from subsidiaries, joint ventures, associates and related parties are unsecured, non-interest bearing and repayable on demand except for amounts due from joint ventures and associates of approximately US\$127,952,000 (2020: US\$124,326,000) and US\$51,768,000 (2020: US\$68,891,000) respectively, which bear interest ranging from 1.5% to 12.0% (2020: 1.5% to 9.5%) per annum. These balances are expected to be settled in cash.

As at 31 December 2021, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US\$81,959,000 (2020: US\$81,959,000).

Loans to non-controlling shareholders of subsidiaries

The current loans to non-controlling shareholders of subsidiaries are non-interest bearing and have no fixed repayment dates except for loans amounting to US\$4,191,000 (2020: US\$4,082,000), which bear interest ranging from 3.0% to 7.2% (2020: 3.0% to 8.9%) per annum and are expected to be settled in cash.

Other deposits with financial institutions

Other deposits with financial institutions are deposits placed with banks with high credit ratings and no history of default. The interest rates range from 1.8% to 4.5% (2020: 2.6% to 4.1%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US\$66,650,000 (2020: US\$1,021,510,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2021	2020
	US\$'000	US\$'000
Balance Sheet		
At cost:		
Raw materials	4,029,941	3,742,935
Consumables	578,494	453,565
Finished goods	4,328,160	3,635,725
Stock in transit	854,176	705,705
	9,790,771	8,537,930
At net realisable value:		
Raw materials	701,499	479,092
Consumables	3,223	5,742
Finished goods	1,243,193	413,387
	1,947,915	898,221
	11,738,686	9,436,151
Income Statement		
Inventories recognised as an expense in cost of sales	50,783,356	38,665,012
Inclusive of the following charge:		
– Provision/(write back) for net realisable value	74,038	(38,271)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. TRADE RECEIVABLES

	Group	
	2021	2020
	US\$'000	US\$'000
Trade receivables	5,187,224	3,907,400
Notes receivables	221,681	147,189
Value added tax recoverable	832,127	855,310
Amounts due from joint ventures – trade	345,937	238,111
Amounts due from associates – trade	122,718	116,401
Amounts due from related parties – trade	156,984	64,355
	6,866,671	5,328,766
Less: Allowance for expected credit losses	(33,255)	(50,895)
	6,833,416	5,277,871

Trade receivables, including amounts due from joint ventures, associates and related parties, are non-interest bearing and the average turnover is 32 days (2020: 32 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Notes receivables are non-interest bearing and have a maturity period ranging from 1 to 180 days for the financial years ended 31 December 2021 and 31 December 2020.

The Group has pledged trade receivables amounting to approximately US\$135,156,000 (2020: US\$30,357,000) as security for bank borrowings.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Movement in allowance account:

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	(50,895)	(56,176)
Write back of allowance during the year	9,106	4,922
Acquisition of subsidiaries	(4,797)	(1,832)
Bad debts written off against allowance	13,212	1,759
Currency translation differences	119	432
At 31 December	(33,255)	(50,895)

Financial assets carried at amortised cost

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	6,833,416	5,277,871	–	–
Other financial receivables – current	4,183,458	4,548,468	5,678,762	5,913,550
Other financial receivables – non-current	150,136	127,642	313,255	303,137
Cash and bank balances – current	6,341,541	5,928,208	1,033	6,371
Other bank deposits – non-current	2,338,437	–	–	–
Total financial assets carried at amortised cost	19,846,988	15,882,189	5,993,050	6,223,058

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. OTHER BANK DEPOSITS CASH AND BANK BALANCES

	Group	
	2021	2020
	US\$'000	US\$'000
Non-current:		
Fixed deposits pledged with financial institutions for bank facilities	1,999,648	–
Other deposits with maturity more than 12 months	338,789	–
	2,338,437	–
Current:		
Fixed deposits pledged with financial institutions for bank facilities	1,964,548	1,136,131
Other deposits with maturity more than 3 months	1,684,452	2,085,913
	3,649,000	3,222,044
	5,987,437	3,222,044

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks and on hand	1,945,593	2,175,056	1,033	6,371
Short-term and other deposits	746,948	531,108	–	–
Cash and bank balances	2,692,541	2,706,164	1,033	6,371

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the Group is 2.5% (2020: 2.6%) per annum.

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Other bank deposits	5,987,437	3,222,044	–	–
Cash and bank balances	2,692,541	2,706,164	1,033	6,371
Total cash and bank balances	8,679,978	5,928,208	1,033	6,371

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the balance sheet date:

	Group	
	2021	2020
	US\$'000	US\$'000
Cash and bank balances	2,692,541	2,706,164
Bank overdrafts	(104,898)	(122,668)
Cash and cash equivalents	2,587,643	2,583,496

25. TRADE PAYABLES

	Group	
	2021	2020
	US\$'000	US\$'000
Trade payables	1,840,604	1,492,450
Value added tax payable	24,965	24,664
Amounts due to joint ventures – trade	45,085	23,983
Amounts due to associates – trade	52,199	72,049
Amounts due to related parties – trade	46,220	302
	2,009,073	1,613,448

Trade payables, including amounts due to joint ventures, associates and related parties, are non-interest bearing and the average turnover is 12 days (2020: 14 days).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. TRADE PAYABLES (CONTINUED)

Financial liabilities carried at amortised cost

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	2,009,073	1,613,448	–	–
Other financial payables – current	2,374,133	2,084,097	5,376,050	5,566,865
Other financial payables – non-current	276,525	268,604	1,425,000	589,708
Loans and borrowings	29,114,481	23,149,472	308,724	486,773
Total financial liabilities carried at amortised cost	33,774,212	27,115,621	7,109,774	6,643,346

26. OTHER FINANCIAL PAYABLES

OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Current:				
Advances from non-controlling shareholders of subsidiaries	31,929	4,695	–	–
Accrued operating expenses	1,224,356	1,102,695	23,657	23,350
Amounts due to subsidiaries – non-trade	–	–	5,351,258	5,542,118
Amounts due to joint ventures – non-trade	41,420	42,990	–	346
Amounts due to associates – non-trade	12,535	12,289	43	26
Amounts due to related parties – non-trade	2,598	3,475	89	89
Deposits from third parties	260,434	264,537	8	–
Payable for property, plant and equipment	313,520	244,693	–	–
Other tax payables	15,748	16,621	–	–
Lease liabilities	59,637	49,307	–	–
Other payables	411,956	342,795	995	936
Other financial payables	2,374,133	2,084,097	5,376,050	5,566,865
Non-current:				
Advances from non-controlling shareholders of subsidiaries	58,560	48,501	–	–
Amounts due to subsidiaries – non-trade	–	–	1,425,000	589,708
Amounts due to associates – non-trade	5,072	3	–	–
Lease liabilities	204,857	215,670	–	–
Other payables	8,036	4,430	–	–
Other financial payables	276,525	268,604	1,425,000	589,708
Current:				
Advances from customers and others	862,926	764,248	–	–
Other non-financial liabilities	862,926	764,248	–	–
Non-current:				
Provision for employee gratuity	98,369	113,014	–	–
Deferred income – government grants	102,354	69,664	–	–
Other non-financial liabilities	200,723	182,678	–	–

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26. OTHER FINANCIAL PAYABLES

OTHER NON-FINANCIAL LIABILITIES (CONTINUED)

The current amounts due to subsidiaries by the Company and the current amounts due to associates, joint ventures and related parties by the Group are unsecured, non-interest bearing and repayable on demand except for amounts due to associates of approximately US\$871,000 (2020: US\$834,000) and amounts due to joint ventures of approximately US\$29,511,000 (2020: US\$38,498,000), which bear interest ranging from 3.0% to 5.3% (2020: 3.2% to 7.1%) per annum. These balances are expected to be settled in cash.

The advances from non-controlling shareholders are unsecured and non-interest bearing except for amounts of approximately US\$27,823,000 (2020: US\$17,369,000), which bear interest rate at 2.8% to 7.0% (2020: 2.4% to 7.0%) per annum. These balances are expected to be settled in cash.

There are no unfulfilled conditions or contingencies attached to the deferred government grants.

27. LOANS AND BORROWINGS

	Note	Maturity	Weighted average interest rate		Group		Company	
			2021	2020	2021	2020	2021	2020
			%	%	US\$'000	US\$'000	US\$'000	US\$'000
Current:								
Bank term loans	(a)	2022	1	2	2,792,099	1,952,723	–	–
Short-term/pre-shipment loans	(a)	2022	2	2	11,515,403	10,099,340	–	–
Trust receipts/bill discounts	(a)	2022	1	1	7,562,699	4,801,154	–	–
Bank overdrafts	(b)	2022	7	5	104,898	122,668	–	–
Medium Term Notes	(c)	2022	1	3	308,724	163,593	308,724	163,593
Redeemable non-convertible debentures	(d)	2022	12	12	8,012	6,416	–	–
					22,291,835	17,145,894	308,724	163,593
Non-current:								
Bank term loans	(a)	2023–2029	2	2	6,723,374	5,654,487	–	–
Medium Term Notes	(c)	2024	3	1	78,417	323,180	–	323,180
Redeemable non-convertible debentures/redeemable preference shares/optionally convertible preference shares	(d)	2024	12	12	20,855	25,911	–	–
					6,822,646	6,003,578	–	323,180
Total loans and borrowings					29,114,481	23,149,472	308,724	486,773

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27. LOANS AND BORROWINGS (CONTINUED)

The terms and conditions and securities for interest bearing loans and borrowings are as follows:

(a) Bank term loans/short-term/pre-shipment loans/trust receipts/bill discounts

A portion of the Group's loans is secured by a pledge over property, plant and equipment, fixed deposits, trade receivables, inventories, other deposits with financial institutions and corporate guarantees from the Company and certain subsidiaries.

(b) Bank overdrafts

Certain bank overdrafts are secured by corporate guarantees from the Company.

(c) Medium Term Notes

The Company issued the following notes:

- on 26 April 2017, a 5-year Medium Term Note of Japanese Yen 10 billion at a fixed rate of 0.58% per annum;
- on 20 July 2020, a 2-year Medium Term Note of Singapore Dollars 100 million at a fixed rate of 0.90% per annum; and
- on 9 November 2020, a 2-year Medium Term Note of Singapore Dollars 200 million at a fixed rate of 0.90% per annum.

On 29 November 2021, a subsidiary issued a 3-year Medium Term Note of Chinese Renminbi 500 million at a fixed rate of 3.14% per annum.

(d) Redeemable non-convertible debentures/redeemable preference shares/optionally convertible preference shares

The redeemable non-convertible debentures ("NCD") are secured by certain immovable and movable properties and current assets of a subsidiary. The NCD issued to Life Insurance Corporation of India ("LIC") are repayable in 20 structured quarterly instalments, bearing effective interest rates between 11.3% to 11.7%. The subsidiary is in the process of obtaining regulatory approval to restructure the NCD issued to LIC.

The remaining non-convertible debentures, redeemable preference shares and optionally convertible preference shares have been redeemed in 2021.

(e) The bank facilities, up to a limit of approximately US\$13,573,627,000 (2020: US\$11,399,616,000), are guaranteed by the Company and certain subsidiaries.

(f) The Group has bank loans and other bank deposits amounting to approximately US\$3,493,302,000 (2020: US\$3,094,565,000), disclosed off-balance sheet for the financial year ended 31 December 2021 as the Group has transferred substantially all the risks and rewards of the cash flows arising from the deposits and have also legally been released from the responsibility for the loans.

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28. SHARE CAPITAL TREASURY SHARES

(a) Share capital

	Group		Company	
	Number of shares '000	US\$'000	Number of shares '000	US\$'000
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	6,403,402	8,458,995	6,403,402	8,895,134

The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as and when declared by the Company. All ordinary shares, except for treasury shares, carry one vote per share without restrictions. The ordinary shares have no par value. All the above issued ordinary shares are fully paid.

The Company has granted options to both directors and executives of the Group to subscribe for the Company's ordinary shares.

(b) Treasury shares

	Group and Company	
	Number of shares '000	US\$'000
At 1 January 2020	(62,529)	(122,579)
Acquired during the financial year	(44,716)	(141,009)
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	20,075	43,888
– Transferred from employee share option reserve	–	8,382
– Transferred to general reserve on reissuance of treasury shares	–	(10,721)
	20,075	41,549
At 31 December 2020 and 1 January 2021	(87,170)	(222,039)
Acquired during the financial year	(28,047)	(97,503)
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	6,987	15,877
– Transferred from employee share option reserve	–	2,905
– Transferred to general reserve on reissuance of treasury shares	–	(4,126)
	6,987	14,656
At 31 December 2021	(108,230)	(304,886)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

28,047,000 shares (2020: 44,716,000) had been acquired during the financial year.

Options for a total of 6,987,000 ordinary shares (2020: 20,075,000) were exercised during the financial year pursuant to Wilmar ESOS 2009.

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29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	145,383	145,383	145,379	145,379
Merger reserve	(1,929,314)	(1,929,314)	–	–
Foreign currency translation reserve	733,637	571,997	–	–
General reserve	646,199	493,957	31,886	27,760
Equity transaction reserve	388,767	426,452	–	–
Hedging reserve	1,149	(73,501)	–	–
Employee share option reserve	28,163	24,197	28,163	24,197
Fair value reserve	29,822	24,496	–	–
Asset revaluation reserve	5,514	5,514	–	–
Cost of hedging reserve	(6,375)	2,981	–	–
Total other reserves	42,945	(307,838)	205,428	197,336

(b) Movements:

(i) Capital reserve

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January and 31 December	145,383	145,383	145,379	145,379

Capital reserve includes both ordinary shares granted to employees and the equity component of convertible bonds.

Capital reserve arising from granting of ordinary shares to employees represents the difference between the market price and the settlement price on ordinary shares which were transferred from Wilmar Holdings Pte Ltd ("WHPL"), former holding company of the Company, to employees of Wilmar group of companies as a reward for their service with the Group.

Equity component of convertible bonds represents the residual amount included in shareholders' equity in capital reserve.

(ii) Merger reserve

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January and 31 December	(1,929,314)	(1,929,314)

Merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under the acquisition of all WHPL interests in its subsidiaries and associated companies, save for its interests in the Company, and shares owned by Archer Daniels Midland Asia-Pacific Limited ("ADM") and/or its affiliated companies ("ADM Group") in companies where ADM Group holds shares with WHPL, together with non-controlling interests held by WHPL in certain subsidiaries of the Company ("IPT Assets"). The above transaction was accounted for using the pooling-of-interest method in 2007.

NOTES TO THE FINANCIAL STATEMENTS

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29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(iii) Foreign currency translation reserve

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	571,997	(156,377)
Currency translation differences of foreign operations	162,515	728,139
Disposal/liquidation of subsidiaries	(875)	235
At 31 December	733,637	571,997

(iv) General reserve

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	493,957	359,282	27,760	17,039
Transferred from retained earnings	148,653	98,950	—	—
Gain on reissuance of treasury shares	4,126	10,721	4,126	10,721
(Loss)/gain on remeasurements of defined benefit plan	(537)	25,004	—	—
At 31 December	646,199	493,957	31,886	27,760

- (a) In accordance with the Group's China subsidiaries' Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund are determined by the Board of Directors of the China subsidiaries. For the other China subsidiaries, the entities are required to appropriate not less than 10% of the net profits to the statutory capital reserve, as long as the statutory capital reserve is below 50% of registered capital.
- (b) In accordance with "The Law of Republic of Indonesia" No. 40/2007 concerning Limited Liability Companies, a company must allocate a portion of its net profits in each year as reserves. Allocation of net profit shall be made until the reserves have aggregated at least 20% of the issued capital and paid up capital.
- (c) Gain or loss on remeasurements of defined benefit plan arises from remeasurements of defined benefit plan. Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income as general reserve in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to income statement in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(v) *Equity transaction reserve*

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	426,452	(241,115)
Disposal of subsidiaries	–	(1,062)
Acquisition of additional interest in subsidiaries	(37,998)	(154,864)
Dilution of interest in subsidiaries	313	823,493
At 31 December	388,767	426,452

(vi) *Hedging reserve*

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	(73,501)	(50,789)
Fair value adjustment on cash flow hedges	78,035	(16,522)
Recognised in the income statement on derivatives contracts realised	(3,385)	(6,190)
At 31 December	1,149	(73,501)

Hedging reserve represents the cumulative fair value changes, net of tax, of the derivatives contracts designated as cash flow hedges.

(vii) *Employee share option reserve*

	Group and Company	
	2021	2020
	US\$'000	US\$'000
At 1 January	24,197	71,335
Grant of equity-settled share options	6,871	3,467
Expiry of employee share options transferred to retained earnings	–	(42,223)
Reissuance of treasury shares pursuant to exercise of equity-settled share options	(2,905)	(8,382)
At 31 December	28,163	24,197

Employee share option reserve represents the equity-settled share options granted to employees (including directors) (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

(viii) *Fair value reserve*

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	24,496	112,698
Fair value adjustment on investment securities at FVOCI	5,326	(88,202)
At 31 December	29,822	24,496

Fair value reserve represents the cumulative fair value changes, net of tax, of investment securities at FVOCI until they are disposed or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(ix) Asset revaluation reserve

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January and 31 December	5,514	5,514

(x) Cost of hedging reserve

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	2,981	(4,174)
Fair value adjustment on forward elements of forward contracts	(9,356)	7,155
At 31 December	(6,375)	2,981

30. PROVISION FOR EMPLOYEE GRATUITY

The estimated liabilities for employee gratuity based on the actuarial report have been determined using the following assumptions:

	Group	
	2021	2020
Discount rate	7.55% per annum	7.5% per annum
Wages and salaries increase	7% per annum	7% per annum
Retirement age	57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age	57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age
Mortality rate	TMI 2019	TMI 2019
Method	Projected unit credit	Projected unit credit

The details of the employee gratuity expense recognised in the income statement are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Current service costs	4,123	9,666
Adjustment of new entrant employees/transfers	158	630
Interest costs	7,215	9,353
Curtailment loss	—	(573)
Past service costs	(17,912)	(35)
	(6,416)	19,041

The provision for employee gratuity recognised in the balance sheet represent the present value of the defined benefit obligation. The movement in provision for employee gratuity is as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
At 1 January	113,014	131,340
Acquisition of subsidiaries	588	110
(Write back)/provision made for the year	(6,416)	19,041
Payments during the year	(7,339)	(5,477)
Currency translation differences	(1,455)	(88)
Remeasurements of defined benefit plan during the year	(23)	(31,912)
At 31 December	98,369	113,014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS

	Group	
	2021	2020
	US\$'000	US\$'000
Employee benefits expense (including directors):		
Salaries and bonuses	1,709,340	1,507,669
Defined contribution plans	205,025	113,787
Share-based payments	6,871	3,467
Other short-term benefits	171,418	144,147
Other long-term benefits	(980)	23,157
	2,091,674	1,792,227
Less: Amount capitalised as bearer plants	(6,820)	(9,577)
	2,084,854	1,782,650

Share option schemes

Wilmar Executives Share Option Scheme 2009 ("Wilmar ESOS 2009")

The Wilmar ESOS 2009 was adopted to replace the Wilmar Executive Share Option Scheme 2000 ("Wilmar ESOS 2000"). Wilmar ESOS 2009 was approved by shareholders at the Company's extraordinary general meeting ("EGM") held on 29 April 2009 and it expired on 28 April 2019.

For the entire duration of the Wilmar ESOS 2009, the Company granted options for a total of 221,555,000 ordinary shares of the Company in accordance with the rules of the aforesaid scheme. As at 31 December 2021, options for a total of 54,445,100 ordinary shares were exercised, options for a total of 153,151,500 ordinary shares had lapsed/expired and options for a total of 13,958,400 ordinary shares remain valid until their respective expiry dates.

2017 Grant

On 8 September 2017, the Company granted options to subscribe for a total of 62,585,000 ordinary shares of the Company at S\$3.04 per share (at a 7.32% discount to the Market Price (as defined at the next page)) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 13,958,400.

All options granted under the 2017 Grant are valid for a period of five years from the date of the grant and are exercisable in the following manner:

For Executive Directors and executives

- After 2nd anniversary of the date of grant – 33% of options granted
- After 3rd anniversary of the date of grant – 33% of options granted
- After 4th anniversary of the date of grant – 34% of options granted

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019")

The Wilmar ESOS 2019, the rules of which were set out in a circular to shareholders dated 4 April 2019, was approved by shareholders at the Company's EGM held on 24 April 2019. It was adopted to replace the Wilmar ESOS 2009 which expired on 28 April 2019.

Under the rules of the Wilmar ESOS 2019:

- (a) the eligible participants may be granted options to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price up to a maximum of 20%;
- (b) the maximum number of ordinary shares (in respect of the options) that may be granted under the Wilmar ESOS 2019, after taking into account (i) the total number of new ordinary shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares and subsidiary holdings delivered in respect of options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant date of grant;
- (c) controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Wilmar ESOS 2019; and
- (d) there is no restriction on the eligibility of any participant to participate in any other share options or share incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

The Wilmar ESOS 2019 is administered by the Remuneration Committee ("RC"). The members of the RC are Mr Kwah Thiam Hock (Chairman), Mr Tay Kah Chye and Mr Lim Siong Guan, all of whom are Independent Directors. The RC is authorised to determine, inter alia, the persons to be granted options, the number of options to be granted, whether the options continue to be valid in the event of cessation of employment (as provided under the rules of Wilmar ESOS 2019), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2019 (if deemed appropriate).

2020 Grant

On 29 September 2020, the Company granted options to subscribe for a total of 40,380,000 ordinary shares of the Company at S\$3.94 per share (at a 10% discount to the Market Price) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 39,755,000. The options are valid for a period of five years (including the respective vesting periods) from the date of grant and are exercisable in the following manner:

For Executive Directors and executives

- | | | |
|--|---|------------------------|
| • After 2 nd anniversary of the date of grant | – | 33% of options granted |
| • After 3 rd anniversary of the date of grant | – | 33% of options granted |
| • After 4 th anniversary of the date of grant | – | 34% of options granted |

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Date of grant	Opening balance	Options granted	Options lapsed/ expired	Options exercised	Closing balance	Exercise price	Exercise period
2021							
<i>Wilmar ESOS 2009</i>							
08.09.2017	6,585,400	–	(24,700)	(2,304,000)	4,256,700	S\$3.04	09.09.2019 to 08.09.2022
08.09.2017	5,249,200	–	(24,700)	(2,234,100)	2,990,400	S\$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,246,300	–	(86,400)	(2,448,600)	6,711,300	S\$3.04	09.09.2021 to 08.09.2022
	<u>21,080,900</u>	<u>–</u>	<u>(135,800)</u>	<u>(6,986,700)</u>	<u>13,958,400</u>		
<i>Wilmar ESOS 2019</i>							
29.09.2020	16,541,400	–	(541,200)	–	16,000,200	S\$3.94	30.09.2022 to 29.09.2025
29.09.2020	11,741,400	–	(41,200)	–	11,700,200	S\$3.94	30.09.2023 to 29.09.2025
29.09.2020	12,097,200	–	(42,600)	–	12,054,600	S\$3.94	30.09.2024 to 29.09.2025
	<u>40,380,000</u>	<u>–</u>	<u>(625,000)</u>	<u>–</u>	<u>39,755,000</u>		
Total	<u>61,460,900</u>	<u>–</u>	<u>(760,800)</u>	<u>(6,986,700)</u>	<u>53,713,400</u>		
2020							
<i>Wilmar ESOS 2009</i>							
18.06.2015	4,709,964	–	(883,964)	(3,826,000)	–	S\$3.05	19.06.2017 to 18.06.2020
18.06.2015	3,283,564	–	(62,914)	(3,220,650)	–	S\$3.05	19.06.2018 to 18.06.2020
18.06.2015	4,693,472	–	(93,622)	(4,599,850)	–	S\$3.05	19.06.2019 to 18.06.2020
	<u>12,687,000</u>	<u>–</u>	<u>(1,040,500)</u>	<u>(11,646,500)</u>	<u>–</u>		
08.09.2017	12,175,450	–	(906,000)	(4,684,050)	6,585,400	S\$3.04	09.09.2019 to 08.09.2022
08.09.2017	9,370,350	–	(376,200)	(3,744,950)	5,249,200	S\$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,654,300	–	(408,000)	–	9,246,300	S\$3.04	09.09.2021 to 08.09.2022
	<u>31,200,100</u>	<u>–</u>	<u>(1,690,200)</u>	<u>(8,429,000)</u>	<u>21,080,900</u>		
<i>Wilmar ESOS 2019</i>							
29.09.2020	–	16,541,400	–	–	16,541,400	S\$3.94	30.09.2022 to 29.09.2025
29.09.2020	–	11,741,400	–	–	11,741,400	S\$3.94	30.09.2023 to 29.09.2025
29.09.2020	–	12,097,200	–	–	12,097,200	S\$3.94	30.09.2024 to 29.09.2025
	<u>–</u>	<u>40,380,000</u>	<u>–</u>	<u>–</u>	<u>40,380,000</u>		
Total	<u>43,887,100</u>	<u>40,380,000</u>	<u>(2,730,700)</u>	<u>(20,075,500)</u>	<u>61,460,900</u>		

No options (2020: 40,380,000 ordinary shares) were granted during the financial year ended 31 December 2021.

Options for a total of 6,986,700 ordinary shares (2020: 20,075,500 ordinary shares) were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009.

The weighted average share price at the date of exercise of the options during the financial year was S\$4.77 (2020: S\$4.05).

The range of exercise prices for options outstanding at the end of the financial year were from S\$3.04 to S\$3.94 (2020: S\$3.04 to S\$3.94). The weighted average contractual life for these options was 3.0 years (2020: 3.7 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Option Valuation Module, taking into account the terms and conditions upon which the options were granted. The inputs to the models used are as follows:

Grant year	2021	2020
Dividend (S\$ per share)	No issuance	0.16
Expected volatility	No issuance	0.24
Risk-free interest rate (% p.a.)	No issuance	0.46
Expected life of option (years)	No issuance	5.00
Weighted average share price at date of grant (S\$)	No issuance	4.14

32. LEASES

COMMITMENTS AND CONTINGENCIES

The Group has entered into commercial leases on certain premises and equipment. The Group also has certain leases with lease terms of 12 months or less and leases with low value, which the Group applied the recognition exemptions for these leases.

Lease liabilities

	Group	
	2021	2020
	US\$'000	US\$'000
Balance at beginning	264,977	210,828
Currency translation differences	(6,354)	7,858
Acquisition of subsidiaries	4,770	26,900
Additions	82,265	81,435
Accretion of interest	11,849	11,228
Payments	(81,951)	(69,371)
Disposals	(11,062)	(3,901)
	264,494	264,977
Lease liabilities – current	59,637	49,307
Lease liabilities – non-current	204,857	215,670
	264,494	264,977

Amounts recognised in income statement

	Group	
	2021	2020
	US\$'000	US\$'000
Depreciation of right-of-use assets	112,561	98,267
Interest expense on lease liabilities	11,849	11,228
Expense relating to short-term leases	129,874	93,766
Expense relating to leases of low-value assets	1,000	430
Total amounts recognised in income statement	255,284	203,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. LEASES

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Capital commitments in respect of property, plant and equipment	1,834,852	1,247,455

(b) Commitments for sales and purchases contracts

The Group has the following committed sales and purchases contracts that are entered into for the use of the Group. The contractual or underlying principal amounts of the committed contracts with fixed pricing terms that were outstanding as at 31 December are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Committed contracts		
Purchases	7,523,731	8,648,977
Sales	10,360,412	8,532,943

(c) Corporate guarantees

The following are the corporate guarantees for the credit facilities extended by banks to:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Subsidiaries	–	–	11,747,044	9,676,108
Joint ventures	3,871	9,221	3,871	9,221
Associates	250,020	157,000	250,020	157,000
	253,891	166,221	12,000,935	9,842,329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2021	2020
	US\$'000	US\$'000
Related parties		
Dividend income	–	6,427
Dividend paid	2	2,000
Freight charges	106,698	114,233
Interest expense	105	180
Interest income	3,311	4,451
Other income	4,277	3,871
Other expense	3,508	3,120
Purchase of goods	1,110,708	970,947
Sale of goods	492,549	226,089
Ship charter income	8,952	5,945
Joint ventures		
Dividend income	11,339	27,766
Freight charges	3,387	90,060
Interest expense	1,450	1,903
Interest income	3,257	4,092
Other income	31,614	36,052
Other expense	19,913	179
Purchase of goods	1,119,880	999,339
Sale of goods	2,022,374	1,232,831
Ship charter income	7,082	3,181
Associates		
Dividend income	58,383	55,700
Freight charges	2,453	2,002
Interest expense	264	198
Interest income	4,827	8,828
Other income	33,867	19,181
Other expense	19,668	25,201
Purchase of goods	1,022,030	787,304
Sale of goods	1,101,038	860,827
Ship charter income	77,687	66,035

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

	Group	
	2021 US\$'000	2020 US\$'000
Defined contribution plans	156	160
Salaries and bonuses	34,360	30,899
Short-term employee benefits (including grant of share options)	3,016	1,503
	37,532	32,562
<i>Comprise amounts paid to:</i>		
Directors of the Company	14,136	11,445
Other key management personnel	23,396	21,117
	37,532	32,562

34. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:

	Group			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
2021				
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	35,058	263,557	66,686	365,301
Investment securities at FVPL	326,846	–	–	326,846
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	137,265	–	137,265
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	232,664	206,008	–	438,672
At 31 December 2021	594,568	606,830	66,686	1,268,084
Non-financial assets:				
Biological assets	–	–	66,012	66,012
Investment properties	–	–	38,286	38,286
At 31 December 2021	–	–	104,298	104,298
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	180,912	–	180,912
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	298,379	142,600	–	440,979
At 31 December 2021	298,379	323,512	–	621,891

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Fair value of assets and liabilities that are carried at fair value (continued)

	Group			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
2020				
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	46,826	252,869	71,113	370,808
Investment securities at FVPL	286,706	–	–	286,706
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	185,348	–	185,348
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	270,805	246,284	–	517,089
At 31 December 2020	604,337	684,501	71,113	1,359,951
Non-financial assets:				
Biological assets	–	–	44,724	44,724
Investment properties	–	–	32,475	32,475
At 31 December 2020	–	–	77,199	77,199
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	254,837	–	254,837
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	551,599	137,129	–	688,728
At 31 December 2020	551,599	391,966	–	943,565

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Fair value of assets and liabilities that are carried at fair value (continued)

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of assets and liabilities other than those whose carrying amounts reasonably approximate their fair values as mentioned in Note 34(b), are as follows:

<u>Assets and liabilities</u>	<u>Methods and assumptions</u>
<ul style="list-style-type: none"> Quoted equity instruments 	Other than the quoted equity instruments disclosed in level 3, fair value is determined directly by reference to their published market bid price at the balance sheet date.
<ul style="list-style-type: none"> Investment funds 	The fair value is determined by reference to valuation provided by non-related fund managers.
<ul style="list-style-type: none"> Unquoted equity instruments 	The fair value is derived using valuation methods which includes earnings multiple approach and discounted cash flows.
<ul style="list-style-type: none"> Forward currency contracts 	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
<ul style="list-style-type: none"> Futures, options and swap contracts, interest rate swap and firm commitment contracts 	Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.
<ul style="list-style-type: none"> Biological assets 	Fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. Please refer to Note 14(d) for more details.
<ul style="list-style-type: none"> Investment properties 	The fair value of investment property is based on current and estimated future rental income generated from comparable properties. Please refer to Note 13 for more details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Fair value of assets and liabilities that are carried at fair value (continued)

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3).

	Group			
	Investment securities US\$'000	Biological assets US\$'000	Investment properties US\$'000	Total US\$'000
At 1 January 2020	186,515	38,641	33,181	258,337
Total gain/(loss) recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	–	6,107	–	6,107
– Net loss arising from changes in fair value of investment properties	–	–	(2,834)	(2,834)
Additions	132	–	–	132
Disposals	(41,079)	–	–	(41,079)
Total (loss)/gain recognised in the other comprehensive income:				
– Net loss arising from changes in fair value	(78,023)	–	–	(78,023)
– Foreign currency translation	3,568	(24)	2,128	5,672
At 31 December 2020	71,113	44,724	32,475	148,312
At 1 January 2021	71,113	44,724	32,475	148,312
Total gain recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	–	21,335	–	21,335
– Net gain arising from changes in fair value of investment properties	–	–	2,129	2,129
Additions	1,114	–	–	1,114
Transfer from property, plant and equipment	–	–	2,758	2,758
Transfer to level 2	(8,096)	–	–	(8,096)
Total gain/(loss) recognised in the other comprehensive income:				
– Net gain arising from changes in fair value	4,820	–	–	4,820
– Foreign currency translation	(2,265)	(47)	924	(1,388)
At 31 December 2021	66,686	66,012	38,286	170,984

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2021 and 31 December 2020.

There has been transfer of investment securities from Level 3 to Level 2 for the financial year ended 31 December 2021 based on offer received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Fair value of assets and liabilities that are carried at fair value (continued)

Impact of changes to key assumptions Level 3 fair value measurement of financial instruments

The following table shows the impact on Level 3 fair value measurement of financial instruments by using reasonably possible alternative assumptions:

	Group			
	2021 US\$'000		2020 US\$'000	
	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
– Quoted equity instruments	35,270	(i)	37,416	(i)
– Unquoted equity instruments	31,416	(ii)	33,697	(ii)

(i) The fair value of the quoted equity instruments is estimated using a discounted cash flow model, which includes some assumptions that are not supported by observable market data, including future estimated dividend income.

(ii) The estimated fair value of unquoted equity instruments were determined based on valuation methods including the earnings multiple approach and discounted cash flow model.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Group			
	2021 US\$'000		2020 US\$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Other financial receivables	150,136	#	127,642	#
Financial liabilities:				
Other financial payables	276,525	#	268,604	#
Company				
	2021 US\$'000		2020 US\$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Other financial receivables	313,255	#	303,137	#
Financial liabilities:				
Other financial payables	1,425,000	#	589,708	#

Fair value information has not been disclosed for these financial instruments because fair value cannot be measured reliably.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by its risk management system. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31 December 2021 and 31 December 2020.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group. Wilmar's risk governance structure comprises three levels:

- The Risk Management Committee at the Board level;
- The Executive Risk Committee; and
- Risk management by the respective operating units.

The Board level Risk Management Committee is responsible for

- overseeing the Executive Risk Committee;
- reviewing the overall risk management guidelines/framework;
- reviewing and recommending risk limits; and
- assessing the adequacy and effectiveness of the risk management policies and systems.

The Executive Risk Committee comprises Senior Executives and its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of the risk management system and the review of positions and limits to manage overall risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For other financial assets (including investment securities, cash and deposits and derivatives), the Group minimises credit risk by dealing with high credit rating counterparties. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit rating counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Financial assets are written off when there is no reasonable expectation of recovery. Where financial assets are written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the income statement.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and segment profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net of allowance for expected credit losses) at the balance sheet date is as follows:

	Group			
	2021		2020	
	US\$'000	%	US\$'000	%
By country:				
People's Republic of China	2,321,778	34	1,877,599	36
South East Asia	1,813,221	27	1,367,316	26
Europe	359,243	5	272,057	5
Africa	471,217	7	308,720	6
Australia/New Zealand	349,682	5	293,820	5
India	283,124	4	210,870	4
Others	1,235,151	18	947,489	18
	6,833,416	100	5,277,871	100
	Group			
	2021		2020	
	US\$'000	%	US\$'000	%
By segment:				
Food Products	1,992,534	29	1,647,812	31
Feed and Industrial Products	4,419,581	65	3,334,764	64
Plantation and Sugar Milling	330,614	5	125,701	2
Others	90,687	1	169,594	3
	6,833,416	100	5,277,871	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents, investment securities at FVOCI/FVPL and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are impaired

Information regarding financial assets that are impaired is disclosed in Note 23.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group maintains sufficient liquidity by closely monitoring its cash flow. Due to the dynamic nature of its underlying business, the Group adopts prudent liquidity risk management policies in maintaining sufficient credit facilities, including the use of trade finance for the Group's raw material purchases. The Group also aims at maintaining flexibility in funding by keeping credit facilities available with different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted amounts.

	2021 US\$'000				2020 US\$'000			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
Group								
Financial assets:								
Investment securities at FVOCI	–	365,301	–	365,301	–	370,808	–	370,808
Investment securities at FVPL	326,846	–	–	326,846	286,706	–	–	286,706
Trade and other financial receivables	11,053,365	151,692	–	11,205,057	9,875,655	130,028	–	10,005,683
Derivative financial instruments	563,981	11,956	–	575,937	641,249	61,188	–	702,437
Total cash and bank balances	6,386,542	2,393,782	118,745	8,899,069	6,031,651	–	–	6,031,651
Total undiscounted financial assets	18,330,734	2,922,731	118,745	21,372,210	16,835,261	562,024	–	17,397,285
Financial liabilities:								
Trade and other financial payables	4,391,927	230,036	99,503	4,721,466	3,715,713	430,795	111,061	4,257,569
Derivative financial instruments	566,612	55,279	–	621,891	893,729	49,836	–	943,565
Loans and borrowings	22,420,897	7,088,047	7,521	29,516,465	17,245,956	6,170,688	10,268	23,426,912
Total undiscounted financial liabilities	27,379,436	7,373,362	107,024	34,859,822	21,855,398	6,651,319	121,329	28,628,046
Total net undiscounted financial (liabilities)/ assets	(9,048,702)	(4,450,631)	11,721	(13,487,612)	(5,020,137)	(6,089,295)	(121,329)	(11,230,761)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2021 US\$'000				2020 US\$'000			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
Company								
Financial assets:								
Other financial receivables	5,680,380	313,255	–	5,993,635	5,915,929	303,137	–	6,219,066
Total cash and bank balances	1,033	–	–	1,033	6,371	–	–	6,371
Total undiscounted financial assets	5,681,413	313,255	–	5,994,668	5,922,300	303,137	–	6,225,437
Financial liabilities:								
Other financial payables	5,453,320	1,461,561	–	6,914,881	5,657,472	604,349	–	6,261,821
Loans and borrowings	308,724	–	–	308,724	163,593	323,180	–	486,773
Total undiscounted financial liabilities	5,762,044	1,461,561	–	7,223,605	5,821,065	927,529	–	6,748,594
Total net undiscounted financial (liabilities)/assets	(80,631)	(1,148,306)	–	(1,228,937)	101,235	(624,392)	–	(523,157)

The table below shows the contractual expiry by maturity of the Group's and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2021 US\$'000				2020 US\$'000			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
Group								
Financial guarantees	253,891	–	–	253,891	157,350	8,871	–	166,221
Company								
Financial guarantees	4,876,443	6,820,667	303,825	12,000,935	4,179,347	5,614,954	48,028	9,842,329

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings, interest-bearing loans given to joint ventures, associates, related parties and non-controlling shareholders of subsidiaries and deposits with financial institutions.

At the balance sheet date, if the interest rates had been 50 (2020: 50) basis points lower/higher with all other variables including tax rate held constant, the Group's profit before tax will be higher/lower by approximately US\$76,852,000 (2020: US\$59,201,000), as a result of lower/higher interest expense on these net borrowings. As most of the Group's borrowings are short-term and trade related, any interest rate costs are typically priced into the respective trade transactions. Accordingly, the Group has minimum interest rate exposure risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk

The Group operates in several countries with dominant operations in Singapore, People's Republic of China, Indonesia, Malaysia, Australia, Europe, Ghana, Nigeria, Vietnam, India and others. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar (USD), Chinese Renminbi (RMB), Malaysian Ringgit (MYR), Indonesian Rupiah (IDR), Indian Rupees (INR) and Australian Dollar (AUD).

Currency risk arises when transactions are denominated in foreign currencies. The Group seeks to manage its foreign currency exposure by constructing natural hedges when it matches sales and purchases in any single currency or through financial instruments, such as foreign currency forward exchange contracts. To manage the currency risk, individual entities within the Group consult with Group Treasury to enter into currency forwards, either in their respective countries or with Group Treasury itself. Group Treasury in turn manages the overall currency exposure mainly through currency forwards.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Indonesia, People's Republic of China, Australia, Europe, Ghana, Nigeria, Vietnam, India and others. The Group's net investments in these countries are not hedged as currency positions in these foreign currencies are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

A 5% (2020: 5%) strengthening of the United States dollar against the following currencies at the balance sheet date would have (decreased)/increased profit before tax and equity by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group			
	Profit before tax		Equity (Hedging Reserve including cost of hedging)	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Chinese Renminbi	(2,995)	(6,793)	–	–
Malaysian Ringgit	(1,347)	(1,602)	(30,961)	(23,042)
Indonesian Rupiah	15,423	(8,766)	(20,391)	(17,677)
Others	(11,251)	(10,924)	(997)	(423)

(e) Commodity price risk

The prices of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subjected to price fluctuations in the commodities market.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise its risks arising from such fluctuations by hedging its sales either through direct purchases of a similar commodity or through futures contracts on the commodity exchanges. The prices on the commodity exchanges are generally quoted up to twelve months forward.

In the course of hedging its sales either through direct purchases or through futures, options and swap contracts, the Group may also be exposed to the inherent risk associated with trading activities conducted by its personnel. The Group has in place a risk management system to manage such risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Commodity price risk (continued)

At the balance sheet date, a 1% (2020: 1%) increase/decrease of the commodities price indices, with all other variables held constant, would have (decreased)/increased profit before tax and equity by the amounts as shown below:

	Group	
	2021	2020
	US\$'000	US\$'000
Effect of increase in commodities price indices on		
Profit before tax	(23,698)	(8,315)
Equity (hedging reserve)	(153)	(2,683)
Effect of decrease in commodities price indices on		
Profit before tax	23,698	8,315
Equity (hedging reserve)	153	2,683

(f) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than commodity price, interest or exchange rates). The Group is exposed to equity price risk arising from its investment in equity instruments. These instruments are classified as investment securities at FVPL or investment securities at FVOCI.

Sensitivity analysis for equity price risk

At the balance sheet date, if the market price had been 5% (2020: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US\$16,343,000 (2020: US\$14,336,000) higher/lower, arising as a result of higher/lower fair value gains of investment securities, and the Group's other reserves in equity would have been approximately US\$18,266,000 (2020: US\$18,541,000) higher/lower, arising as a result of an increase/decrease in the fair value of the investment securities.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new ordinary shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group monitors capital using net gearing ratio and adjusted net gearing ratio.

(a) Net gearing ratio

Net gearing ratio is net debt to equity, which equals net debt divided by total capital. The Group includes within net debt, loans and borrowings less total cash and bank balances and other deposits with financial institutions. Capital includes equity attributable to owners of the Company, i.e. shareholders' funds.

	Group	
	2021	2020
	US\$'000	US\$'000
Shareholders' funds	19,923,875	18,882,355
Loans and borrowings	29,114,481	23,149,472
Less: Cash and bank balances	(8,679,978)	(5,928,208)
Less: Other deposits with financial institutions – current	(3,196,798)	(3,615,798)
Net debt	17,237,705	13,605,466
Net gearing ratio (times)	0.87	0.72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. CAPITAL MANAGEMENT (CONTINUED)

(b) Adjusted net gearing ratio

Adjusted net gearing ratio is adjusted net debt to equity, which equals adjusted net debt divided by total capital. The Group includes within adjusted net debt, net debt less liquid working capital. Liquid working capital includes inventories (excluding consumables) and trade receivables, less current liabilities (excluding loans and borrowings). Capital includes equity attributable to owners of the Company, i.e. shareholders' funds.

	Group	
	2021	2020
	US\$'000	US\$'000
Shareholders' funds	19,923,875	18,882,355
Liquid working capital:		
Inventories (excluding consumables)	11,156,969	8,976,844
Trade receivables	6,833,416	5,277,871
Less: Current liabilities (excluding loans and borrowings)	(6,101,396)	(5,687,262)
Total liquid working capital	11,888,989	8,567,453
Adjusted net debt	5,348,716	5,038,013
Adjusted net gearing ratio (times)	0.27	0.27

37. SEGMENT INFORMATION

Reporting format

For management purposes, the Group is organised into reporting segments based on the types of products and services, and has four reportable operating segments as follows:

Food Products

This segment comprises the processing, branding and distribution of a wide range of edible food products, which includes vegetable oil produced from palm and oilseeds, sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products. These food products are sold in either consumer and medium packaging or in bulk depending on customer requirements.

Feed and Industrial Products

This segment comprises the processing, merchandising and distribution of products, which includes animal feeds, non-edible palm and lauric products, agricultural commodities, oleochemicals, gas oil and biodiesel.

Plantation and Sugar Milling

This segment comprises oil palm plantation and sugar milling activities, which includes the cultivation and milling of palm oil and sugarcane.

Others

This segment includes logistics & jetty port services and investment activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax, deferred tax assets and liabilities, loans and borrowings, corporate assets and related expenses.

Inter-segment sales took place on terms agreed between the various business segments. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

2021

	Food Products US\$'000	Feed and Industrial Products US\$'000	Plantation and Sugar Milling US\$'000	Others US\$'000	Eliminations US\$'000	Per Consolidated Financial Statements US\$'000
Revenue:						
Sales to external customers	28,966,864	35,227,767	1,468,943	130,045	–	65,793,619
Inter-segment	541,286	3,666,756	2,181,996	168,428	(6,558,466)	–
Total revenue	29,508,150	38,894,523	3,650,939	298,473	(6,558,466)	65,793,619
Results:						
Segment results	680,936	1,261,026	564,051	47,224	–	2,553,237
Share of results of joint ventures	2,583	60,731	–	234	–	63,548
Share of results of associates	50,829	27,650	59,980	17,488	–	155,947
Unallocated expenses						(6,871)
Profit before tax						2,765,861
Income tax expense						(699,602)
Profit for the year						2,066,259
Assets and Liabilities:						
Segment assets	23,133,013	23,903,379	6,914,459	8,688,934	(7,762,512)	54,877,273
Investment in joint ventures	304,662	326,220	–	690	–	631,572
Investment in associates	1,021,406	842,309	489,376	521,865	–	2,874,956
Unallocated assets						334,645
Total assets						58,718,446
Segment liabilities	15,498,435	15,911,456	2,760,326	8,664,906	(7,762,512)	35,072,611
Unallocated liabilities						1,043,506
Total liabilities						36,116,117
Other segment information:						
Additions to non-current assets	1,259,528	999,801	191,635	218,480	–	2,669,444
Depreciation, impairment and amortisation	413,892	455,929	224,695	52,140	–	1,146,656
Finance income	205,691	124,530	16,727	236,789	(248,450)	335,287
Finance costs	(338,735)	(304,027)	(31,258)	(169,104)	248,450	(594,674) [#]

[#] Including non-operating finance costs amounting to approximately US\$6,252,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

2020

	Food Products US\$'000	Feed and Industrial Products US\$'000	Plantation and Sugar Milling US\$'000	Others US\$'000	Eliminations US\$'000	Per Consolidated Financial Statements US\$'000
Revenue:						
Sales to external customers	23,208,554	26,068,395	662,369	587,476	–	50,526,794
Inter-segment	388,125	2,864,195	1,492,038	193,119	(4,937,477)	–
Total revenue	23,596,679	28,932,590	2,154,407	780,595	(4,937,477)	50,526,794
Results:						
Segment results	1,152,398	795,877	104,832	59,237	–	2,112,344
Share of results of joint ventures	18,189	51,081	–	1,853	–	71,123
Share of results of associates	79,563	(2,149)	42,437	11,211	–	131,062
Unallocated expenses						(3,467)
Profit before tax						2,311,062
Income tax expense						(620,088)
Profit for the year						1,690,974
Assets and Liabilities:						
Segment assets	19,234,743	19,612,155	5,667,814	8,901,258	(6,069,963)	47,346,007
Investment in joint ventures	341,091	279,824	–	3,244	–	624,159
Investment in associates	951,533	808,946	478,813	487,030	–	2,726,322
Unallocated assets						323,488
Total assets						51,019,976
Segment liabilities	12,571,693	11,493,671	1,639,478	8,884,460	(6,069,963)	28,519,339
Unallocated liabilities						1,117,330
Total liabilities						29,636,669
Other segment information:						
Additions to non-current assets	826,044	869,959	176,048	293,601	–	2,165,652
Depreciation, impairment and amortisation	318,854	411,442	265,944	61,755	–	1,057,995
Finance income	243,459	165,233	16,492	196,921	(202,279)	419,826
Finance costs	(312,105)	(375,997)	(31,466)	(142,927)	202,279	(660,216) [#]

[#] Including non-operating finance costs amounting to approximately US\$9,106,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following item is deducted from segment results to arrive at "profit before tax" presented in the consolidated income statement:

	2021 US\$'000	2020 US\$'000
Share-based payments (executive share options)	(6,871)	(3,467)

C Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets, intangible assets and bearer plants.

D The following items are added to segment assets to arrive at "total assets" reported in the balance sheet:

	2021 US\$'000	2020 US\$'000
Deferred tax assets	204,495	203,494
Tax recoverable	130,150	119,994
	334,645	323,488

E The following items are added to segment liabilities to arrive at "total liabilities" reported in the balance sheet:

	2021 US\$'000	2020 US\$'000
Deferred tax liabilities	367,713	298,817
Tax payable	288,652	331,740
Medium Term Notes	387,141	486,773
	1,043,506	1,117,330

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021 US\$ million	2020 US\$ million	2021 US\$ million	2020 US\$ million
People's Republic of China	34,228	27,570	12,935	9,255
South East Asia	12,311	10,097	8,230	8,080
India	1,853	1,251	999	987
Europe	2,548	1,649	330	309
Australia/New Zealand	2,711	2,315	2,189	2,332
Africa	5,036	3,154	1,236	1,123
Others	7,107	4,491	403	375
	65,794	50,527	26,322	22,461

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, investment properties, investment in joint ventures and associates, plasma investments, bearer plants, intangible assets, other financial receivables, other non-financial assets and other bank deposits as presented in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. DIVIDENDS

	Group and Company	
	2021 US\$'000	2020 US\$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final tax-exempt (one-tier) dividend for 2020: S\$0.090 (2019: S\$0.095) per share	427,664	432,671
– Special tax-exempt (one-tier) dividend for 2020: S\$0.065 (2019: S\$Nil) per share	308,869	–
– Interim tax-exempt (one-tier) dividend for 2021: S\$0.050 (2020: S\$0.040) per share	231,768	185,907
	968,301	618,578
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final tax-exempt (one-tier) dividend for 2021: S\$0.105 (2020: S\$0.090) per share	487,923	427,566
– Special tax-exempt (one-tier) dividend for 2021: S\$Nil (2020: S\$0.065) per share	–	308,798
	487,923	736,364

39. SUBSIDIARIES OF THE GROUP

The following is the list of the significant subsidiaries of the Group.

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Calofic Corporation (formerly known as Cai Lan Oils & Fats Industries Company Ltd) ⁽³⁾	Vietnam	Manufacture and sale of vegetable oils and related products	76	76
PGEO Group Sdn Bhd ⁽²⁾ & its subsidiaries	Malaysia	Investment holding, processing, manufacturing and sale of edible oils, specialty fats, oleochemicals and related products, and manufacturing and trading of fertilisers and vegetarian foods	100	100
PPB Oil Palms Berhad ⁽²⁾ & its subsidiaries	Malaysia	Investment holding and provision of agricultural and technical advisory services, oil palm cultivation, operation of palm oil mills, cultivation and sale of clonal oil palm plantlets	100	100
PT Sentratama Niaga Indonesia ⁽²⁾ & its subsidiaries	Indonesia	Management consulting company, investment company, processing, manufacturing and selling of edible oils and its related products and other consumer goods, oil palm cultivation and palm oil milling, manufacturing and selling of fertilisers, industrial estate, manufacturing and selling of biofuel and/or gasoline and related products, rice milling and trading in rice products, warehousing and e-commerce	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. SUBSIDIARIES OF THE GROUP (CONTINUED)

The following is the list of the significant subsidiaries of the Group.

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Shree Renuka Sugars Limited ⁽²⁾ & its subsidiaries	India	Refining of raw sugar, production of sugar and ethanol derived from sugarcane, sale, distribution, trading and/or branding of sugar and ethanol and generation, distribution, sale and trading of electricity/power	62 ⁺	62 ⁺
Wilmar Africa Limited ⁽³⁾ & its subsidiary	Ghana	General trading of all kinds of goods and related trade activities, agriculture and plantation, fertiliser manufacturers, agro processing, refinery, special fats and oleo chemicals, grains and pulses productions, warehousing and distribution	72 ⁺	72 ⁺
Wilmar Sugar Australia Limited ⁽²⁾ & its subsidiaries	Australia	Investment holding, manufacturing and merchandising of raw and refined sugar products, molasses, co-generated electricity, ethanol and its by-products and distribution of oleochemicals and a range of other traded products	100	100
Wii Pte. Ltd. ⁽¹⁾ & its subsidiaries	Singapore	Investment holding, finance and treasury centre	100	100
Yihai Kerry Arawana Holdings Co., Ltd ⁽²⁾ & its subsidiaries	People's Republic of China	Investment holding, processing, and merchandising of oilseeds, edible oils and grains	90 ⁺	90 ⁺
Wilmar Europe Holdings B.V. ⁽⁴⁾ & its subsidiaries	The Netherlands	Investment holding, manufacturing, trading, marketing and distribution of edible oils, oleochemicals and biodiesel	100	100
Wilmar Ship Holdings Pte. Ltd. ⁽³⁾ & its subsidiaries	Singapore	Investment holding, ship-owning, ship chartering, ship brokering and ship management	100	100
Wilmar Trading Pte Ltd ⁽¹⁾	Singapore	International trading in edible oils and commodities	100	100
Wilmar GF Singapore Holdings Pte. Ltd. ⁽¹⁾ & its subsidiaries	Singapore	Investment holding, manufacturing, marketing and distribution of food ingredients and consumer branded food, beverage and related products and intellectual property holding and management	100	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by member firms of Ernst & Young Global in the respective countries

(3) Audited by other auditors

(4) Not audited as it is not required under local requirements

+ The effective interest of the Group has been rounded to the nearest whole % as indicated

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP

The following is the list of the significant joint ventures of the Group.

Name of joint ventures	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Adani Wilmar Limited ⁽³⁾ & its subsidiaries [^]	India	Manufacturing, refining, processing and trading of edible oils, non-edible oils and various agro based products like rice, pulses, besan, nuggets, wheat flour, sugar etc	50	50
Global Amines Company Pte. Ltd. ⁽¹⁾ & its subsidiaries	Singapore	Investment holding and production and sale of fatty amines and selected amines derivatives	50	50
Olenex Holdings B.V. ⁽²⁾ & its subsidiaries	The Netherlands	Investment holding and manufacturing, marketing and distribution of edible oils	63 ⁺	63 ⁺
Vietnam Agribusiness Holdings Pte. Ltd. ⁽³⁾ & its subsidiary	Singapore	Trading, selling, distributing, marketing, processing and investing in agribusiness activities and related products	50	45

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by member firms of Ernst & Young Global in the respective countries

(3) Audited by other auditors

+ The effective interest of the Group has been rounded to the nearest whole % as indicated

[^] On 8 February 2022, Adani Wilmar Limited ("AWL"), a 50% owned joint venture of the Group, was listed on BSE Limited and National Stock Exchange of India Limited. Subsequent to the listing of AWL, the Group will be accounting AWL as an associate and will continue to account for its investment in AWL using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP (CONTINUED)

The following is the list of the significant associates of the Group.

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Bidco Uganda Limited ⁽³⁾ & its subsidiaries	Uganda	Manufacture and sale of edible vegetable oils, fats, soaps, ghee and related products and oil palm cultivation	48	48
Changshu Luhua Edible Oil Co., Ltd ⁽³⁾	People's Republic of China	Edible oils refining and packaging	30 ⁺	30 ⁺
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd ⁽³⁾ & its subsidiaries	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging, flour and rice milling, specialty fats processing and warehousing	44	44
Cosumar S.A. ⁽²⁾⁽³⁾ & its subsidiaries	Morocco	Processing of sugarcane and sugar beet, refining of raw sugar, and marketing, trading and distribution of such products, creation and operation of specialised laboratories and design offices in the sugar industries	30 ⁺	30 ⁺
DelMar Pte. Ltd. ⁽¹⁾ & its subsidiaries	Singapore	Investment holding, production and trading of edible oils and fats	52 ⁺	52 ⁺
FFM Berhad ⁽²⁾ & its subsidiaries	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products	20	20
Laiyang Luhua Fragrant Peanut Oil Co., Ltd ⁽³⁾	People's Republic of China	Peanut crushing and edible oils packaging	25 ⁺	25 ⁺
Murzah Wilmar East Africa Limited ⁽³⁾	Tanzania	Manufacturers and traders of cooking oil, cooking fat, soaps & detergents, plastic containers and furnitures	49	49
Perennial Group Private Limited ⁽³⁾ & its subsidiaries	Singapore	Investment holding, real estate investment and development, asset and property management services, and healthcare services	20 ⁺	20 ⁺

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP (CONTINUED)

The following is the list of the significant associates of the Group.

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Shandong Luhua Fragrant Peanut Oil Co., Ltd ⁽³⁾	People's Republic of China	Peanut crushing and edible oils packaging	25 ⁺	25 ⁺
Sifca SA ⁽²⁾⁽³⁾ & its subsidiaries	Ivory Coast	Investment holding, processing and cultivation of palm oil, sugar cane and natural rubber	27 ⁺	27 ⁺
Xiang Yang Luhua Fragrant Peanut Oil Co., Ltd ⁽³⁾	People's Republic of China	Peanut crushing and edible oils packaging	30 ⁺	30 ⁺
Zhoukou Luhua Fragrant Peanut Oil Co., Ltd ⁽³⁾	People's Republic of China	Peanut crushing and edible oils packaging	44 ⁺	44 ⁺

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by member firms of Ernst & Young Global in the respective countries

(3) Audited by other auditors

+ The effective interest of the Group has been rounded to the nearest whole % as indicated

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 15 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 3 MARCH 2022

SHARE CAPITAL

Issued and Paid-Up Capital	: S\$8,259,123,645.08
Number of Shares (Including Treasury Shares)	: 6,403,401,106
Number and Percentage of Treasury Shares	: 107,519,400 (1.71%*)
Number of Shares (Excluding Treasury Shares)	: 6,295,881,706
Number and Percentage of Subsidiary Holdings#	: 0 (0%)
Class of Shares	: Ordinary Shares ("Shares")
Voting Rights	: One vote per Share. The Company cannot exercise any voting rights in respect of Shares held by it as Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares (Excluding Treasury Shares)	%*
1 to 99	63	0.25	1,323	0.00
100 to 1,000	5,655	22.37	4,520,187	0.07
1,001 to 10,000	15,626	61.82	66,801,801	1.06
10,001 to 1,000,000	3,877	15.34	175,674,390	2.79
1,000,001 and above	55	0.22	6,048,884,005	96.08
Total	25,276	100.00	6,295,881,706	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total Interest	%*
Kuok Khoon Hong ⁽¹⁾	2,500,000	805,307,435	807,807,435	12.83
Longhlin Asia Limited ⁽²⁾	69,009,921	462,242,571	531,252,492	8.44
Archer Daniels Midland Company ⁽³⁾	–	1,404,173,054	1,404,173,054	22.30
Archer Daniels Midland Asia-Pacific Limited ⁽⁴⁾	615,415,916	788,757,138	1,404,173,054	22.30
ADM Ag Holding Limited	356,461,795	–	356,461,795	5.66
Global Cocoa Holdings Ltd	356,399,775	–	356,399,775	5.66
Kuok Brothers Sdn Berhad ⁽⁵⁾	230,000	1,183,151,955	1,183,381,955	18.80
PPB Group Berhad	1,172,614,755	–	1,172,614,755	18.63
Kerry Group Limited ⁽⁶⁾	–	700,154,586	700,154,586	11.12
Kerry Holdings Limited ⁽⁷⁾	–	347,915,639	347,915,639	5.53

Notes:

- (1) Mr Kuok Khoon Hong is deemed to be interested in 1,000,000 Shares held by his spouse, 187,364,671 Shares held by Hong Lee Holdings (Pte) Ltd ("Hong Lee"), 228,461,271 Shares held by HPR Investments Limited, 20,660,773 Shares held by HPRY Holdings Limited, 343,887,821 Shares held by Longhlin Asia Limited ("Longhlin"), 6,650,932 Shares held by Pearson Investments Limited, 5,137,967 Shares held by Jaygar Holdings Limited, 144,000 Shares held by Kuok Hock Swee & Sons Sdn Bhd and 12,000,000 Shares held through trust accounts controlled by him.
- (2) Longhlin is deemed to be interested in 274,877,900 Shares held in the names of nominee companies and 187,364,671 Shares held by Hong Lee.
- (3) Archer Daniels Midland Company ("ADM") is deemed to be interested in 615,415,916 Shares held by Archer Daniels Midland Asia-Pacific Limited ("ADMAP"), 356,461,795 Shares held by ADM Ag Holding Limited ("ADM Ag") and 356,399,775 Shares held by Global Cocoa Holdings Ltd ("Global Cocoa"). ADM is deemed to be interested in 75,895,568 Shares in which ADMAP has a deemed interest.
- (4) ADMAP is deemed to be interested in 356,461,795 Shares held by ADM Ag, 356,399,775 Shares held by Global Cocoa and 75,895,568 Shares which were loaned to a financial institution.
- (5) Kuok Brothers Sdn Berhad is deemed to be interested in 1,172,614,755 Shares held by PPB Group Berhad, 1,274,200 Shares held by Gaintique Sdn Bhd, 100,000 Shares held by Min Tien & Co Sdn Bhd, 23,000 Shares held by Hoe Sen (Mersing) Sdn Bhd, and 9,140,000 Shares held by Trendfield Inc.
- (6) Kerry Group Limited is deemed to be interested in 23,678,425 Shares held by Ace Time Holdings Limited, 14,966,453 Shares held by Alpha Model Limited, 500,000 Shares held by Athena Equities Holding Limited ("Athena"), 45,579,446 Shares held by Bright Magic Investments Limited, 593,899 Shares held by Crystal White Limited, 31,335,900 Shares held by Dalex Investments Limited ("Dalex"), 256,211,778 Shares held by Harpole Resources Limited ("Harpole"), 23,188,079 Shares held by Kerry Asset Management Limited ("KAM"), 20,617,169 Shares held by Macromind Investments Limited, 203,555 Shares held by Marsser Limited, 33,760,355 Shares held by Natalon Company Limited ("Natalon"), 246,600,000 Shares held by Noblespirit Corporation, 564,562 Shares held by Star Medal Limited ("Star Medal") and 2,354,965 Shares held by Total Way Investments Limited ("TWI").
- (7) Kerry Holdings Limited is deemed to be interested in 500,000 Shares held by Athena, 31,335,900 Shares held by Dalex, 256,211,778 Shares held by Harpole, 23,188,079 Shares held by KAM, 33,760,355 Shares held by Natalon, 564,562 Shares held by Star Medal and 2,354,965 Shares held by TWI.

STATISTICS OF SHAREHOLDINGS

AS AT 3 MARCH 2022

TWENTY LARGEST SHAREHOLDERS

(As shown in the Register of Members and Depository Register)

No.	Name of Shareholders	No. of Shares	%*
1	Raffles Nominees (Pte) Limited	1,805,285,845	28.67
2	PPB Group Berhad	1,172,614,755	18.63
3	Citibank Nominees Singapore Pte Ltd	675,954,572	10.74
4	DBSN Services Pte Ltd	298,001,378	4.73
5	HSBC (Singapore) Nominees Pte Ltd	272,652,701	4.33
6	DBS Nominees Pte Ltd	259,175,426	4.12
7	Kuok (Singapore) Limited	256,951,112	4.08
8	Harpole Resources Limited	256,211,778	4.07
9	Noblespirit Corporation	242,600,000	3.85
10	DB Nominees (Singapore) Pte Ltd	131,744,674	2.09
11	UOB Kay Hian Pte Ltd	107,301,029	1.70
12	Longhlin Asia Limited	69,009,921	1.10
13	United Overseas Bank Nominees Pte Ltd	58,584,663	0.93
14	Morgan Stanley Asia (Singapore) Securities Pte Ltd	40,474,124	0.64
15	Hong Lee Holdings (Pte) Ltd	36,204,971	0.58
16	Natalon Company Limited	33,760,355	0.54
17	Kefkong Limited	32,400,000	0.51
18	Phillip Securities Pte Ltd	31,669,330	0.50
19	Dalex Investments Limited	31,335,900	0.50
20	OCBC Securities Private Ltd	29,475,071	0.47
Total		5,841,407,605	92.78

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 3 March 2022, 29.78%* of the issued Shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

* Based on 6,295,881,706 Shares (excluding Treasury Shares) as at 3 March 2022.

"Subsidiary Holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199904785Z)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held at Level 1, Auditorium, 28 Biopolis Road, Wilmar International, Singapore 138568 and by way of electronic means on Thursday, 21 April 2022 at 10.00 a.m. (Singapore time) ("**AGM**") to transact the following business:

AS ORDINARY BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

1. To receive and adopt the Directors' Statement, Audited Financial Statements and the Auditor's Report for the financial year ended 31 December 2021. (Resolution 1)
2. To declare a final dividend of S\$0.105 per ordinary share for the financial year ended 31 December 2021. (Resolution 2)
3. To approve the payment of Directors' fees of S\$1,035,396 for the financial year ended 31 December 2021 (2020: S\$1,040,000).

(See Explanatory Note 1) (Resolution 3)
4. To re-elect the following Directors pursuant to the Constitution of the Company (the "**Constitution**"):

Retiring by rotation under Article 105 of the Constitution

 - (a) Ms Teo La-Mei (Resolution 4)
 - (b) Mr Raymond Guy Young (Resolution 5)
 - (c) Mr Teo Siong Seng (Resolution 6)
 - (d) Mr Soh Gim Teik (Resolution 7)

Retiring by rotation under Article 106 of the Constitution

 - (e) Dr Chong Yoke Sin (Resolution 8)

(See Explanatory Note 2)
5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 9)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. Authority to issue and allot shares in the capital of the Company

That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), approval be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue (as well as adjustments to) of securities, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force (notwithstanding that such authority conferred by this resolution may have ceased to be in force),

provided always that:

- (I) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (II) below);
- (II) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (I) above, the percentage of the issued Shares is based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution after adjusting for:
 - (i) any new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) any new Shares arising from the exercise of any share options or vesting of share awards which were issued and are outstanding or subsisting at the time of passing of this resolution; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in sub-paragraph (I) above and this sub-paragraph (II), "subsidiary holdings" has the meaning given to it in the Listing Manual;

- (III) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being; and
- (IV) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note 3)

(Resolution 10)

NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to grant options and issue and allot shares under Wilmar Executives Share Option Scheme 2019**

That authority be and is hereby given to the Directors of the Company to:

- (a) offer and grant share options from time to time in accordance with the provisions of the Wilmar Executives Share Option Scheme 2019 of the Company ("**Wilmar ESOS 2019**"); and
- (b) issue and allot from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the share options granted or to be granted under the Wilmar ESOS 2019,

provided always that the aggregate number of Shares to be issued, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the share options granted under the Wilmar ESOS 2019 and in respect of any other share-based incentive schemes of the Company, then in force, shall not exceed 5% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) from time to time.

(See Explanatory Note 4)

(Resolution 11)

8. **Renewal of Interested Person Transactions Mandate**

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries and associated companies (within the meaning of the said Chapter 9) that are "entities at risk", or any of them to enter into any of the transactions falling within the categories of interested person transactions described in the Company's Letter to Shareholders dated 30 March 2022 (the "**Letter to Shareholders**"), with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders, provided that such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures described in the Letter to Shareholders (the "**IPT Mandate**");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this resolution.

(See Explanatory Note 5)

(Resolution 12)

NOTICE OF ANNUAL GENERAL MEETING

9. Renewal of Share Purchase Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Share Purchase Committee of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Share Purchase Committee from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchases (each an **"On-Market Share Purchase"**) on the SGX-ST; and/or
- (ii) off-market purchases (each an **"Off-Market Share Purchase"**) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Share Purchase Committee as it may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Share Purchase Committee pursuant to the Share Purchase Mandate may be exercised by the Share Purchase Committee at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held;
- (ii) the date by which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the purchases of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this resolution:-

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 market days on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made, or as the case may be, the date of the making of the offer for an Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day of the On-Market Share Purchase or, as the case may be, the date of the making of the offer for an Off-Market Share Purchase;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

NOTICE OF ANNUAL GENERAL MEETING

"Maximum Limit" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) as at the date of the passing of this resolution;

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price; and
- (d) the Directors of the Company and/or each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Letter to Shareholders.

(See Explanatory Note 6)

(Resolution 13)

NOTICE OF RECORD DATE AND PAYMENT DATE FOR THE PROPOSED FINAL DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Register and Register of Members of the Company will be closed on 28 April 2022 for the purposes of determining shareholders' entitlements to the proposed final dividend of S\$0.105 per ordinary share for the financial year ended 31 December 2021 (the **"Proposed Dividend"**).

Duly completed and stamped transfers in respect of ordinary shares not registered in the name of The Central Depository (Pte) Limited, together with all relevant documents of title thereto, received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 27 April 2022 will be registered to determine shareholders' entitlement to the Proposed Dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 27 April 2022 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved by shareholders at the Company's AGM will be paid on 6 May 2022.

By Order of the Board

Teo La-Mei
Director and Company Secretary

Singapore
30 March 2022

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT INFORMATION:

1. The AGM is being convened, and will be held physically at Level 1, Auditorium, 28 Biopolis Road, Wilmar International, Singapore 138568 (pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020) ("**Physical Meeting**") and by electronic means (pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020) ("**Virtual Meeting**").
2. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be disseminated by electronic means via publication on the Company's website at the URL <https://ir-media.wilmar-international.com/shareholders-meetings/>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Shareholders of the Company ("**Shareholders**", including proxy(ies) where applicable) should take note of the following arrangements for the conduct of the AGM on 21 April 2022:

(a) **Attendance**

Due to current COVID-19 restrictions, the Company will restrict the number of attendees at the Physical Meeting with reference to applicable Ministry of Health ("**MOH**") advisories and safe-distancing guidelines.

The key dates for the AGM are summarised below:-

Key Dates	Virtual Meeting	Physical Meeting
	Proceedings of the AGM will be broadcast through live audio-visual and audio-only feeds (" Live Webcast ").	The AGM will be held at Level 1, Auditorium, 28 Biopolis Road, Wilmar International, Singapore 138568.
30 Mar 2022 (Wed) 10.00 a.m.	All Shareholders*, proxy(ies), Central Provident Fund (" CPF ") and Supplementary Retirement Scheme (" SRS ") investors may begin to pre-register online at the URL: https://conveneagm.sg/wilmar2022agm	
7 Apr 2022 (Thu) 10.00 a.m.	Deadline for Shareholders*, proxy(ies), CPF and SRS investors to submit questions in advance of the AGM.	
11 Apr 2022 (Mon) 5.00 p.m.	Deadline for CPF or SRS investors who wish to appoint Chairman of the Meeting as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes.	
On or before 14 Apr 2022 (Thu)	The Company will publish its responses to the questions which were submitted by 7 April 2022 on SGXNET and the Company's corporate website.	

- * Persons who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via the Live Webcast; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Key Dates	Virtual Meeting	Physical Meeting
18 Apr 2022 (Mon) 10.00 a.m.	<p>Deadline for the submission of Proxy Form</p> <p><u>Deadline for pre-registration for attendees of Virtual Meeting</u></p> <p>All Shareholders to pre-register online at the URL: https://conveneagm.sg/wilmar2022agm by 10.00 a.m. on 18 April 2022 for verification purposes.</p> <p>Shareholders who are appointing proxy(ies) to attend the Virtual Meeting should inform his/her proxy(ies) to pre-register at the URL: https://conveneagm.sg/wilmar2022agm not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on 18 April 2022), failing which the appointment shall be invalid.</p>	<p>Deadline for the submission of Proxy Form</p> <p><u>Deadline for pre-registration for attendees of Physical Meeting</u></p> <p>All Shareholders to pre-register online at the URL: https://conveneagm.sg/wilmar2022agm by 10.00 a.m. on 18 April 2022 for verification purposes.</p> <p>Due to limited number of attendees at the AGM venue in compliance with the MOH advisories, the Company reserves the right to limit authenticated Shareholders for attendance at the AGM venue.</p> <p>Shareholders who are appointing proxy(ies) to attend the Physical Meeting on his/her behalf should inform his/her proxy(ies) to pre-register and specify his/her intention to attend the Physical Meeting at the URL: https://conveneagm.sg/wilmar2022agm not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on 18 April 2022), failing which the appointment shall be invalid.</p>
19 Apr 2022 (Tue)	<p>Following verification, the Company will provide authenticated Shareholders and proxy(ies) with a confirmation email by 19 April 2022 ("Confirmation Email for Virtual Meeting") via the email address provided during pre-registration or as indicated in the Proxy Form to access the Live Webcast of the AGM proceedings via the login credentials created during pre-registration or login with their Singpass account.</p> <p>Shareholders who have registered by 10.00 a.m. on 18 April 2022 but have not received the Confirmation Email for Virtual Meeting by 19 April 2022, please contact the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (the "Share Registrar") at +65 6236 3550 or +65 6236 3555 or email to: is.WilmarAGM@sg.tricorglobal.com.</p>	<p>Authenticated Shareholders and proxy(ies) who are successful in the pre-registration to attend the Physical Meeting will receive a confirmation email by 19 April 2022 ("Confirmation Email for Physical Meeting") via the email address provided during pre-registration or as indicated in the Proxy Form.</p> <p>Shareholders who are unsuccessful in the pre-registration to attend the Physical Meeting will receive a Confirmation Email for Virtual Meeting by 19 April 2022 to attend the Live Webcast of the AGM proceeding via the login credentials created during pre-registration or login with their Singpass account.</p> <p>Shareholders who have registered by 10.00 a.m. on 18 April 2022 but have not received the Confirmation Email for Physical Meeting or the Confirmation Email for Virtual Meeting, as the case may be, by 19 April 2022, please contact the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (the "Share Registrar") at +65 6236 3550 or +65 6236 3555 or email to: is.WilmarAGM@sg.tricorglobal.com.</p>
<p>Date and time of AGM</p> <p>21 Apr 2022 (Thu) 10.00 a.m.</p>	<p>Please use the registered identification credentials to access the Live Webcast. Shareholders must not forward the Confirmation Email for Virtual Meeting or credentials to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.</p>	<p>Details as set out in the Confirmation Email for Physical Meeting.</p>

NOTICE OF ANNUAL GENERAL MEETING

(b) **Questions Relating to the Agenda of the AGM**

(i) **Submitting questions in advance of the AGM:**

Shareholders may submit questions relating to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting, in advance of the AGM. In order to do so, their questions must be submitted in the following manner by 10.00 a.m. on 7 April 2022:

- (a) if submitted electronically, be submitted via the Company's pre-registration website at the URL <https://conveneagm.sg/wilmar2022agm>;
- (b) if submitted by email, be submitted to the Company's Share Registrar at is.WilmarAGM@sg.tricorglobal.com; or
- (c) if submitted by post, be sent to the Company's Share Registrar at 80 Robinson Road, #11-02, Singapore 068898.

When sending in questions via email or by post, please also provide the following details:

- (i) the Shareholder's full name;
- (ii) the Shareholder's address; and
- (iii) the manner in which the Shareholder holds shares in the Company (e.g., via The Central Depository (Pte) Limited, scrip, CPF or SRS).

The Company will publish the responses to the substantial and relevant questions on or before 14 April 2022 on SGXNET and the Company's corporate website. After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, these may be addressed at the AGM.

(ii) **Submitting questions during the AGM:**

Virtual Meeting

Shareholders and proxy(ies) who pre-registered and are verified to attend the Virtual Meeting will be able to ask questions relating to the agenda of the AGM during the AGM by:

Submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.

Physical Meeting

Authenticated Shareholders and proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

Authenticated Shareholders and proxy(ies) attending the Physical Meeting will also be able to ask questions relating to the agenda of the AGM during the AGM by submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.

- (iii) Where there are substantially similar questions submitted, the Company will consolidate these questions. As such, not all questions may be individually addressed.

NOTICE OF ANNUAL GENERAL MEETING

(c) **Voting**

Live voting will be conducted during the AGM for Shareholders and proxy(ies) attending the Physical Meeting and Virtual Meeting. It is important for Shareholders and proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.

Shareholders and proxy(ies) will be required to log-in via the email address provided during pre-registration or as indicated in the Proxy Form.

- (i) **Live Voting:** Shareholders and proxy(ies) may cast their votes in real time for each resolution to be tabled via the Live Webcast via the login credentials created during pre-registration or via their Singpass account. Shareholders and proxy(ies) attending the Physical Meeting will have the opportunity to cast their votes via the live voting feature. Shareholders and proxy(ies) must bring a web-browser enabled device to the Physical Meeting in order to cast their votes.
- (ii) **Voting via appointing Proxy:** A Shareholder (other than a relevant intermediary as defined by Section 181 of the Companies Act) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Shareholder appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

Persons who hold the Company's share(s) through relevant intermediaries, including CPF and SRS investors, should not use the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions, submit questions ahead of the AGM and/or participate in the AGM. CPF/SRS investors should approach their respective CPF Agent Banks/ SRS Operators at least seven (7) working days before the AGM (i.e. by 11 April 2022) if they wish to be appointed as proxies for the AGM.

In appointing the proxy(ies), a Shareholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) may vote or abstain from voting at their discretion.

The Proxy Form must be submitted in the following manner:

- (a) if submitted electronically, be submitted via the Company's pre-registration website at the URL: <https://conveneagm.sg/wilmar2022agm>;
- (b) if submitted via email, be submitted to the Company's Share Registrar at is.WilmarAGM@sg.tricorglobal.com; or
- (c) if submitted by post, be sent to the office of the Company's Share Registrar at 80 Robinson Road, #11-02, Singapore 068898,

in any case, by 10.00 a.m. on 18 April 2022, being **seventy-two (72) hours** before the time appointed for holding the AGM.

A member who wishes to submit a Proxy Form via email or by post must first download, complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above, or before sending it by post to the address provided above.

- (iii) **In view of the Covid-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via the pre-registration website or email.**

NOTICE OF ANNUAL GENERAL MEETING

(d) **Access to documents or information relating to the AGM**

- (i) The Company's Annual Report for the financial year ended 31 December 2021 ("**Annual Report 2021**") has been published on the Company's corporate website at the URL: <https://ir-media.wilmar-international.com/shareholders-meetings/> and on SGXNET.
- (ii) All other documents and information relating to the business of the AGM (including the Proxy Form and the Letter to Shareholders) have been published on SGXNET at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <https://ir-media.wilmar-international.com/shareholders-meetings/>.

Printed copies will not be sent to Shareholders.

(e) **Precautionary measures to minimise the risk of COVID-19**

The following steps will be taken for Shareholders and others attending the AGM to help minimise the risk of community spread of the virus:

1. All attendees attending the Physical Meeting will be required to check-in using SafeEntry before entering the AGM venue and will be subject to Vaccination-Differentiated Safe Management Measures.
2. All persons attending the Physical Meeting will be required to wear face masks.
3. All attendees must maintain at least 1 metre safe distancing between individual attendees. Seats will be spaced at least 1 metre apart.
4. Shareholders and proxy(ies) who received the Confirmation Email for Physical Meeting but who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.
5. Shareholders and proxy(ies) who received the Confirmation Email for Physical Meeting are also advised to arrive at the Physical Meeting early, as the measures mentioned above may cause delay in the registration process.

The Company seeks the understanding and co-operation of all Shareholders and proxy(ies) to safeguard public health and safety and minimise the risk of community spread of the COVID-19 virus.

(f) **Other notes**

1. No food or beverage will be served at the AGM.
2. As parking at the AGM venue is extremely limited, Shareholders attending the Physical Meeting are encouraged to take the MRT to the nearest station at "One-North" along the Circle Line. If driving, Shareholders will need to find parking at nearby buildings.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. The Ordinary Resolution 3 proposed in item no. 3 is to approve the payment of Directors' fees of S\$1,035,396 for the financial year ended 31 December 2021 for services rendered by non-executive Directors. The amount of the proposed Directors' fees is based on the same fee structure as that for the financial year ended 31 December 2020.

Information on the fee structure can be found in the "Corporate Governance" section of the Company's Annual Report 2021.

2. The Ordinary Resolutions 4 to 8 proposed in item nos. 4 (a) to (e) are to approve the re-election of Directors:
 - (a) in relation to Ordinary Resolution 4, Ms Teo La-Mei is considered an executive and non-independent Director;
 - (b) in relation to Ordinary Resolution 5, Mr Raymond Guy Young is considered a non-executive and non-independent Director;
 - (c) in relation to Ordinary Resolution 6, Mr Teo Siong Seng is considered a non-executive and independent Director;
 - (d) in relation to Ordinary Resolution 7, Mr Soh Gim Teik is considered a non-executive and independent Director; and
 - (e) in relation to Ordinary Resolution 8, Dr Chong Yoke Sin is considered a non-executive and independent Director.

Please refer to the "Supplemental Information on Directors Seeking Re-election" section of the Company's Annual Report 2021 for information relating to Ms Teo, Mr Young, Mr Teo, Mr Soh and Dr Chong as set out in Appendix 7.4.1 of the Listing Manual respectively.

3. The Ordinary Resolution 10 proposed in item no. 6, if passed, will empower the Directors of the Company from the date of the AGM until the next annual general meeting to issue Shares and to make or grant instruments (such as securities, warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments. The aggregate number of Shares which the Directors may issue (including Shares to be issued pursuant to convertible instruments) must not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 10% may be issued other than on a *pro rata* basis. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time that Ordinary Resolution 10 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and any subsequent bonus issue or consolidation or subdivision of Shares. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
4. The Ordinary Resolution 11 proposed in item no. 7, if passed, will empower the Directors of the Company from the date of the AGM until the next annual general meeting to offer and grant share options under the Wilmar ESOS 2019 and to issue and allot Shares pursuant to the exercise of such share options under the aforesaid option scheme, provided that the aggregate number of Shares to be issued, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the share options granted under the Wilmar ESOS 2019 and in respect of any other share-based incentive schemes of the Company, if any, shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

5. The Ordinary Resolution 12 proposed in item no. 8, if passed, will renew the IPT Mandate for the Company, its subsidiaries and associated companies that are “entities at risk” to enter into certain types of transactions with specified classes of the Interested Persons set out in the Letter to Shareholders until the date of the next annual general meeting of the Company unless such authority is earlier revoked or varied by the Company in general meeting. More details relating to the renewal of the IPT Mandate can be found in the Letter to Shareholders.
6. The Ordinary Resolution 13 proposed in item no. 9, if passed, will empower the Share Purchase Committee of the Company to purchase up to 10% of its Shares at the Maximum Price until the date of the next annual general meeting of the Company unless such authority is earlier revoked or varied by the Company in a general meeting. The rationale for the authority and limitation on the sources of funds to be used for the purchase, including the amount of financing and the financial effects of the purchase of Shares by the Company pursuant to the Share Purchase Mandate are set out in the Letter to Shareholders.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxy(ies) and representative(s) for the AGM (including any adjournment thereof) and the preparation, compilation and publication (where relevant) of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulators and/or guidelines.

WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199904785Z)

PROXY FORM

IMPORTANT

- Electronic Dissemination** – This Proxy Form will be disseminated by electronic means and may be accessed at the Company's website at the URL <https://ir-media.wilmar-international.com/shareholders-meetings/> and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> together with the Notice of AGM dated 30 March 2022 ("Notice of AGM"). **Printed copies of this Proxy Form and the Notice of AGM will not be sent to members.**
- AGM** – The AGM (as defined below) is being convened physically and by electronic means: (a) physically at Level 1, Auditorium, 28 Biopolis Road, Wilmar International, Singapore 138568 (pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020); and (b) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Arrangements relating to attendance at the AGM are set out in the Notice of AGM.
- Further Details** – **Please read the notes overleaf and the Notice of AGM which contain instructions on, inter alia, the appointment of a proxy to attend, speak and vote on his/her/its behalf at the AGM physically or by electronic means.**
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF")/Supplementary Retirement Scheme ("SRS") investors. CPF and SRS investors:
 - may attend and cast his/her vote(s) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2022, being 7 working days before the date of the AGM.
- Personal Data** – By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

I / We _____ (Name), NRIC/Passport No./Co. Regn. No.: _____

of _____ (Address)

being a member/members of Wilmar International Limited (the "Company"), hereby appoint:

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholding	
				No. of Shares	%

and/or (please delete as appropriate)

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholding	
				No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting of the Company on 21 April 2022 at 10.00 a.m. ("AGM") as my/our proxy(ies) to vote for me/us on my/our behalf at the AGM and at any adjournment thereof.

I/We direct my/our proxy(ies) to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy(ies) may vote or abstain from voting at their discretion.

No.	Ordinary Resolutions	For*	Against*	Abstain*
	ORDINARY BUSINESS			
1	To receive and adopt the Directors' Statement, Audited Financial Statements and the Auditor's Report for the financial year ended 31 December 2021			
2	To declare a final dividend of S\$0.105 per ordinary share			
3	To approve the payment of Directors' fees			
4	To re-elect Ms Teo La-Mei as a Director			
5	To re-elect Mr Raymond Guy Young as a Director			
6	To re-elect Mr Teo Siong Seng as a Director			
7	To re-elect Mr Soh Gim Teik as a Director			
8	To re-elect Dr Chong Yoke Sin as a Director			
9	To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration			
	SPECIAL BUSINESS			
10	To authorise Directors to issue shares and to make or grant instruments convertible into shares pursuant to Section 161 of the Companies Act 1967 of Singapore			
11	To authorise Directors to offer and grant share options and to issue and allot shares pursuant to the Wilmar Executives Share Option Scheme 2019			
12	To approve the renewal of Interested Person Transactions Mandate			
13	To approve the renewal of Share Purchase Mandate			

* If you wish to use all your votes "For", "Against" or "Abstain", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For", "Against" or "Abstain" for each resolution within the box provided. If you mark "X" in the "Abstain" box for a particular resolution, you are directing your proxy(ies) not to vote on that resolution.

Total Number of Shares Held (see Note 1)

Signature(s) of Member(s) or Common Seal

Date

IMPORTANT – Please read notes overleaf

NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. (a) A member (other than a Relevant Intermediary as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
"Relevant Intermediary" means:
 - (i) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board (the "CPF Board") established by the Central Provident Fund Act 1953 of Singapore (the "CPF Act"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
4. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted electronically, be submitted via the Company's pre-registration website at the URL <https://conveneagm.sg/wilmar2022agm>;
 - (b) if submitted via email, be submitted to the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at is.WilmarAGM@sg.tricorglobal.com; or
 - (c) if submitted by post, be sent to the office of the Company's Share Registrar at Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898,by **10.00 a.m. on 18 April 2022**, being 72 hours before the time appointed for holding the AGM.
A member who wishes to submit a Proxy Form via email or by post must first download, complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above, or before sending it by post to the address provided above.
5. The Proxy Form, if submitted by post or via email, be executed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the pre-registration website, be authorised by the appointor via the online proxy appointment process through the website. Where the Proxy Form is executed by a corporation, it must, if submitted by post or via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the pre-registration website be authorised by the appointor via the online proxy appointment process through the website.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if a Proxy Form is submitted via email, be emailed with the Proxy Form or, if a Proxy Form is submitted by post, be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
8. Any reference to a time of day is made by reference to Singapore time.

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Affix
Postage
Stamp

WILMAR INTERNATIONAL LIMITED
c/o Tricor Barbinder Share Registration Services

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