WILMAR IN INDIA

ANNUAL REPORT 2022

wilmar

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WHO WE ARE

OUR CORE VALUES

In our commitment to excellence, we are guided by a set of values that defines who we are and the way we work.

SAFETY

We pay careful consideration to the health and safety of our employees at the workplace.

TEAMWORK

We work as one team to achieve our corporate goals.

INNOVATION

We value innovative efforts, ideas and methods to continually improve our business processes.

INTEGRITY

We value honesty, trustworthiness and high ethical standards.

EXCELLENCE

We strive for excellent performance in everything we do.

PASSION

We are passionate about growing our business globally.

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

FY2022 IN REVIEW

I am pleased to report that the Group delivered an exceptional performance in FY2022. The team managed our operations well and all key segments achieved higher profits despite the volatility in the commodities markets and economic slowdown during the year. This resulted in a 27.1% jump in net profit to US$2.40 billion while revenue increased by 11.6% to US$73.40 billion in FY2022 (FY2021: US$65.79 billion).

Diluted earnings per share rose to 38.3 US cents in FY2022, as compared to 29.9 US cents in FY2021. The Group's balance sheet remains strong, with total assets standing at US$60.40 billion (FY2021: US$58.72 billion) while shareholders' funds increased marginally to US$19.99 billion (FY2021: US$19.92 billion) due to the strengthening US Dollar which led to lower translation reserve as of 31 December 2022.

The Food Products segment was impacted by higher raw material costs especially during the first half of the year but nevertheless, its overall profit improved by 6.2% to US$723.5 million (FY2021: US$680.9 million). Overall sales volume grew by 2.8% due to stronger medium pack and bulk products sales.

The Feed and Industrial Products segment reported an increase of 23.5% in profit to US$1.56 billion for FY2022 (FY2021: US$1.26 billion) owing to sustained good performance from the tropical oils business as well as better margins from sugar merchandising activities. Overall volume increased marginally to 55.6 million MT in FY2022 (FY2021: 55.0 million MT).

The Plantation and Sugar Milling segment achieved a profit of US$569.3 million for FY2022 (FY2021: US$564.1 million). Palm oil prices weakened significantly in the second half of the year although favourable weather conditions and a better crop profile resulted in higher fresh fruit bunches production and yield. Sugar milling operations saw a slight drop in sales volume, but benefitted from higher sugar prices.

Contributions from the Group's joint ventures and associates improved by 24.7% to US$273.8 million (FY2021: US$219.5 million) on account of stronger performance by our investments in China and Europe.

In FY2022, we spent approximately S$277.6 million in buying back Wilmar shares at an average price of S$4.11 as we felt the share price does not fully reflect the value of the Group and will continue with our share buybacks at the appropriate opportunities.

2022 HIGHLIGHTS

Despite geo-political and pandemic challenges, the Group stayed its course and invested resources to deepen our operational presence in key markets so as to capture new opportunities and growth potential.

China

Our Central Kitchen Food Park project is making good progress. Three projects, in Hangzhou, Zhoukou and Chongqing, have commenced operations in 2022, while another one in Xingping began operations in January 2023. Another two food parks in Langfang and Shenyang will begin operations later this year.

Our China business is continuing on its growth plan. In 2022, we added a new edible oil refinery, a crushing plant, flour mills, rice mills, as well as oil, flour and rice packing plants.

Our food park in Zhoukou is one of the four that commenced operations in 2022.

Indonesia

Our Indonesian operations did very well in 2022. We are bullish on Indonesia and will continue to expand our rice and flour mills, downstream palm oil processing and fertiliser manufacturing capacities.

Malaysia

Our new edible oil refinery in Port Klang commenced operations in September 2022, while the specialty fats plants will be commissioned this year at the same site. The expansion of the OPO (Oleic-Palmitic-Oleic) plant in Pasir Gudang and a new sodium lauryl sulfate line in Tanjung Langsat will be completed this year, while a new esters production plant in Pasir Gudang will be commissioned later this year.

Vietnam

We completed expansion projects of our noodles and sauces and condiments businesses. In addition, we are expanding capacity of our joint venture's soybean crushing plant.

Africa

We continue to improve and expand our African operations. In South Africa, the construction of a new edible oil refinery and packing plant is underway and expected to be completed in phases this year. We are also adding a new margarine plant each in Ghana, Zimbabwe and Ivory Coast.

WILMAR IN INDIA

Wilmar established a presence in India through a 50:50 joint venture, Adani Wilmar Limited (AWL), with the Adani Group in 1999. Our first project was an edible oil refinery and consumer pack plant in Mundra, Gujarat. Today, AWL is the largest food and fast-moving consumer goods (FMCG) company in India with plants in many locations across the country. Its flagship brand "Fortune" is the top-selling edible oil brand with a local market share of over 18%.

AWL was listed on the National Stock Exchange of India and BSE on 8 February 2022.The successful initial public offering (IPO) raised US$482 million of new capital which will be used to expand its existing manufacturing facilities, develop new sites as well as make strategic acquisitions and investments. As a result of the IPO, Wilmar's interest in AWL was diluted to 44% and a gain of US$175.6 million was recognised in FY2022.

Adani Wilmar's flagship brand "Fortune" is the top-selling edible oil brand with a market share of over 18% in India.

Wilmar also owns 62% of listed Shree Renuka Sugars Limited (SRSL), the leading sugar company in India which owns seven mills, the largest sugar refining and ethanol capacities and is also the largest seller of consumer pack sugar under the "Madhur" brand.

Through AWL and SRSL, Wilmar is a leader in edible oils and sugar refining, oleochemicals, specialty fats and ethanol manufacturing as well as consumer pack edible oils and sugar.

We are bullish on our prospects in India as it is forecasted to become the most populous country in the world in 2023 and also the second fastest growing economy in the G20 in FY2022-23. With their leading market food brands, an extensive distribution network, state-of-the-art manufacturing facilities and superior sourcing capabilities, both AWL and SRSL are well-positioned to tap on the huge opportunity in India.

Edible oil packaging line in Gujarat, India.

SUSTAINABILITY

Wilmar remains steadfast in our commitment to addressing climate change through eliminating deforestation from our supply chain and reducing greenhouse gas emissions.

Following Wilmar's commitment made collectively with 13 other leading agricultural trading and processing companies in 2021 to develop a sectoral roadmap for enhanced supply chain action consistent with a 1.5°C pathway, we have worked with our peers to complete a roadmap that builds on existing commitments and implementation progress made by the palm oil industry over the last decade, while identifying and addressing gaps that will allow us to achieve our collective emission reduction goals.

CHAIRMAN'S MESSAGE

In October 2022, the Group signed up to the Science Based Targets initiative and we will be developing Group-wide timebound plans to achieve Near-Term and Net Zero emission reduction targets.

Wilmar continues to be recognised for our sustainability performance, notably our continued inclusion in renowned global sustainability indices. In 2022, Wilmar retained its inclusion as a constituent of the Dow Jones Sustainability Indices (DJSI) World Index. This puts us, for the second consecutive year, among the world's most sustainable food companies, including being listed as an S&P Global Sustainability Yearbook member. This also marks our third straight year on the DJSI Asia Pacific Index. We also retained our position in the FTSE4Good Index Series.

We are heartened to have been recognised as the best performing company globally among 310 of the world's most influential companies that were assessed by Global Child Forum's Food, Beverage and Personal Care benchmark in 2022. In addition to a zero tolerance for child labour and exploitation, we ensure the safety and well-being of children while providing them with access to quality education and an enabling environment for them to thrive. We also support the education of more than 10,000 school-going children living in our plantations globally.

The 2022 Corporate Human Rights Benchmark (CHRB) ranked Wilmar second out of 127 companies globally. In the East Asia and Pacific region, Wilmar was ranked first. We scored highly in the Remedies and Grievance Mechanisms segment, which is an immense recognition as we were the first in the palm oil industry in 2015 to establish a public Grievance Procedure that is open to all internal and external stakeholders. We continue to improve our grievance systems and have put in place separate and dedicated site-level remedial mechanisms and resolution processes for grievances raised by Wilmar employees, workers, or the local communities.

For the second consecutive year, we ranked top in the Zoological Society of London's Sustainable Palm Oil Transparency Toolkit (SPOTT) assessment. We achieved an improved total score which is a reflection of our unwavering commitment to the transparency and public disclosure of our policies and efforts related to environmental, social and governance matters.

Children in the Humana school in Wilmar's oil palm plantation in Sabah, Malaysia.

With more than US$2 billion of sustainability-linked loans signed to date since 2017, responsible financing remains part of our holistic approach to integrate sustainability principles into every aspect of Wilmar's business operations.

PROSPECTS

We will continue to pursue our long-term growth strategy of developing new businesses that have synergies with our existing operations and new markets with high growth potential. We will keep improving the efficiency of our manufacturing operations, expanding our distribution network and building our brands in all the markets that we operate in, as well as strengthening the integration across the various segments of our business. Our integrated business model and diversified business portfolio enhance our resilience to weather the volatility inherent in the commodities markets and puts us in a better position to deliver more stable earnings performance.

DIVIDENDS

The Board has proposed a final dividend of S$0.11 per share. Including the interim dividend of S$0.06 per share paid in August 2022, the total dividend for FY2022 is S$0.17 per share (FY2021: S$0.155 per share), representing the highest ordinary cash dividend since the Group's listing on the Singapore Exchange in 2006.

BOARD CHANGES

On behalf of the Board, I am pleased to welcome Mr Gregory Morris who was appointed Non-Executive and Non-Independent Director on 1 July 2022 and Ms Tong Shao Ming who was appointed Alternate Director to Mr Kuok Khoon Hua, a Non-Executive and Non-Independent Director, on 27 October 2022.

Mr Morris replaces Mr Raymond Guy Young who stepped down on 1 July 2022. I would like to express the Board's appreciation to Mr Young for his valuable contributions during his tenure. Mr Morris' extensive senior management experience in Archer Daniels Midland will provide valuable insight into the agribusiness industry and contribute to the Board's deliberations.

We also look forward to Ms Tong bringing fresh perspectives from her extensive experience in investments, capital markets and corporate finance transactions.

APPRECIATION

On behalf of the Group, I would like to convey my heartfelt gratitude to our two long-serving directors, Mr Tay Kah Chye and Mr Kwah Thiam Hock, who will be retiring after our Annual General Meeting on 20 April 2023 due to the Singapore Exchange Regulation (SGX RegCo)'s new rule limiting the tenure of Independent Directors to nine years, and deeming Independent Directors whose tenure exceeds the nine-year limit, as no longer independent. Mr Tay and Mr Kwah have served in and chaired several key committees of the Board and made significant contributions to the Group during their tenure.

Last but certainly not least, I would like to thank our shareholders, customers, business associates, bankers and dedicated employees over the years. Your support and belief in our long-term business strategy have enabled the Group to grow from strength to strength and achieve another record performance.

Kuok Khoon Hong
Chairman & Chief Executive Officer
14 March 2023

WILMAR IN INDIA

WE ARE A LEADING AGRI PLAYER IN INDIA

★ NO.1 ★


ONE OF THE LARGEST ETHANOL PRODUCERS


EDIBLE OIL REFINER


SUGAR REFINER


LEADING OILSEED CRUSHER

CONSUMER PACK EDIBLE OILS MANUFACTURER


SPECIALTY FATS MANUFACTURER

MANUFACTURER OF LEADING CONSUMER SUGAR BRAND MADHUR


OLEOCHEMICALS MANUFACTURER


MORE THAN 4,000 EMPLOYEES

OUR PRESENCE

adani wilmar

ADANI WILMAR LIMITED (AWL)

Wilmar's first venture in India was through a 50:50 joint venture, Adani Wilmar Limited (AWL), with the Adani Group of India.

AWL was first engaged in the edible oil business and diversified into the food business encompassing rice, wheat flour, pulses, besan, soya value-added products and sugar from 2013 onwards. It is also in the businesses of manufacturing industrial essentials such as oleochemicals and castor oils.

Leveraging the strengths and capabilities of Adani Group and Wilmar, AWL has grown to become one of India's largest food Fast-Moving Consumer Goods (FMCG) companies today. Its flagship brand "Fortune" is the nation's number one edible oils brand and number two and three in wheat flour and rice respectively. Moreover, AWL is the number one player in oleochemicals and castor oils export.

WILMAR IN INDIA

AWL's Vision

To be a leading agribusiness company committed to sustainably deliver safe, nutritious and quality agricultural commodity and food through innovation, highest standards of environmental, social and governance practices, and the creation of livelihoods in communities in which we operate to deliver long-term value to all our stakeholders.


Integrated Manufacturing Complex in Mundra


Silos in Vidisha, Madhya Pradesh

State-of-the-art Facilities

AWL has adopted an integrated approach for its manufacturing facilities investing in the efficiency of its manufacturing capabilities so that it is able to benefit from cost efficiencies and gain operational synergies from shared utilities, manpower and distribution.

AWL operates 23 manufacturing units - 10 crushing and 19 refineries - located in 10 states in India. Seven refineries are port-based, facilitating the use of imported crude edible oil while the others are located proximate to raw material production bases. Its refinery in Mundra is one of the largest at any single location in India with a capacity of 5,000 MT per day. As of 31 December 2022, AWL employed 33 leased tolling units, providing additional manufacturing capacities through an asset-light business model.

Extensive Reach

AWL has the widest pan-India distribution network among branded edible oil companies, comprising more than 9,700 distributors that cover around 1.7 million retail outlets which is about 38% of the retail universe in India. As of 31 December 2022, AWL possessed 90 depots, covering an aggregate storage space of around 1.94 million square feet.

AWL's existing distribution network is a long-term competitive advantage as it will facilitate the introduction of more products utilising existing trade relationships, thereby enhancing primary customer loyalty. The widening portfolio will incentivise the accretion of more trade partners, deepening our market penetration.

AWL launched Fortune Mart stores operating on a franchise model and exclusively selling Fortune and its own branded products. As of 31 December 2022, there are 35 stores across 29 cities. AWL has also expanded into the online arena through Fortune Online (available in 25 cities) for retail customers and B2B app Fortune Business for businesses (available in 20 cities).

These efforts ensure that AWL's products are readily available where and when consumers need them. As of 31 December 2022, one out of three households in India uses a product from AWL, translating to a reach of approximately 113 million households.

There are 35 Fortune Mart stores in 29 cities.

Comprehensive Product Portfolio

AWL manufactures packaged food, edible oils, bakery and lauric products, personal care products and industrial essentials such as oleochemicals, castor oil and its derivatives and de-oiled cakes.

AWL has also diversified into value-added edible oil products like rice bran health oil, fortified foods, ready-to-cook soya chunks, khichdi and other fast-moving consumer goods.

Edible Oil

Soyabean oil	Palm olein oil	Sunflower oil	Mustard oil	Rice bran health oil
Cottonseed oil	Groundnut oil	Blended oil	Vanaspati	Specialty fats and industrial margarine

Food & FMCG Category

Food Products					FMCG Products
Rice: Long, aromatic and tasty basmati rice	Soya chunks: High on protein	Besan and Sattu	Pulses: Flavourful and nutritious dal	Khichdi: A nutritious & healthy superfood	Soap: A refreshing experience
Wheat flour: Experience the freshness of Natural Chakki	Sugar	Fortune 5-minute Soya Chunkies – Healthy and tasty snack		Poha: A healthy breakfast/ snacking choice	Alife Handwash & Sanitiser: For germ free protection

Industrial Essentials

Oleochemicals: Extensive array of products derived from oils/fat	Castor: Castor oil and its derivatives	Lecithin: International standard of Non-GMO soya lecithin

WILMAR IN INDIA

TRUSTED BRANDS

AWL's flagship brand "Fortune" is the top edible oil brand in India. The premium brand is trusted for its consistency, quality, dependability and superior cooking outcomes.

In addition, AWL owns a number of masstige brands like Bullet, King's, Aadhar, Raag, Alpha, Jubilee, Avsar, Golden Chef and Fryola. These brands address various price points and enhance affordability.

Edible Oils

Fortune Soya Health Oil | Fortune Refined Sunflower Oil | Fortune Kachi Ghani Mustard Oil | Fortune Rice Bran Health Oil | Fortune Soya Plus Oil | Fortune Xpert Pro Immunity Oil

Fortune Xpert Pro Sugarconscious Oil | Fortune Xpert Total Balance Oil | Fortune Cottonlite Oil | Fortune Refined Groundnut Oil | Fortune Grounutt Activ Oil

Rice

Fortune Biryani Classic Rice | Fortune Biryani Special Rice | Fortune Super Basmati Rice | Fortune Everyday Basmati Rice | Fortune Dubar Basmati Rice | Fortune Rozana Basmati Rice

Fortune Hamesha Basmati Rice | Fortune Mogra Rice | Fortune Mini Mogra Rice | Fortune Sona Masoori Supreme Rice | Fortune Sona Masoori Regular Rice | Fortune Wada Kolam Rice

Fortune Banskathi Rice

Jubilee Rice

Kohinoor Authentic Basmati Rice

Trophy Royale Finest Extra Long Basmati Rice

Charminar Select Basmati Rice

Flours

Fortune Chakki Fresh Atta

Fortune Chana Besan

Fortune Chana Sattu

Fortune Rawa

Fortune Maida

Fortune Suji

Unpolished Pulses

Fortune Unpolished Arhar Dal

Fortune Unpolished Chana Dal

Fortune Unpolished Masoor Dal

Soya Food Products

Fortune Soya Chunks

Fortune Mini Soya Chunks

Fortune Soya Granules

WILMAR IN INDIA

Ready to Cook (RTC)

Fortune Achaari Khichdi | Fortune Gujarati Khichdi | Fortune Bengali Bhog Khichuri | Fortune Punjabi Khichdi | Fortune Pav Bhaji Khichdi | Fortune Mexican Salsa Khichdi

Fortune Indori Poha | Fortune Thick Poha | Fortune Soya Chunkies Chinese Manchurian | Fortune Soya Chunkies Mexican Salsa | Fortune Soya Chunkies African Peri Peri

Personal Care

Alife Soap | Alife Handwash | Alife Sanitiser

Sugar

Fortune Sugar

Popular Range

King's Soyabean Oil | King's Sunflower Oil | King's Mustard Oil | Bullet Lite Mustard Oil | Raag Gold Refined Palm Oil | Aadhar Refined Sunflower Oil

Vanaspati

Raag Vanaspati

Avsar Vanaspati

Institutional Frying Oil

Fryola

Specialty Fats


Wilshort


Jubilee Masterchef

Alpha Cookwell

Willarine

Fryola


Wilcake


Wilpuff

Wilkote


Besschoc

Ultrachoco


Bessice

Wilkrim

WILMAR IN INDIA

AWL made its debut on the National Stock Exchange of India and BSE on 8 February 2022.

Public Listing

AWL was listed on the National Stock Exchange of India and BSE on 8 February 2022, with a successful initial public offering that raised US$482 million of new capital. Post-listing, Wilmar now holds a 44% interest in AWL. Proceeds from the IPO will go towards AWL's capital expenditure on building food capacities over the next few years.

Environmental, Social and Governance

AWL is committed to drive positive transformation in India's agriculture sector. It endeavours to deliver value from sustainable agriculture and food products that safeguard the people and the planet.

In its day-to-day and supply chain operations, AWL draws extensively from Wilmar's No Deforestation, No Peat, No Exploitation (NDPE) Policy as well as other sustainability policies to strengthen its commitment towards responsible sourcing and other sustainability goals. Its suppliers are also expected to communicate and implement its sustainability principles across their respective supply chains.

Environmental

AWL is committed to sustainable sourcing, promoting green energy, water conservation and recyclable packaging.

AWL has a comprehensive water management strategy that aims to improve water management practices across operations. Its policies, standards and standard operating procedures ensure that operations possess in-built measures to recover, recycle and re-use water in a sustainable manner. Water consumption is monitored across all plants with the objective to reduce consumption.

To conserve energy, AWL has mapped the comprehensive nature of non-renewable resources being used and strives to enhance the proportion of renewable sources across its operations. It has a structured energy and carbon management plan, and is committed to a reduction in energy consumption, enhanced energy efficiency and integration of clean energy sources.

AWL's vertically integrated manufacturing plants make an integrated waste management approach possible. Its three-pronged approach comprises waste minimisation, recovery and recycling, as well as development and adoption of eco-friendly waste disposal.

AWL's operations are aligned with sustainability goals and measurable targets. These are directed at reducing the use of natural resources and reducing energy consumption that directly affects the amount of greenhouse gases emitted into the atmosphere. This approach prioritises the consumption of renewable energy sources in industrial units wherever feasible.

AWL has an action plan to comply with Plastic Waste Management Rules, warranting a radical change in consumer mindset. This co-operative effort encourages stake-holding across the entire process comprising waste generation, primary collection, segregation, recycling and final disposal.

Social

AWL's social responsibility extends to the following focus areas:

- **Fortune SuPoshan** – A community-based project that addresses malnutrition and anaemia among children 0-5 years of age, reduces malnutrition and anaemia in adolescent girls and pregnant/lactating mothers as well as women in the reproductive age group.
- **Education** – Run free and subsidised schools, special learning programmes in government schools and offer scholarships.
- **Community Health** – Improve access to basic healthcare services in remote regions by operating mobile healthcare units and rural clinics; and provide potable water.
- **Sustainable Livelihoods** – Empower individuals with a decent standard of living by promoting self-help groups, enhancing agricultural practices and supporting skill development training.

Village health volunteers spread awareness and promote behavioural change to address malnutrition and anaemia among children.

Fortune SuPoshan's village health volunteers have collectively reached out to more than 100,000 malnourished children.

The Adani Foundation runs mobile health care units and rural clinics to provide healthcare facilities to communities.

- **Community Infrastructure Development** – Access to resources, increase in the avenues for developing livelihoods, safe and clean sources of drinking water, and access to qualitative primary health care systems lead to better productivity, reduction in morbidity and adequate employment.

Governance

AWL's governance framework is guided by its Board of Directors which possesses multi-sectorial competence to steer the company towards achieving long-term growth in a responsible manner while building a trustworthy corporate brand.

Outlook

AWL aims to achieve a steady growth and become the largest food FMCG company in India across all key packaged food segments. The potential of the untapped market in packaged foods and staples presents a huge opportunity. It will also expand its product line-up with ready-to-cook and ready-to-eat segments.

Concurrently, AWL will leverage its existing network of institutional businesses including the Hotels, Restaurants and Catering (HoReCa) segment to cross-sell complementary products.

Furthermore, AWL will continue to strengthen its distribution network and ensure uninterrupted supply lines to make inroads into Tier-III cities and rural landscape.

WILMAR IN INDIA

SHREE RENUKA SUGARS

SHREE RENUKA SUGARS LIMITED (SRSL)

SRSL is the largest raw sugar refiner and a leading ethanol producer. It is an integrated sugar/energy company, present across the entire value chain of sugar. It deploys best available technologies and processes to drive resource efficiency and develop sustainable and affordable products.

SRSL's Vision

To be a leading sustainable agribusiness company in the food and bioenergy space committed to its customers and farmer community.

Sugar

SRSL operates seven sugar mills with integrated ethanol and power cogeneration capacity, and fully integrated to process sugarcane and manufacture sugar using a sulphur-free process.

It also operates two port-based refineries that facilitate the delivery of superior quality products to its customers. The refinery business is export-oriented. SRSL imports or sources domestically produced raw sugar and exports white sugar to different parts of the world.

"Madhur", its flagship brand, is the leading consumer pack sugar brand in India. Leveraging its strong marketing and sales support, Madhur has become a household name – from local kirana stores to leading modern retail chains across the country.

Ethanol

The by-products from the manufacturing of sugar are utilised to produce ethanol. Ethanol is produced either directly from cane juice or from molasses. SRSL is a leading supplier of ethanol to oil marketing companies. Its distilleries produce both potable alcohol and ethanol that can be blended with petroleum.

Having achieved the target of 10% ethanol blending in June 2022, the Indian government has pushed forward its target of 20% by five years to 2025. This presents vast opportunities for SRSL to gradually move towards becoming an energy company.

Renewable Green Energy

SRSL's cogeneration plants convert bagasse, a by-product of the sugar manufacturing process, into electrical and thermal energy. The majority of its cogeneration process is powered through a circular economy that ultimately results in significant reductions in greenhouse gas emissions. A significant portion of the power generated is consumed captively within its plants while the remainder is sold to the State electricity grid, other industries and in power exchanges.

Environmental, Social and Governance

In September 2021, Wilmar launched our No Deforestation, No People Exploitation Sugar policy, from which SRSL draws guidance to align its operations and supply chain management.

Sugar mill with integrated ethanol capacity in Athani.

Sugar mill in Havalga.

Environmental

SRSL uses a large proportion of energy generated by its cogeneration units. Around 83% of its cogeneration process is renewable energy, resulting in significant reduction in greenhouse gas emissions.

To lower energy consumption by the pumping of water in sugarcane farms, SRSL implemented solar-powered irrigation pumping systems as an alternative power source for farmers and their plantations.

Solar Plant in Pathri.

One of its sugar refineries has installed two 50kWh solar plants that will reduce its carbon emissions by up to 136,000 kilogrammes annually. One of its sugar mills has also installed a 150kWh solar plant.

Wastewater is treated and reused in cooling towers and to irrigate the green belts within the mill compounds. Spent wash from distilleries is used in incinerator boiler to produce steam and power to operate the distillery. The press mud from sugar processing is mixed with treated waste of distillery to produce bio-manure. SRSL is implementing further measures to achieve zero liquid discharge for all distillery plants.

Social

In partnership with the Coca-Cola Foundation and Solidaridad Asia, SRSL has been supporting sugarcane outgrowers in India since 2017. Some new initiatives implemented in 2022 include establishing a soil testing lab, installing biodigesters, distributing waste decomposers and introducing integrated pest management. In support of the Sustainable Sugarcane Initiative, SRSL distributed safety kits and organised health and safety awareness camps for the farming community, especially for the women farmers.

SRSL supports the educational needs of students by distributing educational material to the primary schools near its operations. SRSL also contributes towards the supply of clean potable water by installing reverse osmosis plants and borewell hand pumps in addition to refurbishment of ponds.

In support of the community's healthcare, SRSL donated fully-equipped ambulances to the Primary Health Care Centres in Bagalkot District of Karnataka.

During the Covid-19 pandemic, SRSL distributed sanitisers and oxygen concentrators to health centres near its operations.

Governance

At SRSL, the Board of Directors is tasked to ensure that the company is governed effectively, with integrity, transparency and in accordance with sound corporate governance practices. The governance structures as well as processes are regularly reviewed to take into account new developments and to facilitate an effective leadership.

Outlook

Going forward, as consumer preference shifts away from loose sugar to packed sugar for health and hygiene reasons, SRSL will continue to focus on expanding its customer base for Madhur branded products while growing its ethanol business and value-added sugar exports.

PROSPECTS

The Indian economy is anticipated to grow by 7.3% in 2022-23, maintaining its position as the fastest-growing economy in the world. According to the United Nations, India will become the most populous country in 2023. This offers a huge potential in the food business.

Over the years, both AWL and SRSL have created some of the strongest food brands, an extensive distribution network, state-of-the-art manufacturing facilities and superior sourcing capabilities. Both companies are well-positioned to scale their businesses to tap the huge opportunity in India.

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 **34** 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

Europe
- Leading refiner of tropical oils

China
- Largest edible oils refiner and specialty fats and oleochemicals manufacturer
- Leading oilseed crusher, producer of branded consumer pack oils, rice and flour
- One of the largest flour and rice millers

Vietnam
- Largest edible oils refiner, specialty fats manufacturer and oilseed crusher
- Leading flour miller and grains value-added processor
- Leading producer of branded consumer pack oils, rice, flour, sauces and condiments

Africa
- One of the largest investors in oil palm plantations, one of the largest edible oil refiners and producers of consumer pack oils, soaps and detergents
- Third largest sugar producer

India
- Largest branded consumer pack oils, specialty fats and oleochemicals producer and edible oils refiner
- Leading oilseed crusher
- Leading sugar miller, refiner and ethanol producer

Indonesia & Malaysia
- One of the largest oil palm plantation owners and the largest palm oil refiner, palm kernel and copra crusher, flour miller, specialty fats, oleochemicals and biodiesel manufacturer
- Largest producer of branded consumer pack oils and third largest rice miller in Indonesia

Australia
- Largest raw sugar producer and refiner
- Leading consumer brands in sugar and sweetener market
- Top 10 global raw sugar producer

* Including subsidiaries, joint ventures and associates

PERFORMANCE OVERVIEW

Net Profit
US$2.40b

Core Net Profit
US$2.42b

Revenue
US$73.40b

EBITDA
US$4.73b

Total Assets
US$60.40b

Diluted Earnings Per Share
38.3 US cents

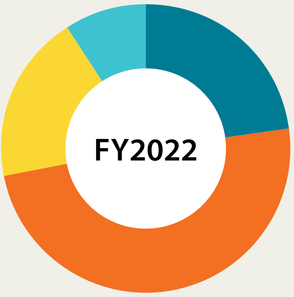
Net Asset Per Share
US$3.20

Dividend Per Share
S$0.170

FINANCIAL HIGHLIGHTS

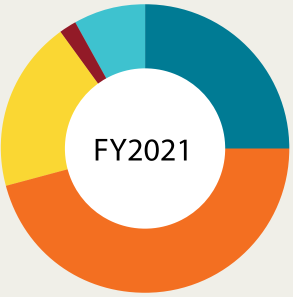
	FY2022	FY2021	FY2020	FY2019	FY2018
INCOME STATEMENT (US$ MILLION)					
Revenue	**73,399**	65,794	50,527	42,641	44,498
EBITDA	**4,734**	4,172	3,609	3,024	2,937
Profit before tax from continuing operations	**3,117**	2,766	2,311	1,698	1,612
Net profit – including discontinued operations	**2,402**	1,890	1,534	1,293	1,125
Earnings per share – fully diluted (US cents) – including discontinued operations	**38.3**	29.9	24.1	20.4	17.8
Dividend per share (Singapore cents)	**17.0**	15.5	13.0	12.5	10.5
Dividend payout ratio on net profit (%)#	**33**	38	40	44	43
Special dividend per share (Singapore cents)	**–**	–	6.5	–	–
CASH FLOW (US$ MILLION)					
Operating cash flows before working capital changes	**3,951**	3,994	3,594	2,894	1,956
Capital expenditure	**2,483**	2,527	1,976	1,813	1,325
Working capital changes	**(778)**	(3,100)	(2,443)	1,098	149
Investment in subsidiaries, joint ventures and associates	**141**	81	317	129	417
BALANCE SHEET (US$ MILLION)+					
Shareholders' funds	**19,986**	19,924	18,882	16,763	16,046
Total assets++	**60,402**	58,718	51,020	47,045	45,713
Total liabilities++	**37,801**	36,116	29,637	29,169	28,938
Net loans and borrowings	**18,747**	17,238	13,605	13,219	13,460
Net gearing (x)	**0.94**	0.87	0.72	0.79	0.84
Adjusted net loans and borrowings*	**6,085**	5,349	5,038	6,102	5,426
Adjusted net gearing (x)	**0.30**	0.27	0.27	0.36	0.34
Net asset per share (US cents)	**320.2**	316.5	298.9	264.4	253.6
Net tangible assets per share (US cents)++	**233.6**	230.8	212.7	179.8	182.8

PROFIT BEFORE TAX BY BUSINESS SEGMENT



Food Products	23%
Feed & Industrial Products	49%
Plantation and Sugar Milling	19%
Others	0%^
Associates and Joint Ventures	9%

^ Amount is < 0.1%

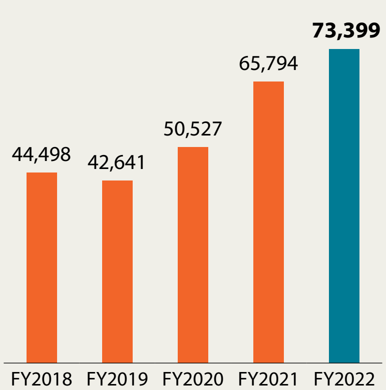


Food Products	25%
Feed & Industrial Products	46%
Plantation and Sugar Milling	19%
Others	2%
Associates and Joint Ventures	8%

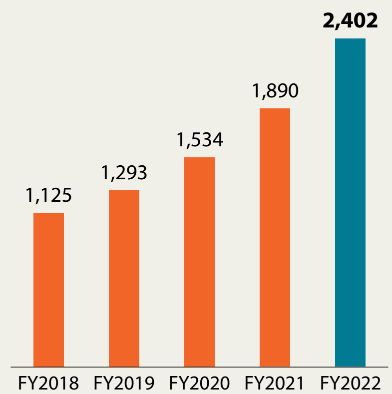
Note:
Segmental breakdown calculation excludes unallocated expenses, changes in fair value of biological asset and impairment of property, plant and equipment.

+ 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 have been restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries.
# FY2022 dividend payout ratio on net profit is estimated based on number of shares outstanding as at 31 January 2023.
* Adjusted net loans and borrowings exclude liquid working capital and liabilities directly associated with disposal group classified as held for sale.

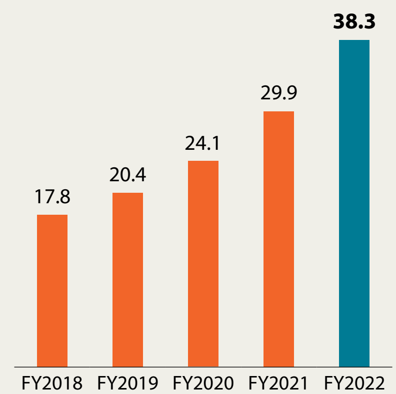
REVENUE (US$ MILLION)



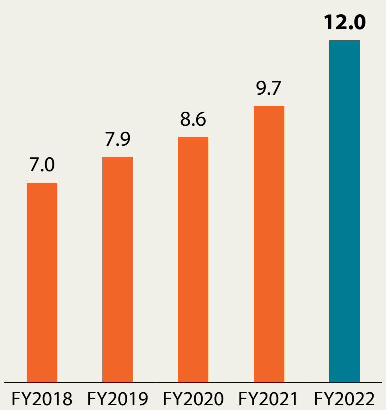
NET PROFIT (US$ MILLION)



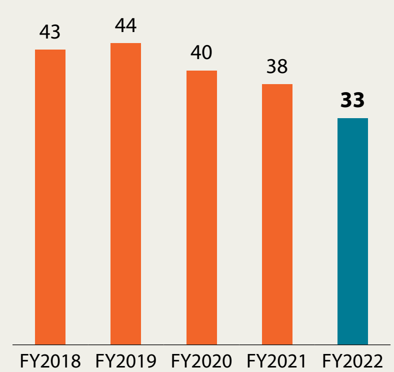
DILUTED EARNINGS PER SHARE (US CENTS)



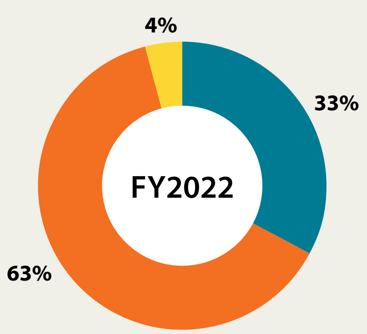
RETURN ON AVERAGE EQUITY (%)



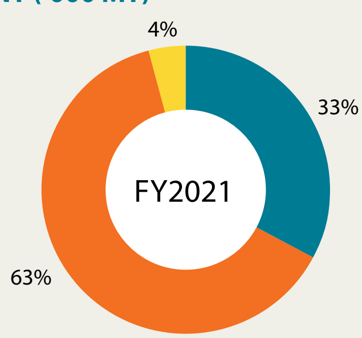
DIVIDEND PAYOUT RATIO ON NET PROFIT# (%)



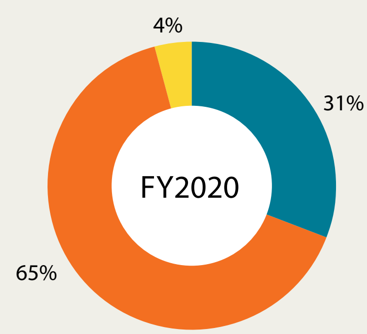
SALES VOLUME BY BUSINESS SEGMENT ('000 MT)



Food Products	29,067
Feed & Industrial Products	55,615
Sugar Milling	3,239



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

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	SUGAR MILLING
Fresh Fruit Bunches 4.4m MT	Volume 3.2m MT

Revenue
US$4.74b

Results
US$569.3m

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	OILSEEDS & GRAINS	SUGAR
Volume 22.2m MT	Volume 21.4m MT	Volume 12.1m MT

Revenue
US$44.55b

Results
US$1.56b

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	MEDIUM PACK AND BULK
Volume 8.5m MT	Volume 20.6m MT

Revenue
US$31.52b

Results
US$723.5m

LOGISTICS

38
Liquid Bulk Vessels

16
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 in both origin and destination markets, which enable us to manage 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 2022, 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

We remain committed to our strategy and will continue to work towards expanding our footprint in the agri and food businesses globally, with a focus on Asia and Africa, as well as strengthening the integration across the various segments of our business.

In FY2022, we added capacities in various countries such as China, Indonesia, Malaysia, Vietnam, Pakistan, Papua New Guinea, Ghana and Ivory Coast, in the following areas:

- Edible oil refining
- Oilseeds crushing
- Rice bran extraction
- Flour, rice and sugar milling
- Edible oil, flour, rice and sugar packing
- Noodles manufacturing
- Specialty fats manufacturing
- Compound fertiliser manufacturing
- Soap and detergent manufacturing

In India, we successfully acquired the domestic business of renowned brands Kohinoor, Charminar and Trophy Basmati Rice from McCormick and launched new products such as Fortune Poha (Flattened Rice). We also became the first national player to launch branded consumer pack rice targeted specifically for various regions in the country, including rice variants such as Miniket, Banskanthi and Gobindo Bhog in Eastern markets.

For our sugar business, we continue to increase our consumer pack and ethanol production in India. Our associate's sugar refinery located in Saudi Arabia reached full capacity in FY2022.

CENTRAL KITCHEN FOOD PARK PROJECT

In China, the Central Kitchen Food Park project is an important new extension of the Group's value chain and complements our existing businesses. We will build multiple integrated food park complexes and site most of them in our integrated manufacturing plants throughout China to address the growing need for efficient and quality food production.

We will adopt an open approach so that we can attract a broad tenant mix and bring together strategic ingredients suppliers, other food manufacturers and service providers. The efficiency and scale of this approach will help achieve the synergies of the projects to produce good tasting, safe, consistent quality food products at lower costs.

We have formed a joint venture with SF Express (顺丰速运) to provide efficient distribution of products from our food parks.

Food Park in Hangzhou, China.

WILMAR CENTRAL KITCHEN FOOD PARK BUSINESS MODEL

FOOD ECOSYSTEM

Shared Services

- Access to Culinary and Baking Institutes
- Access to Yihai Kerry Arawana (YKA) Food R&D
- Multi-Temperature Zone Warehousing
- QA/QC and Food Safety Testing
- Exhibition/Tasting Centers
- Consolidated Procurement
- Consolidated Logistics
- Marketing Services and Distribution Network

Central Kitchens

Own CK	External Tenants
Student Meals	Raw Material Processing and Storage
Institutional Meals	Chinese Food Manufacturers and Other Producers
Retirement Home Meals	Chain Restaurants
Others	Supermarket and Convenience Stores
	Others

WKitchen 丰厨

Strategic Ingredient Suppliers

- Meat Suppliers and Processors
- Seafood Suppliers and Processors
- Fruit & Vegetable Suppliers and Processors
- Others

YKA Integrated Manufacturing Complex

Flour Mill | Edible Oil Refinery | Rice Mill | Condiment Factory | Others

Four food parks in operation with six more under construction

In Operation:

- Hangzhou 杭州
- Zhoukou 周口
- Chongqing 重庆
- Xingping 兴平 (in January 2023)

Under Construction:

- Langfang 廊坊
- Shenyang 沈阳
- Kunshan 昆山
- Yanzhou 兖州
- Guangzhou 广州
- Huai'an 淮安

We are planning for another 20 locations in the next two years and many more over the next decade.

OPERATIONS REVIEW

FOOD PRODUCTS

This segment comprises the processing, branding and distribution of a wide range of edible food products including vegetable oils, 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.

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 growing sales of rice, flour, noodles and condiments under a diverse brand portfolio. Our range of high-quality essential food products has enabled us to build extensive sales and distribution networks in many countries. Our consumer brands are well-established and renowned for their quality, having won numerous product awards (https://www.wilmar-international.com/about-us/awards) in their respective markets.

Market Trends

2022 saw surging raw material and food prices driven by macro factors such as the Russian-Ukraine conflict and policy changes in Indonesia relating to the sale and export of palm oil. These factors drove commodity prices to unprecedented levels in the first half of the year. The higher raw material costs impacted the Group's profitability. With Covid-19 lockdowns still in place in multiple cities in China for most of the year, demand from the hotels, restaurants and catering (HORECA) businesses also continued to be affected. Towards the end of the year, even as China eased Covid-19 restrictions, demand remained muted due to a spike in Covid-19 cases in the country.

Over the longer term, e-commerce and modern retail channels such as community group buying and online live sales are likely to become more popular as consumer buying behaviours continue to evolve post pandemic.

Our Performance

In FY2022, the Food Products segment continued to be impacted by higher raw material costs, especially during the first half of the year. However, pre-tax profit improved to US$723.5 million mainly due to the gain on dilution of interest in Adani Wilmar Limited amounting to US$175.6 million recognised in 1Q2022.

Overall sales volume for the segment grew by 3% to 29.1 million MT in FY2022, driven by higher consumption of medium pack and bulk products. In particular, sales volume for rice and flour increased during the year, in line with our capacity expansion in these businesses. However, the improvements were partially offset by a decrease in consumer products sales as the widespread outbreak of Covid-19 cases in China resulted in a slowdown in sales.

Outlook & Strategy

We will continue to build our distribution networks and leverage our prominent brands as well as research and development capabilities to develop new products such as condiments and home care products to widen our range of offerings. We are also developing higher margin and superior quality products to improve our profitability.

With Covid-19 restrictions easing in more countries, especially in China, we are cautiously optimistic that demand for our food products will recover as consumer sentiment and spending improve.

In India, we expect food and fast-moving consumer goods segments to continue to grow with the expansion of the economy. Our strategy in India is similar to China.

Our consumer pack rice and flour are marketed under a diverse brand portfolio.

FEED & INDUSTRIAL PRODUCTS

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

We operate crushing plants in China, India, Vietnam, Malaysia, Zimbabwe, Zambia and South Africa. We crush a wide range of oilseeds including soybean, rapeseed, groundnut, sunflower seed, sesame seed, cotton seed, copra and palm kernels. We are the world's largest producer of palm biodiesel and oleochemicals. We offer a comprehensive range of products from basic oleochemicals, derivatives to biofuels. We also operate an integrated sugar business with milling, refining and ethanol production. We have a market-leading merchandising team headquartered in Singapore and trade about 15 million MT of raw and white sugar globally on an annual basis.

Oilseeds & Grains – Crushing

Soybean prices rose at the start of 2022 driven by concerns over a drought in Argentina, the escalation of the Russia-Ukraine war in February as well as Indonesia's palm oil export ban in end-April. By end-May, soybean prices had started to retreat as palm oil prices fell after Indonesia lifted its export ban on palm oil.

Soybean meal demand in China was weaker due to prolonged Covid-19 lockdowns, poor hog margins, higher freight costs and high prices.

Tropical Oils

Crude palm oil (CPO) prices were on an upward trend in 1Q2022 due to tight supply of vegetable oils following implementation of Indonesia's Domestic Market Obligation (DMO) scheme and palm oil export ban as well as the Russia-Ukraine war which resulted in a shortage of sunflower oil. Prices started to come off after Indonesia lifted its palm oil export ban and removed the export levy for all palm oil products.

CPO prices started the year at RM5,228, reached a record RM8,076 in March before closing the year at RM4,048, down 23% from the beginning of the year. Nonetheless, palm prices stayed at elevated levels compared to historical prices, partly due to continued support from the Indonesian biodiesel programme. Biodiesel production increased more than 10% to approximately 10.4 million kilolitres (kL) in 2022 from approximately 9.2 million kL in 2021.

Sugar

Tight supply and demand environment in the global sugar market resulted in sugar prices remaining range-bound between 18 and 21 US cents per pound for most of 2022 and the white sugar premium (the difference between the price of raw sugar and white sugar) staying above US$80 per MT.

Oleochemicals plant in Gresik, Indonesia.

Our Performance

In FY2022, the Feed and Industrial Products segment continued to perform well and delivered pre-tax profit of US$1.56 billion, an improvement of 23% compared to FY2021. The robust results were achieved on the back of sustained good performance from the tropical oils business as well as better margins from sugar merchandising activities. However, these were partially impacted by weaker crush margins from the oilseeds business in China. Overall sales volume for the segment increased by 1% to 55.6 million MT, driven by improvement in sales in the oilseeds and grains, as well as sugar businesses.

Outlook & Strategy

Soybean demand in China is expected to improve in 2023 due to the easing of Covid-19 restrictions in China and lower prices are projected due to higher soybean supplies from Brazil.

For sugar, the market is expected to stay tight with lower production from Europe, Thailand and China, and lower exports from India in 2023.

For tropical oils, we expect demand to be supported by higher biodiesel blending in Indonesia and the re-opening of the Chinese economy. The Indonesian government increased its biodiesel blending mandate from 30% to 35% for 2023. The government also announced tightening of export trade rules, reducing the volume of exports allowed from eight to six times of the domestic palm oil sales volume. Palm oil exports will likely be further restricted between February and April 2023 to ensure sufficient supply to the domestic market ahead of the Lebaran holiday in Indonesia.

However, considering the weaker global economic environment, we maintain a cautious outlook for 2023.

OPERATIONS REVIEW

PLANTATION & SUGAR MILLING

This segment comprises oil palm plantation and sugar milling activities, which include the cultivation and milling of palm oil and sugarcane, as well as the production of compound fertilisers.

As at 31 December 2022, our total planted area for oil palm stands at 231,697 hectares (ha). Through joint ventures, we own plantations in Uganda and West Africa totalling approximately 54,000 ha. Wilmar also directly manages 36,390 ha under smallholder schemes in Indonesia and Africa, and another 167,999 ha under smallholder 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 13 years. This will support the medium to long-term growth of our plantation operations. Around 60% of the plantations are at the prime production age of seven to 18 years and 24% 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% of Shree Renuka Sugars Limited (SRSL), the leading sugar company in India. SRSL has a cane crushing capacity of 8.5 million MT per annum and ethanol distillery capacity of 1,250 kilolitres per day.

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.

Our Performance

In FY2022, the Plantation and Sugar Milling segment's pre-tax profit improved 1% to US$569.3 million on the back of higher palm oil prices and better performance by the sugar milling operations in India for the first half of the year.

In palm plantations, favourable weather conditions and a better crop profile resulted in higher fresh fruit bunches production across all the Group's plantation regions, with total production growing by 11% to 4.4 million MT and production yield improving 7% to 21.0 MT per hectare in FY2022.

Oil palm plantation in Sabah, Malaysia.

Although sales volume for sugar milling operations decreased by 2% to 3.2 million MT in FY2022, revenue for the business increased by 7% to US$1.30 billion as a result of higher sugar prices. The international sugar price rally as well as our integrated global intelligence and pricing platform enabled us to maximise margins and capture higher sugar prices and record Far-East premium.

Outlook & Strategy

Palm oil production for the industry is expected to be impacted in 2023 due to a reduction in fertiliser application as a result of high fertiliser prices in recent years. With demand projected to recover from further easing of Covid-19 restrictions, higher Indonesia palm oil biodiesel blending and lower raw material prices, palm oil prices are expected to stay elevated.

In India, the ethanol programme which is projected to reach 20% blend by 2025 will continue to reduce sucrose availability. As sugar consumption is forecasted to grow, India is expected to have less sugar available for export to the international market.

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 around 500 scientists and researchers, of which 80 hold doctorate qualifications. The R&D teams are based in various locations worldwide, including Singapore, China, Indonesia, India, Malaysia, Australia and New Zealand.

In line with the Group's integrated and sustainable growth plan, our R&D teams engage in cross-border collaborations as well as with external organisations to share knowledge and resources to enhance our collective R&D effort. We were granted 79 patents in 2022 and a total of 371 patents to date.

In 2022, our R&D teams focused on the following areas:

- Identifying food ingredients and food components capable of contributing to nutritionally balanced diets as well as aid in healthy ageing. These efforts have translated into new, innovative and healthier food products including plant-based products, ready-to-cook and ready-to-eat products that have been successfully launched in some of our key markets.

- Development of efficient and cost-effective, bio-based methods of producing industrial enzymes and biochemicals. These developments provide environmentally sustainable solutions to our food processing industry and oleochemical production.

- Sustainable packaging - Transitioned to 100% recycled polyethylene terephthalate (PET) material for Praise dressings (Australia) and All Puhoi Valley (New Zealand) fresh and flavoured milk.

Goodman Fielder launched a new range of Meadow Fresh yoghurt for children in New Zealand that was the first in the market to have a 5-star health rating.

The Group developed and launched a range of ready-to-eat and ready-to-cook food products for the Chinese market.

INFORMATION TECHNOLOGY

In 2022, we continue to see the digital world being engulfed by data and emerging technologies that enable robust and agile business expansion as well as speed to scale. Our Information Technology (IT) team is responsible for the implementation of a well-integrated digital IT strategy to make the Group's digital transformation a success and to support our business growth plans globally.

ENHANCING SALES EFFECTIVENESS

As customers become more sophisticated and demanding, we are enhancing and integrating our ordering, logistics and payment solutions to provide more visibility throughout the sales cycle and find opportunities to continuously optimise our cost to serve different customer segments. Our sales teams are equipped and trained with technology tools and data to conduct sales more effectively, create new apps to engage end-consumers and support community group buy initiatives in China, Vietnam and rural India.

BUILDING AND PROMOTING A DATA-DRIVEN CULTURE

We continue to develop and strengthen our infrastructure and data governance to provide the right data access and data visualisation tools to our employees as we recognise the importance of data and how it can be used to derive insights and drive important business decisions at all levels of the Group. In India, we can tap on a wide talent pool of data science resources to develop an insights team to focus on advanced analytics initiatives, applying artificial intelligence (AI)/machine learning models and algorithms to our datasets to generate actionable insights for the business.

LEVERAGING TECHNOLOGY TO ACHIEVE ESG GOALS

Wilmar continues to leverage technology solutions to achieve our Environmental, Social and Governance (ESG) commitment to making a meaningful difference in the way our businesses operate and create sustained value while continuing to grow. We use satellite imagery, internet of things (IOT), analytics and AI solutions to improve visibility into our sourcing and supply chain. Digital workspace collaboration and communication tools along with the adoption of digital signatures continue to gain traction post-pandemic, reducing our carbon footprint. We also apply the same ESG standards in assessing potential technology partners and evaluating their environmental impact during every stage of implementation.

GLOBAL TALENT POOL TRANSFORMATION & SOURCING

With the increased role of technology in Wilmar's global operations, having skilled IT talent to build and maintain our digital applications and infrastructure is important. In addition to collaborating with our technology partners for long-term sustainability, we increased our investment to develop and retain in-house technology delivery capabilities in Indonesia and Vietnam and identify new talent pools in India. Good talents are offered opportunities to be re-deployed to other countries to help replicate and accelerate the successful digital transformation initiatives locally.

PARTNERSHIP AND COLLECTIVE SECURITY

With increased cyber threats, the Group has deployed various technologies to protect the confidentiality, integrity and availability of our cyber assets. In addition to using industry leading cybersecurity framework to periodically evaluate and improve our cyber programmes, security controls, security awareness trainings and technical capabilities, we share and leverage information amongst our collective network of partnerships and joint ventures to further combat the constant and evolving cyber threats. Referencing published local guidelines and modelled after industry leading practices, the Group utilises scalable and standardised processes to collectively manage cyber threats. This unified defence helps the Group be more proactive, improves our overall cybersecurity maturity and increases our cyber resilience.

INVESTOR RELATIONS

Our commitment to building long-term relationships and maintaining fair and open communication with our stakeholders in the financial community remains a top priority. We use multiple channels to assist existing and potential investors make accurate and informed investment decisions by providing information on the Group's strategy and regular updates on business operations and developments.

HYBRID STAKEHOLDER ENGAGEMENT

With further easing of Covid-19 measures globally, we remain flexible in our engagement strategies. Whilst we have partially resumed in-person meetings and conferences, we continue to leverage digital technologies such as video conferencing systems to allow global investors who are still unable to travel, to meet with the management team online.

In 2022, the Investor Relations (IR) team engaged with more than 110 investors via various platforms such as one-on-one and group video and teleconferences, virtual and in-person investor conferences, post results calls, analyst meetings and results briefings. Although the Group shifted to half-yearly reporting in 2020, we continue to provide quarterly executive summaries and hold quarterly analyst briefings to keep stakeholders updated on our performance and strategies. These meetings provide a forum for the investment community to have conversations with Senior Management about the Group's strategic direction, industry trends, sustainability topics and financial performance. Any additional queries are also addressed via e-mails or phone calls in a timely and accurate manner.

We held our first hybrid Annual General Meeting (AGM) on 21 April 2022 in our new global headquarters. Shareholders could choose to attend the AGM either in person or virtually. Shareholders could also submit questions relating to the resolutions and to which we provided public responses in advance of the AGM. Our Chief Financial Officer presented our financial performance, environmental, social and governance (ESG) initiatives as well as business developments across the Group in the past year. The Board of Directors and Senior Management were in attendance to address any queries and concerns raised by shareholders. Shareholders were given the opportunity to ask their questions "live" during the AGM before submitting their votes electronically.

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 our relationships with sell-side research analysts and have 15 analysts providing regular coverage on Wilmar.

Our first hybrid AGM was held on 21 April 2022 in our new global headquarters.

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.

SUSTAINABLE INVESTING

ESG topics and dedicated sustainable investment strategies remain a key focus amongst the investment community as we saw more requests for ESG-focused meetings during the year. The IR team works together with the Group's Sustainability team to update stakeholders through meetings and proactive e-mails on our sustainability progress. 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**).

INVESTOR RELATIONS

We held our first in-person sustainability event since the outbreak of Covid-19, which was well-received by over 80 bankers, portfolio managers and analysts.

Regular engagement with proxy advisory service providers as well as ESG rating agencies enable us to better understand their voting requirements and promptly verify the accuracy of data reported on their platforms. In January 2022, we were upgraded from a 'BBB' to an 'A' rating for our ESG performance in the 2021 assessment by Morgan Stanley Capital International (MSCI).

In July 2022, we held our fifth sustainability event, which was well-received by over 80 bankers, portfolio managers and analysts based in Malaysia and Singapore. During the event, various sustainability team members presented updates on the Group's various sustainability initiatives, including our progress on traceability, No Deforestation, No Peat and No Exploitation (NDPE) implementation reporting framework, no exploitation implementation process, smallholders empowerment initiatives, Roundtable on Sustainable Palm Oil certification, conservation work and our No Deforestation and No People Exploitation Sugar programme. A short video on the highlights of our Sustainability Report 2021 was also shown during the session to allow the audience to gain key insights on the detailed report. Participants were given an opportunity to interact with the team directly through a question-and-answer session at the end of the presentation.

As we reaffirm our commitment to driving positive change in our industry, we also recognise the need for higher standards in reporting, transparency and accountability to our stakeholders. In 2022, we were again ranked top in the assessment by the Sustainable Palm Oil Transparency Toolkit (SPOTT) as well as the Global Child Forum. We also retained our position in the FTSE4Good and Dow Jones Sustainability World and Asia Pacific Indices and achieved second placing globally in the Corporate Human Rights Benchmark.

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 another year of record net profit of US$2.40 billion for FY2022.

In FY2022, we bought back about S$278 million of Wilmar shares, the second highest buyback consideration on the Singapore Exchange during the year. We are proposing a total cash dividend of 17.0 Singapore cents per share for the year, representing around 33% of the Group's net profit in 2022 and the highest ordinary cash dividend since the Group's listing on SGX in 2006.

Investor Calendar	
February	• FY2021 Results Briefing
March	• UOB Virtual ASEAN Conference 2022 • 25th Credit Suisse Asian Investment Conference
April	• Annual General Meeting • 1QFY2022 Analyst Meeting
May	• UBS Post Results Meeting
July	• Wilmar Sustainability Update
August	• 1HFY2022 Results Briefing
September	• CGS-CIMB Investor Update • CITIC CLSA 29th Annual Flagship Investors Forum
October	• 3QFY2022 Analyst Meeting
November	• Morgan Stanley Asia Pacific Summit

HUMAN CAPITAL MANAGEMENT

With more than 100,000 employees globally, Wilmar believes that nurturing our human capital is key to succeeding in an environment that is increasingly competitive and challenging. People are our most valuable asset and we recognise the need to identify and continuously develop our own talent pool. We continue to accelerate our talent development programmes to ensure that our employees can reach their fullest potential.

We also want to be a workplace where employees have a strong sense of belonging and are motivated to go the extra mile to contribute to the Group's growth.

NURTURING NEW TALENTS

In India, Adani Wilmar Limited (AWL) invests in its knowledge capital to drive growth, competitiveness and performance across market cycles in the food fast-moving consumer goods industry. It is actively building a talent pipeline to address the demands of rapidly evolving market dynamics. Its learning and development initiatives are based on business needs and individual aspirations, an example of which is the Graduate Engineer Trainees (GET) programme.

The GET programme aims to train employees recruited from reputed engineering institutes across India. The training programme ensures that every batch of trainees gain experience and exposure in AWL's different manufacturing plants across India.

AWL is a Great Place to Work-Certified™ organisation. The certification, awarded by the Great Place to Work® Institute India, is considered the 'Gold Standard' in identifying and recognising Great Workplace Cultures by excelling in the five dimensions of a High-Trust, High-Performance Culture™ – Credibility, Respect, Fairness, Pride and Camaraderie.

KNOWLEDGE SHARING

Sharing knowledge not only cultivates a learning culture, but also improves employee engagement. Having access to insights, resources and expertise enables employees to be more productive and effective.

In November 2022, Wilmar Africa in Ghana sent its first Quality Assurance/Quality Control supervisory team to AWL, to learn and adopt some of the good technical and work practices from its laboratories. The training plan is customised to each product category to ensure that the new knowledge is relevant and applicable back home. Concurrently, this is a platform to raise and align technical standards across the Group.

The training programme was well-received by all participants who found it a very fruitful and enriching learning experience. The next programme is scheduled for February 2023.

Ms Suramya Gautham

Ms Suramya Gautham joined AWL in August 2022 upon graduating from Govind Ballabh Pant University of Agriculture & Technology. She was a participant of the Graduate Engineer Trainees (GET) programme and shares her experience in the GET programme.

Q: What made you apply to the GET programme?

A: AWL's GET programme allows trainees to learn about different functions in the company. This enables us to gain a good understanding of the various operational aspects of a production plant, before we become more specialised. Being fresh out from school, this is an exciting learning opportunity that textbooks cannot offer.

Q: What did you enjoy most about the GET Programme?

A: As part of the induction process, we participated in team bonding activities that were not only fun but also imparted the corporate values of AWL. These activities fostered great camaraderie and I am encouraged that the spirit of teamwork will continue into the workplace.

Q: How did the programme improve your skills and knowledge?

A: The GET programme allows me to put my theoretical knowledge into practice and helps to lay the foundation for my career by strengthening my core technical concepts. The trainers also encourage critical thinking instead of just providing solutions. Most importantly, I got to see how different departments collaborate and support one another.

Q: How will you apply what you have learnt from the programme to your professional career?

A: The programme is very detailed and engaging. Having a deeper understanding of each department and interacting with the supervisors help us to better understand the entire manufacturing process and enables us to analyse from different viewpoints and make better decisions.

Q: What do you love about working in AWL so far? Would you recommend your university juniors to join us after their graduation?

A: I really love the encouraging and helpful nature of everyone at AWL. The management is flexible, embraces innovation and focuses on the safety of employees. It is a great place to work and I will highly encourage my juniors to join the programme.

AWARDS & ACCOLADES

CORPORATE AWARDS

Wilmar International Limited

Fortune Global 500, ranked 192nd
Fortune Magazine

Forbes Global 2000: The World's Biggest Public Companies, ranked 362nd
Forbes

Top 100 Singapore Brands, ranked 19th
BrandFinance®

Ranked 34th out of 489 companies on the Singapore Governance and Transparency Index
The Business Times and the Centre for Governance, Institutions and Organisations

Inclusion in the 2021 ASEAN Corporate Governance Scorecard, ASEAN Asset Class
Institute of Corporate Directors Philippines, Singapore Institute of Directors and Centre for Governance and Sustainability, National University of Singapore

Fastest Growing Company in Food & Beverages + Food & Drug Retailing Sector
The Edge Singapore Billion Dollar Club

Bangladesh

Bangladesh Edible Oil Limited

- **Great Place to Work® Certification**
  Great Place to Work® Institute

China

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

- **2022上海企业100强第11位**
  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
- **2022上海制造业企业100强第3位**
  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
- **2022年度品牌卓越企业**
  和讯网和巨浪视线联合主办的2022年财经中国年会暨第20届中国财经风云榜
- **2022年度"安心奖" – 年度粮油品牌**
  上海报业集团/界面新闻
- **年度食用油品牌**
  上海报业集团/界面新闻
- **中国粮油最具影响力企业**
  粮油市场报
- **2022年上海市五一劳动奖状**
  上海市总工会

南海油脂工业(赤湾)有限公司
Southseas Oils & Fats Industrial Chiwan Ltd

- **2022年广东企业500强**
  广东省企业联合会
- **深圳市农业龙头企业**
  深圳市市场监督管理局

益海(连云港)粮油工业有限公司
Yihai (Lianyungang) Grains & Oils Industries Co., Ltd.

- **2022中国农业企业500强**
  农民日报社、全国农业企业发展联盟
- **江苏植物油加工优强企业**
  江苏省粮食行业协会

丰益(上海)生物技术研发中心有限公司
Wilmar (Shanghai) Biotechnology Research & Development Center Co., Ltd

- **2022年度中国粮油学会科学技术奖特等奖**
  中国粮油学会

益海嘉里(昆明)食品工业有限公司
Yihai Kerry (Kunming) Food Industry Co. Ltd.

- **云南省级非公企业100强企业**
  云南省工商业联合会
- **2022年云南省工业质量标杆**
  云南省工业和信息化厅

Ghana

Wilmar Africa Limited

- **Agro-processing Company of the Year**
  Ghana Manufacturing Awards
- **Marketing Campaign of the Year – Frytol Healthy Heart Campaign**
  Ghana Manufacturing Awards
- **Agro-based Company of the Year**
  Chartered Institute of Marketing, Ghana
- **Ranked 25th at the 19th Edition of the Ghana Club 100 Awards**
  Ghana Club 100

African Consumer Products Ghana Limited

- **Detergent Manufacturing Company of the Year**
  Ghana Manufacturing Awards

India

Adani Wilmar Limited

- **Warehouse & Supply Chain Leadership Award 2022 - Best Use of Technology in Logistics**
  Krypton
- **Best Agri Tech Company Award**
  Dainik Jagran Group at the 2nd Naya Bharat Business Conclave & Awards
- **Emerging Company of the Year Award**
  Dainik Jagran Group at the 2nd Naya Bharat Business Conclave & Awards

Indonesia
PT Wilmar Nabati Indonesia

- **SNI Award Gold Category (Palm Cooking Oil)**
  Indonesian National Standardisation Agency
- **Subroto Award 2022 (The Best Biofuel Producer and Distributor in Indonesia)**
  Ministry of Energy and Mineral Resources

Ivory Coast
Sania Cie

- **Ivorian Industry Excellence Award 2022**
  Ministry of Trade and Industry

Uganda
Bidco Uganda Ltd

- **2022 Best Visionary Manufacturing Company of the Year**
  Visionaries of Uganda Awards
- **Platinum Quality Excellence Award for Best Manufacturer of Edible Oils and Detergents, Most Preferred Consumer Brands and the Leading Manufacturer of FMCG in East Africa**
  East Africa Brand Quality Awards

Vietnam
Cai Lan Oils & Fats Industries Company Ltd

- **Top 10 Food Reputation Award**
  Vietnam Report in collaboration with Vietnamnet Newspaper
- **Vietnamese High Quality Goods Award**
  Business Research Centers and Business Support

Vinh Phat Wilmar Rice Corporation

- **Certificate of Merit, Vietnam High Quality Goods**
  Business Research Centers and Business Support

Zimbabwe
Surface Wilmar

- **SME'S Choice Best Supplier**
  Confederation of Zimbabwe Retailers

SUSTAINABILITY AWARDS

Singapore

- **Ranked 1st globally in the 2022 Palm Oil Benchmark**
  Sustainability Policy Transparency Toolkit (SPOTT) by Zoological Society of London (ZSL)
- **Ranked 1st globally in the 2022 Food, Beverage and Personal Care Benchmark**
  Global Child Forum
- **Ranked 2nd globally in the 2022 Corporate Human Rights Benchmark (CHRB)**
  World Benchmarking Alliance
- **Maintained inclusion in the Dow Jones Sustainability Indices (DJSI) World and Asia Pacific Index**
- **Retained inclusion in the FTSE4Good Developed and ASEAN 5 Index**
- **Received an 'A' rating in the Morgan Stanley Capital International (MSCI) report**

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

- **国证ESG评价AAA级**
  深圳证券信息有限公司
- **ESG评价BBB级**
  MSCI（摩根士丹利资本国际公司）
- **ESG先锋奖**
  财联社
- **2022年度ESG卓越企业**
  和讯网和巨浪视线联合主办的2022年财经中国年会暨第20届中国财经风云榜
- **2022年度ESG优秀企业奖**
  华夏时报社
- **2022企业社会责任公益榜样**
  北京商报
- **首届“上海市慈善奖”–捐赠企业奖**
  上海市人民政府

益海（泰州）粮油工业有限公司
Yihai (Tai Zhou) Oils & Grains Industries Co Ltd

- **2022年度绿色发展领军企业**
  江苏省生态环境厅、江苏省工商业联合会

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

- **首届“河北慈善奖”**
  河北省民政厅、河北省人力资源和社会保障厅

India
Adani Wilmar Limited

- **CSR Project of the Year to Fortune SuPoshan at the 8th CSR Impact Awards**
  CSRBOX, supported by Dalmia Bharat Foundation
- **Social Impact Award (Health & Sanitation Category)**
  CSR Universe

Indonesia
PT Jawa Manis Rafinasi

- **Prevention and Management of Covid-19 in the Workplace**
  Local Government – Banten Province
- **Zero Work Accidents**
  Local Government – Banten Province

PT Duta Sugar International

- **Prevention and Management of Covid-19 in the Workplace**
  Local Government – Banten Province
- **Zero Work Accidents**
  Local Government – Banten Province

Vietnam
Meizan CLV Corporation

- **Letter of Appreciation for the collaboration in organising training courses in the Tourism Professional Training Management System**
  Ministry of Tourism of Cambodia

AWARDS & ACCOLADES

CONSUMER PRODUCT AWARDS

Brand	Award
Bangladesh	
Rupchanda	• **The Most Loved Brand (Edible Oil)** *Bangladesh Brand Forum*
China	
金龙鱼	• **中国粮油最具影响力品牌** *粮油市场报* • **年度消费口碑品牌** *深圳商务局与南方都市报* • **2022中国食品饮料业上市公司品牌价值榜TOP50排名第三** *每日经济新闻与中企万博(集团)公司* • **2022国民消费·影响力品牌** *人民网主办的2022国民消费大会*
金龙鱼食用油	• **中国品牌力指数SM(C–BPI®)食用油品牌排行榜榜首** *中国品牌评级与品牌顾问机构Chnbrand*
金龙鱼大米	• **中国品牌力指数SM(C–BPI®)大米品牌排行榜榜首** *中国品牌评级与品牌顾问机构Chnbrand*
Ghana	
Frytol	• **Food Brand of the Year** *National FMCG Awards 2022* • **Product of the Year (Manufacturing)** *Chartered Institute of Marketing, Ghana*
Alife	• **Emerging Brand of the Year** *Chartered Institute of Marketing, Ghana*
India	
Fortune	• **Brand of the Year** *Team Marksmen* • **Customer Favourite Brand** *Blinkit*
Fortune Xpert Total Balance Oil	• **Product Launch of the Year** *Channelier FMCG Awards 2022*
Indonesia	
Sania	• **Superbrands Indonesia 2022 (Cooking Oil Category)** *Superbrands in collaboration with Nielsen* • **Sania (Flour & Rice), Marketing Award, Best Marketing Campaign** *Majalah Marketing*

Brand	Award
Indonesia	
Sania	• **WOW Brand 2022, Bronze Champion (Cooking Oil Category)** *MarkPlus, Inc.* • **Top Brand Award 2022 in Recognition of Outstanding Achievement in Building the Top Brand (Cooking Oil & Rice Category)** *Frontier Consulting Group and Majalah Marketing* • **Top Social Media Award 2022 (Sania Rice)** *Majalah Marketing*
Fortune	• **Fortune Cooking Oil, Marketing Award, Best Marketing Campaign** *Majalah Marketing*
Nigeria	
Devon King's	• **Most Trusted Cooking Oil in Nigeria 2022** *Brand Health* • **Most Iconic Cooking Oil Brand of the Year 2022** *Brand Communicator*
Mamador	• **Most Outstanding Cooking Oil Brand of the Year Award** *Women in Marketing and Communications Conference Awards 2022* • **Most Outstanding Cooking Oil Brand in Consumers Engagement** *Brand Communicator*
Uganda	
White Star Laundry 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	• **Top 10 Most Chosen Packaged Food Brands by Consumer Reach Points** *Brand Footprint Report*
Zimbabwe	
Buttercup Margarine	• **Winner (Spreads Category)** *MAZ Superbrands*
Puredrop	• **1st Runner-up (Cooking Oil Category)** *MAZ Superbrands*
Olivine Cooking Oil	• **2nd Runner-up (Cooking Oil Category)** *MAZ Superbrands*

SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

As a global leading agribusiness group with a presence across the value chain, Wilmar is in a strategic position to leverage our resources and expertise to create a positive impact for our stakeholders. We are committed to providing responsible and sustainable food, animal feeds and agri-products that safeguard the well-being of both people and our planet.

The foundation of our sustainability commitments is built on four main pillars which set a clear direction in the development of our strategies to boost performance across all business segments:

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

Our No Deforestation, No Peat, No Exploitation (NDPE) Policy is the crux of our global operations and our supply chain. Other sustainability-related policies and framework which encompass the environment, human and labour rights, health and safety, equal opportunities, women empowerment, child protection and food safety further strengthen the NDPE Policy.

In 2021, Wilmar introduced our No Deforestation and No People Exploitation Sugar Policy built around a firm commitment to work in partnership with our buyers and suppliers to improve sugarcane production for both people and the environment. We are working progressively to implement this Policy through the various actors in our supply chain to drive lasting improvements in sustainability.

All of the Group's policies and frameworks are available and accessible on our Sustainability Dashboard (https://www.wilmar-international.com/sustainability).

PROTECTING THE ENVIRONMENT

Being an industry leader, Wilmar believes in leading by example and demonstrates this by being an early adopter of identifying High Conservation Value (HCV) areas and establishing these areas as protected zones.

BIODIVERSITY AND CONSERVATION

Protecting Conservation Areas

As an extension of our overarching NDPE Policy, Wilmar is committed to biodiversity conservation in our operations and supply chain. Our proactive approach to environmental protection 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

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

Wilmar's riparian zone in Bukit Durang, Sarawak, Malaysia.

SUSTAINABILITY

Our conservation areas are maintained based on evaluations conducted to date for our palm oil operations where all identified HCV and High Conservation Stock (HCS) areas are monitored. A dedicated conservation team consisting of qualified High Conservation Stock Approach (HCSA) practitioners and licensed HCV-HCSA assessors carry out the evaluations. We also work closely with local communities, civil society organisations, governments and suppliers to ensure the effective management and conservation of our operations and the surrounding landscapes.

Similarly for our sugar operations, we require all sugarcane farm development activities to demonstrate that they do not involve HCV areas or areas that are legally protected internationally or nationally.

Protecting Peatlands

Peatlands play a crucial role in climate change mitigation as it stores more carbon than all other forms of vegetation combined. Peatlands pose a fire risk if drained or exposed to dry weather as they are carbon-rich. Since implementing our NDPE Policy, we have prohibited any new development on peatlands, regardless of depth. We also collaborate with experts and local people to research solutions for peat restoration as we recognise the opportunities and benefits these areas provide, including reducing greenhouse gas (GHG) emissions.

We apply best management practices as defined by peat experts and the Roundtable on Sustainable Palm Oil (RSPO) in the 1% of our total planted palm area that is classified as peat. An example is maintaining water tables at optimal levels to minimise peat subsidence and the release of carbon dioxide.

We also participate in and contribute to knowledge-sharing platforms and multi-stakeholder initiatives such as the Tropical Forest Alliance as well as peatland conservation efforts and targets by the Indonesian Peatland Restoration Agency (Badan Restorasi Gambut).

Fire Prevention, Monitoring and Suppression

Since 2020, we have been utilising an integrated fire monitoring platform that automatically downloads and sends hotspot data to our field managers via a web-based instant messaging application. The platform was developed internally by our geographic information system team and the programme has been extended beyond Indonesia to Ghana, Malaysia and Nigeria since 2021. This is in addition to the daily on-ground fire monitoring system.

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

CLIMATE CHANGE

Climate change poses a risk to our planet, including livelihoods, food production and security. As we work on identifying opportunities to strengthen our business resilience, we are also setting up to mitigate the impacts of climate change.

We are committed to progressively reduce greenhouse gas (GHG) emissions from our operations while supporting global efforts to mitigate the impacts of climate change. All our business segments are focused on reducing GHG emissions through various initiatives.

Following our commitment to develop a sectoral roadmap for enhanced supply chain action consistent with a 1.5°C pathway, we worked closely with our peers and completed the roadmap in September 2022. We signed up to the Science Based Targets initiative (SBTi) and are committed to both near-term and net-zero emission targets. We are developing timebound plans over the next 24 months to outline our strategy and approach to achieving our comprehensive targets that are consistent with a 1.5°C pathway aligned with SBTi.

We have established our Scope 1 and 2 baselines and implemented measures to reduce these emissions, primarily through investments in operational efficiency and renewable energy. We have also completed the mapping of the Group's Scope 3 emissions for our target baseline year, which will be disclosed in our Sustainability Report 2022.

In addition, we are building a more resilient business by continuing to act proactively on the evolving risks and opportunities relevant to our business and key stakeholders.

Fire management and response team undergoing training in Indonesia.

The Sumatran surili *(Presbytis melalophos)* found in Wilmar's conservation site in Indonesia.

ENVIRONMENTAL FOOTPRINT OF OUR OPERATIONS

As we rely on various resources including water and energy for our business to operate, we acknowledge the crucial role we play in minimising the environmental footprint in our business operations. We support sustainable production by implementing efficient measures to reduce the use of resources. Our commitment to minimising the environmental footprint of our operations is mapped out in our Environmental Policy. We reuse, recover and recycle waste while making efforts to manage waste, effluents and chemicals responsibly. We fully adhere to all environmental laws and regulations in the countries where we operate.

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

We adopt different technologies in our factories to reduce our energy consumption, improve energy efficiency and reduce reliance on non-renewable energy sources, including steam condensate recovery, waste heat recovery of exhaust gas, steam residual pressure power generation and rooftop solar. These initiatives also result in significant GHG emissions reduction.

To reduce water consumption in our oil palm plantations, we adopt a lifecycle approach in the design and operation of our mills. We also implement water efficiency measures such as rainwater collection and wash water recycling in water-intensive mills, nursery irrigation and household use.

We also implement 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 the local regulations of the countries we operate in.

Where possible, we adopt the principles of a circular economy model and are committed to reducing the amount of waste generated. All the waste produced in our upstream palm activities is recovered and reused where organic waste including EFB, mesocarp fibre and palm kernel shells are 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.

We also apply the waste management hierarchy in our factory operations to minimise waste channeled to landfills. Where possible, our factory production processes are modified to maximise recovery of waste generated and to reduce waste channeled to landfills.

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 maximising packaging that can be reused or recycled by end-users. This goes towards minimising the impact of packaging waste, particularly plastic waste, while prioritising food safety and quality, lengthening shelf life and reducing food waste. We also look into improving the sourcing requirements of the materials we procure to ensure that they are from sustainable sources.

Since completing our baseline packaging data in 2020 which identified the key plastic materials used and their material efficiencies, the data has been used to drive our efforts on reducing the amount of packaging material needed with a focus on these materials in countries where material efficiency is low.

SUSTAINABILITY

LOOKING AFTER PEOPLE AND COMMUNITIES

As a multinational organisation with a global footprint and a workforce comprising different nationalities and cultural backgrounds, we are committed to upholding the human rights and labour standards of our workers and local communities in support of the universal acknowledgement of each person's inherent dignity.

HUMAN RIGHTS AND LABOUR STANDARDS

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

We also 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

We launched our first Group-level Human Rights Defender Policy in 2021 with input from key human rights experts. This came on the heels of our Human Rights Framework established in 2019 in reference to the Organisation for Economic Co-operation and Development (OECD) guidelines.

The Framework provides detailed instructions on the practical implementation of all principles, such as due diligence mechanisms for identifying, preventing, mitigating and accounting for our impacts on human rights, including remediating any adverse impacts. The Framework also outlines several procedures and policies including Wilmar's NDPE Policy, Human Rights Policy, Whistleblowing Policy, Grievance Procedure and No Exploitation Protocol.

To keep abreast with the latest developments, we work closely with human rights experts and civil societies which also allows us to seek feedback on our approach and progress. In addition, we actively engage in partnerships and various multi-stakeholder platforms that advocate human rights.

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 been helping us to better understand our systemic labour and human rights risks, the possible root causes of child labour, the link between work and pay practices as well as emerging labour issues.

In the 2022 Corporate Human Rights Benchmark (CHRB), we ranked first in the East Asia and Pacific region and second globally out of 127 companies.

Living Wage

Wilmar is committed to assessing and ensuring that our employees, contractors and suppliers are paid a living wage. We have assessed 100% of our employees and contractors to ensure that they are paid a living wage. We similarly assess that our palm suppliers pay their workers and contractors a living wage via our Supplier Reporting Tool.

Our assessments are based on available living wage frameworks for the 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.

Wilmar has been a co-chair of the RSPO Living Wage Task Force (LW TF) since 2021. Our work with the LW TF involves developing living wage benchmarks with stakeholders for the different regions in which RSPO operates. This work builds on the RSPO Guidance for Implementing a Living Wage published in 2020 to which Wilmar has provided significant input. Through this initiative, RSPO and its members strive to ensure the payment of a living wage for workers and their families.

In countries without furnished data on what is considered a living wage, we ensure our workers receive at least the minimum wage and access to benefits such as non-mandatory savings schemes, free childcare and free transport. For employees who work on-site in remote areas, housing, facilities and benefits are provided.

Recruitment of Workers

To prevent human trafficking and forced labour in our palm oil operations in Malaysia and Indonesia, our workers are recruited directly and we bear all recruitment fees and related costs. This mitigates the common problems of contract misrepresentation and debt bondage arising from excessive recruitment fees charged by agents when hiring foreign workers in the agricultural sector. In instances where recruitment agencies are used, it is only to support the documentation processes.

The use of contracted agents in Ghana and Nigeria is only for logistical and administrative purposes. We handle salaries and remuneration directly with our workers to prevent risks of exploitation.

Protecting Children's Rights in our Supply Chain

Child labour, exploitation and abuse of any form are not tolerated and we are 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.

In 2017, we published our Child Protection Policy which outlines our commitment to protecting the rights of children in our plantations as well as within our suppliers' and contractors' operations. We have been conducting annual child safety assessments for our upstream palm operations in Indonesia and Malaysia since 2018 and have expanded this to our operations in Africa in 2020. An internal team, independent of the plantation reporting structure, carries out these assessments to understand if there are potential risks to children and recurring issues, and to record programmes or interventions in place to improve overall child safety.

In collaboration with our plantation Women's Working Groups (WoW), we also studied health records in our 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. It serves as a comprehensive guide to understanding the universal rights and protection of children and how this applies to the wider agricultural industry. In Malaysia and Indonesia, we have progressed to the next phase to test the practical application of the Manual. The findings from the assessment will be shared with our supplier base in both countries.

We have also developed the Children in Plantation Directory in collaboration with Earthworm Foundation, ADM, Avon and Nestlé to guide the private sector in improving the health, safety and education of children living on or near plantations in Malaysia. The directory of social services is the first of its kind in the country and contains four priority areas - education, community engagement, birth registration and child protection-related services for children and youth living in the rural areas of Sabah, Malaysia. We are working with BSR to develop a similar handbook in Indonesia.

We provide free and quality education for children living in our plantation operations as we believe that education is the key to eradicating poverty and improving lives. Wilmar also operates crèches across our plantations globally to care for younger children.

Class in session in Wilmar's Community Learning Centre in Sawarak, Malaysia.

In 2022, Wilmar was recognised by the Global Child Forum, a Swedish non-profit foundation, as the best-performing company in the Food, Beverage and Personal Care benchmark and emerged number one globally among a total of 310 of the world's most influential companies that were assessed.

SUSTAINABILITY

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

It is our highest priority to instil a culture of safety across our entire operations, given that the nature of our business sees our workers undertaking a wide range of different tasks such as harvesting, operating heavy machinery and transporting goods. Any lapses in health and safety protocols will potentially have an adverse impact on our people and operations. Wilmar strives to uphold the fundamental rights of our employees, workers and everyone involved in our operations to safeguard their health and well-being while building a healthy, motivated and productive workforce.

Wilmar Integrated Management System (WIMS) is our integrated Environmental, Health and Safety (EHS) management system to minimise workplace health and safety risks. It is an overarching global system enabling us to have a common and consistent approach to EHS management which also:

- Follows internationally recognised standards, including ISO 14001:2015 and ISO 45001:2018
- Covers the entire Group and all our employees, despite EHS management systems being mandatory only in selected countries
- Is regularly reviewed to improve our health and safety performance, usually once every three years or when there is a change in the standards we follow

A large number of our facilities are currently certified to ISO 45001:2018 Occupational Health and Management Systems or ISO 14001:2015 and we will be implementing the same level of health and safety management across all remaining facilities in the near future. Regular health and safety training is a WIMS requirement for all our workers, especially those performing high risk tasks. Educational materials in local languages are made available to ensure our workers are updated on best practices and relevant requirements. We also enhanced our safety leadership training in 2022 to further strengthen the safety culture across our operations. In collaboration with our Group IT team, we have developed a new Global E-Learning Programme to complement our training programmes.


Resources to support our healthcare staff in Nigeria are stepped up to support their work in training and educating workers on hygiene, sanitisation and general health and safety.

In 2020, we established a Fatality and Permanent Disability Incident Process where, if systems and trainings fall short of our required standard, disciplinary action will be taken at the site's senior management level.

We focused on strengthening our seven High-Risk Work (HRW) Standards in 2022. We continue to conduct training and implement best management practices for high-risk work which includes workplaces involving the seven riskiest work types such as work at height and energy isolation. The HRW Standards were first developed in 2016 and since then, have been revised and updated to provide guidance, build awareness and monitor compliance on the ground. HRW spot audit tools have also been developed to aid sites in the carrying out of field observations and inspections for ensuring HRW compliance. Findings and remediation actions are recorded for improvement.

DIVERSITY AND INCLUSION

We believe that a diverse and non-discriminatory work environment with equal opportunities will attract the right talent and empower each of our employees to be their best and unique selves. The diversity of our workforce brings new and unique perspectives that help us to better 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.

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 open to both young men and women who will 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 in which they thrive. In 2019, we launched our Women's Charter which outlines our commitment to respecting 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.

Wilmar Women's Charter outlines our commitment to respecting women's rights and ensuring the welfare of all female workers in the Group including in our plantations, factories and offices.

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

Wilmar began establishing women's committees in our oil palm plantations in 2007 and in April 2019, the Women's Committee Steering Group was established to ensure there is consistency and alignment with these five key focus areas. Now, we have WoW or Gender Committees in all our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria.

A number of initiatives have been launched by WoW focusing on women's welfare including training and raising awareness on topics like reproductive rights, birth control and the importance of regular screenings for breast and cervical cancer. We ensure there is equal access to health services. Maternal health cards are distributed to women to help track their prenatal health indicators.

We conduct trainings and group sessions on topics such as childhood nutrition and awareness of childhood 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.

The crèches established on our plantations provide a safe space for childcare while their parents are at work. 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.

SUSTAINABILITY

TALENT MANAGEMENT

Our global workforce of approximately 100,000 people across 39 countries is a key pillar of the Group's success. We aim to attract and retain 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 actively employ local talent in our overseas operations to leverage local knowledge and network.

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

Regardless of employment status, all our employees have access to health care, parental leave, life insurance as well as disability and invalidity coverage.

We are also developing more e-learning courses to cater to different employee levels to complement the current formal trainings, mentoring and on-the-job technical trainings.

ECONOMIC AND COMMUNITY CONTRIBUTIONS

Wilmar believes in supporting and empowering the surrounding communities in which we operate through socioeconomic development programmes covering education, health and in recent times, Covid-19 relief measures.

The establishment of our oil palm estates have led to the development of infrastructure such as roads, electricity and safe drinking water in remote rural areas. We further support rural development through offering stable employment opportunities and building workers' housing, schools and communal facilities.

Our independent smallholder programmes cater specifically to each country and aim to address the unique challenges faced by farmers in their respective locations. For example, farmers in Malaysia request for support around the provision and application of fertilisers whereas farmers in Ghana require support around the best agronomic practices. Our programmes also sometimes help farmers achieve relevant certification although it is not exclusively an objective.

We ensure that 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.

We allocate about 1% of the Group's annual profit to support various philanthropic endeavours. Some of these include building schools in China, Indonesia, Malaysia and Africa; supporting cataract operations and prosthetic limb surgeries for the needy; building orphanages and nursing homes in China; and contributing to disaster and Covid-19 relief efforts.

Smallholder training session in Indonesia.

TRANSFORMING OUR SUPPLY CHAIN

We continue to strive towards ensuring that our sustainability commitments extend beyond our own operations to the rest of our supply chain, therefore upholding responsible sourcing and supply chain transformation as strategic priorities for Wilmar.

We recognise our responsibility and capacity to guide and influence our supply chain, which represents a significant portion of our environmental and social impact. Thus, it is critical for us to continue engaging and working closely with our suppliers in an effort to make sustainable agriculture and food production a reality.

We have established traceability and transparency initiatives for our palm oil and cane sugar supply chains. Through monitoring efforts and capacity-building programmes, we ensure continuous compliance by our suppliers at the group level to Wilmar's sustainability commitments. Suppliers are also expected to uphold basic principles related to legal compliance, business integrity, labour and human rights, environmental protection as well as product quality and safety.

In 2021, we published the Palm NDPE Implementation Annual Report alongside our annual Sustainability Report.

Responsible Sourcing in our Palm Oil Supply Chain

Wilmar has established a comprehensive traceability programme since mid-2013 to support the implementation of our NDPE commitments, as a large part of our footprint originates from third-party suppliers. Information on our suppliers is available under the traceable supply chain section which provides comprehensive and interactive information on our Sustainability Dashboard such as the parent company name, mill or refinery/ trader/ bulker name, location, percentage of traceability to mill and plantation and progress related to sustainability.

Our Supplier Reporting Tool (SRT) allows us to monitor each mill supplier for compliance with our NDPE commitments in addition to our Supplier Group Compliance Programme which also monitors our direct and indirect supply chain using satellite technology.

Strengthening our Sustainability Commitments in our Sugar Supply Chain

As one of the world's leading sugar players, it is imperative for Wilmar to implement a robust sustainability commitment for our sugar supply chain. Our NDPE Sugar Policy, launched in September 2021, was developed to avoid rigidity and allow for flexibility to adapt and complement various other existing standards and schemes such as the Sustainable Agriculture Initiative, national programmes as well as legal and regulatory frameworks.

We continue to engage closely with our suppliers and buyers through awareness and capacity-building programmes to promote the recognition and implementation of the NDPE Sugar Policy in an effort to transform the sugar industry. We also monitor our mill suppliers through the SRT platform to identify any potential areas where we can collaborate to improve performance.

Wilmar's NDPE Sugar Policy is developed around a firm commitment to work in partnership with our buyers and suppliers to improve sugarcane production for both people and the environment.

SUSTAINABILITY

DELIVERING PRODUCT EXCELLENCE

Wilmar continues to focus on developing products that contribute to the health and well-being of our consumers through innovation, R&D, transparent product marketing and labelling. Our strategy and efforts reflect our deep commitment towards delivering product excellence that meets the highest and most stringent standards of product quality and safety.

INNOVATION AND TECHNOLOGY

The adoption of new innovations and technologies remain a key strategic focus, as we continue to invest in R&D. We established strategic partnerships with leading experts, academics and institutes, namely in Australia, China, New Zealand and Singapore, among others, who contribute to our research and collaboration efforts while providing us access to a pool of talents.

Wilmar currently has over 500 projects focused on advancing agricultural practices, optimising factory processes, enhancing overall product quality across various segments and a better understanding of various ingredients through food science.

Improving Yields and Reducing Pressure on Land Use

We continue to develop and implement our cloning programmes to increase yields without requiring further land expansion. The programme involves identifying and deciding on palm oil variations based on various parameters, including yield performance. We expect yields to improve by up to 30 per cent through these variations. Through efforts by our oil palm clonal lab in Central Kalimantan, Indonesia, we are scaling up production to 500,000 clonal palms per year by 2026.

Through our collaboration with Temasek Life Sciences Laboratory (TLL), we are conducting research on applying genetic screening to reduce the palm breeding cycle to potentially halve the breeding process duration in comparison to conventional methods. Field tests are being conducted on selected genetic markers against fresh fruit bunch yields in sampled palms.

Additionally, TLL is testing DNA markers associated with Ganoderma resistance as well as identifying drought-tolerant oil palms at the seeding stage.

Meanwhile, Wilmar Sugar Australia (WSA) is working to identify 'super' parents containing additive traits that help improve sugarcane yields and the sugar content of their progeny. As part of its breeding programme, WSA is trialling the use of Genomic Selection technology, using Single Nucleotide Polymorphism chips.

Through research work conducted in the oil palm clonal lab in Central Kalimantan, Indonesia, we expect yield to improve by up to 30%.

Improving Nutrition

Wilmar, the National University of Singapore (NUS) and the National Research Foundation formed a five-year partnership in 2018 and launched the WIL@NUS Corporate Laboratory in Singapore. Hosted by the Yong Loo Lin School of Medicine, the laboratory combines the world-class expertise of Wilmar and NUS and is committed to driving innovation in food technology to aid better health and developing efficient and cost-effective sustainable biochemicals.

WIL@NUS completed a significant clinical trial in 2021 and published the results in the Journal of Nutrition on the identification of food ingredients that contribute to healthy living and ageing. In 2022, a clinical trial on developing meals for women with non-alcoholic fatty liver disease was conducted and is reported in the US National Institutes of Health clinical trial registry.

In New Zealand, Goodman Fielder launched a new series of plant-based chicken products. Rated 4-stars by the health star rating system, these products are high in protein, low in saturated fat and do not contain any artificial flavourings or colours.

PRODUCT QUALITY AND SAFETY

Wilmar has in place a Food Safety Policy, Food Fraud Policy and Food Defence Policy to ensure that our food products consistently achieve high standards of quality and safety while meeting regulatory and compliance standards.

A large majority of our food and food ingredient factories are certified to a food safety certification scheme accredited by the Global Food Safety Initiative (GFSI). These certification schemes are:

- Food Safety System Certification 22000
- United Kingdom: British Retail Consortium Global Standard for Food Safety
- United States: Safe Quality Food

RESPONSIBLE MARKETING AND LABELLING

Wilmar markets and labels our products in a responsible manner while upholding a high level of ethical standards through strict compliance with legal and regulatory requirements outlined in each region where we operate. This includes avoiding targeting children in our sales and marketing activities, among others.

CONSUMER HEALTH AND WELL-BEING

Wilmar is well-positioned to respond to consumers' needs and continues to prioritise providing consumers with access to healthy, nutritious and affordable food, especially in emerging markets, through new product innovation and enhancements with additional nutritional attributes.

Our consumer products, whether distributed wholesale or sold directly to end-customers, are renowned for their quality. Our food products, which reach five billion consumers worldwide, include vegetable oils, sugar, flour, rice, noodles, condiments, snacks, bakery and dairy products, among many others.

We apply a targeted approach of understanding consumer requirements or preferences and aligning them with nutritional science that is constantly evolving to guide us in developing market-leading, nutritious food products.

RESPONSIBLE BUSINESS PRACTICES

Wilmar is committed to cultivating a culture of ethical and responsible business conduct, which is the cornerstone of a successful business. To uphold the trust and confidence of our stakeholders, we ensure that our employees globally comply with all relevant laws and regulations as well as Wilmar's internal policies.

Business Ethics and Compliance

Wilmar inculcates and fosters a Group-wide culture of strong business ethics and compliance throughout our global operations. This steers employee conduct and decision-making based on the highest standards of integrity. Employees are provided with relevant training programmes and guidance on our corporate policies including the Code of Conduct, Code of Ethics, Anti-Fraud Policy, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy – all of which have been reviewed and approved by the Board of Directors.

Wilmar's Tax Policy, which ensures we manage our taxes in a responsible and credible manner, determines how all companies within the Group conduct their tax affairs.

The **Whistleblowing Policy** establishes the framework for employees as well as external parties with business or commercial relationships with Wilmar to raise concerns or incidences of corporate improprieties in confidence without the risk of reprisal. The policy also institutes the investigation and verification process followed by determining the next course of action.

All the abovementioned corporate policies are available on the Group's corporate website (https://ir-media.wilmar-international.com/corporate-policies/).

Wilmar does not make any direct or indirect contributions to political parties, political associations and political candidates. Wilmar recognises employees' rights to participate in the political process as individuals. Any engagement by employees in political activities must be in compliance with our Code of Conduct and other relevant Group policies.

As a responsible corporate citizen, Wilmar often takes a position on issues of public policy that could impact our business. The Group may engage in efforts that may have an impact on legislation or government policy. All such lobbying efforts are conducted in accordance with applicable laws and regulations.

BOARD OF DIRECTORS

From left:
Juan Ricardo Luciano, Gregory Morris, Soh Gim Teik, Kuok Khoon Ean, Kishore Mahbubani, Teo La-Mei, Lim Siong Guan, Kuok Khoon Hong, Pua Seck Guan, Chong Yoke Sin, Tay Kah Chye, Kwah Thiam Hock, Teo Siong Seng, Kuok Khoon Hua and Tong Shao Ming

KUOK KHOON HONG, 73
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
16 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 – Non-Executive and Non-Independent Director
- Yihai Kerry Arawana Holdings Co., Ltd – Chairman and Director
- Adani Wilmar Limited – Vice Chairman and Director (Non-Executive)

Present principal commitment(s)
- Wilmar International Limited – Chairman and Chief Executive Officer

Other commitment(s)
- Perennial Holdings Private Limited – Director
- Perennial Group Private Limited – Director

Past principal commitments(s) including directorship(s) held over the preceding five years
- Nil

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

Notes:
1 "Principal commitment" has the same meaning as defined in the Code of Corporate Governance 2018.
2 Board of Directors' information is updated as of 2 March 2023

PUA SECK GUAN, 59

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
7 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 Chairman and Chief Executive Officer
- Wilmar International Limited – Chief Operating Officer (Part-Time)

Other commitment(s)
- Perennial Group Private Limited – Director
- Gardens by the Bay – 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
- Singapore-Zhejiang Economic and Trade Council – Member

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

TEO LA-MEI, 63

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
21 April 2022

Length of service as Director
4 years

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

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

BOARD OF DIRECTORS

KUOK KHOON EAN, 67
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
15 years 8 months

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

Present principal commitment(s)
- Kuok (Singapore) Limited – Chairman
- Kerry Group Limited – Vice Chairman
- Kuok Brothers Sdn Berhad – Vice Chairman
- Kerry Holdings Limited – Director
- PACC Offshore Services Holdings Ltd – Director

Past principal commitment(s) including directorship(s) held over the preceding five years
- IHH Healthcare Bhd – 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, 44
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
6 years 8 months

Present directorship(s) in other listed company(ies)
- Kerry Properties Limited – Chairman and Chief Executive Officer
- Kerry Logistics Network Limited – Vice Chairman and Non-Executive Director
- Sea Limited – Independent Non-Executive Director

Present principal commitment(s)
- Kerry Group Limited – Director
- Kerry Holdings Limited – Chairman
- Kuok (Singapore) Limited – Director

Past principal commitment(s) including directorship(s) held over the preceding five years
- Kerry Wines Limited

Working and professional experience
- Extensive experience in investment, logistics and property businesses

Academic and professional qualification(s)
- Bachelor of Economics, Harvard University, USA

Notes:
1 “Principal commitment” has the same meaning as defined in the Code of Corporate Governance 2018.
2 Board of Directors’ information is updated as of 2 March 2023

GREGORY MORRIS, 51
Non-Executive and Non-Independent Director

Date of first appointment as Director
1 July 2022

Date of last re-election as Director
Not applicable

Length of service as Director
8 months

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

Present principal commitment(s)
- Archer Daniels Midland Company – Senior Vice President and President of ADM's Agricultural Services and Oilseeds business

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

Working and professional experience
- Extensive management experience in agribusiness industry

Academic and professional qualification(s)
- Masters in Business Administration, Drake University, Des Moines IA
- Bachelors of Science in Finance, Illinois State University

LIM SIONG GUAN, 75
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
5 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 directorship(s) in other listed company(ies)
- Nil

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

Past principal commitment(s) including directorship(s) held over the preceding five years
- GIC Pte Ltd - Advisor to Group Executive Committee

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, University of Singapore

BOARD OF DIRECTORS

TAY KAH CHYE, 76
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
16 years 7 months*

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

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 principal commitment(s) including directorship(s) held over the preceding five years
- Chemical Industries (Far East) Ltd – Director
- Asiatravel.com Holdings Ltd (Delisted) – Lead Independent 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

* Mr Tay Kah Chye was re-appointed as an Independent Director at Wilmar's Annual General Meeting 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, 76
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
16 years 7 months*

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)
- Teho International Inc Ltd – Director

Present principal commitment(s)
- PM Shipping Pte Ltd – Director
- Philip Ventures Enterprise Fund 6 Ltd. – Director
- Philip Private Equity Fund 6 Ltd. – Director
- Philip Ventures Enterprise Fund 6B Ltd. – Director

Past principal commitment(s) including directorship(s) held over the preceding five years
- IFS Capital Limited – Director
- Excelpoint Technology Ltd (Delisted) – Director

Working and professional experience
- Extensive experience in accounting and trade financing and risk underwriting

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

* Mr Kwah Thiam Hock was re-appointed as an Independent Director at Wilmar's Annual General Meeting 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.

Notes:
1 "Principal commitment" has the same meaning as defined in the Code of Corporate Governance 2018.
2 Board of Directors' information is updated as of 2 March 2023

KISHORE MAHBUBANI, 74

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
7 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)
- Asia Research Institute, National University of Singapore - Distinguished Fellow
- NUS Medical International Council - Chairman
- Zurich Insurance Group Ltd – Director
- Aggregate Asset Management Pte Ltd – Chairman

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

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

TEO SIONG SENG, 68

Non-Executive and Independent Director

Date of first appointment as Director
1 May 2019

Date of last re-election as Director
21 April 2022

Length of service as Director
3 years 10 months

Present directorship(s) in other listed company(ies)
- Singamas Container Holdings Ltd – Chairman and Chief Executive Officer
- Cosco Shipping Holdings Co. Ltd – Director
- Keppel Corporation Limited – Director

Present principal commitment(s)
- Pacific International Lines (Private) Limited – Executive Chairman
- 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
- Cosco Shipping Energy Transportation Co Ltd – Director
- Business China – Director

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

BOARD OF DIRECTORS

SOH GIM TEIK, 68
Non-Executive and Independent Director

Date of first appointment as Director
1 December 2019

Date of last re-election as Director
21 April 2022

Length of service as Director
3 years 3 months

Present directorship(s) in other listed company(ies)
- Olive Tree Estates Limited – Independent Director
- NoonTalk Media Limited – Lead Independent Director

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

Past principal commitment(s) including directorship(s) held over the preceding five years
- KS Energy Limited – Director
- BBR Holdings (S) Ltd – Director
- EDBI Pte Ltd – Director
- National Healthcare Group Pte Ltd – Director
- Integrated Health Information Systems Pte Ltd – Member, Audit Committee
- 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, 66
Non-Executive and Independent Director

Date of first appointment as Director
7 May 2021

Date of last re-election as Director
21 April 2022

Length of service as Director
1 year 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) (CHIME-US Certified Healthcare Information Management Executives)

Notes:
1 "Principal commitment" has the same meaning as defined in the Code of Corporate Governance 2018.
2 Board of Directors' information is updated as of 2 March 2023

JUAN RICARDO LUCIANO, 61
Alternate Director to Gregory Morris

Date of first appointment as Alternate Director
1 July 2022

Date of last re-election as Alternate Director
Same as Principal Director

Length of service as Alternate Director
8 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 and Chairman of Directors and Corporate Governance Committee

Present principal commitment(s)
- Intersect Illinois – Director
- Economic Club of Chicago and the Commercial Club of Chicago – Member
- Rush University Medical Center – Trustee
- Business Roundtable – Member

Past principal commitment(s) including directorship(s) held over the preceding five years
- The US-China Business Council – Director
- Global Advisory Board of Kellogg Business School at Northwestern University – Member

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

TONG SHAO MING, 47
Alternate Director to Kuok Khoon Hua

Date of first appointment as Alternate Director
27 October 2022

Date of last re-election as Alternate Director
Same as Principal Director

Length of service as Alternate Director
4 months

Present directorship(s) in other listed company(ies)
- Yihai Kerry Arawana Holdings Co., Ltd – Director
- Kerry TJ Logistics Co Ltd - Director

Present principal commitment(s)
- Kerry Holdings Limited – Investment Director

Past principal commitment(s) including directorship(s) held over the preceding five years
- Kerry Logistics Network Limited – Director

Working and professional experience
- Extensive experience in investments, capital markets and corporate finance transactions

Academic and Professional qualification(s)
- Bachelor's degree in Jurisprudence, Oxford University

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of SGX-ST Listing Manual in respect of Directors of Wilmar International Limited ("Wilmar") seeking re-election at the Annual General Meeting on 20 April 2023 is set out below.

Name of Director	Mr Kuok Khoon Ean	Mr Kuok Khoon Hua
Date of Appointment	2 July 2007	1 July 2016
Date of last re-appointment (if applicable)	12 June 2020	12 June 2020
Age	67	44
Country of principal residence	Singapore	Hong Kong
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 Mr Kuok Khoon Ean's skills, knowledge, experience and commitment in the discharge of his duties as a Non-Executive and Non-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 Kuok Khoon Hua's skills, knowledge, experience and commitment in the discharge of his duties as a 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	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director	Non-Executive and Non-Independent Director
Professional qualifications	• Bachelor of Economics, Nottingham University, UK	• Bachelor of Economics, Harvard University, USA
Working experience and occupation(s) during the past 10 years	• Chairman, Kuok (Singapore) Limited • Vice Chairman, Kerry Group Limited and Kuok Brothers Sdn Berhad • Director, Kerry Holdings Limited • Director, PACC Offshore Services Holdings Ltd	• Chairman, Kerry Holdings Limited • Director, Kerry Group Limited and Kuok (Singapore) Limited • Chairman and Chief Executive Officer, Kerry Properties Limited • Vice Chairman and Non-Executive Director, Kerry Logistics Network Limited
Shareholding interest in the listed issuer and its subsidiaries	Information can be found in the "Directors' Statement" section of the Annual Report 2022.	
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	• Cousin of Mr Kuok Khoon Hong, Chairman and Chief Executive Officer of Wilmar • Brother of Mr Kuok Khoon Hua, Non-Executive and Non-Independent Director of Wilmar • Cousin of Ms Teo La-Mei, Executive Director of Wilmar • Nominee of Kuok Group of Companies	• Cousin of Mr Kuok Khoon Hong, Chairman and Chief Executive Officer of Wilmar • Brother of Mr Kuok Khoon Ean, Non-Executive and Non-Independent Director of Wilmar • Cousin of Ms Teo La-Mei, Executive Director of Wilmar • Nominee of PPB Group Berhad
Conflict of interest (including any competing business)	NIL save as disclosed above	NIL save as disclosed above
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 • Past (for the last 5 years) • Present	Information can be found in the "Board of Directors" section of the Annual Report 2022.	
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	The responses under items (a) to (k) to the 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.	

* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.

Mr Lim Siong Guan	Mr Kishore Mahbubani	Mr Gregory Morris
1 January 2018	1 January 2016	1 July 2022
15 April 2021	15 April 2021	Not Applicable
75	74	51
Singapore	Singapore	United States of America
The Board considered the Nominating Committee's recommendation and assessment of Mr Lim's skills, knowledge, experience, independence and commitment in the discharge of his duties as a Non-Executive and Lead 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 Mahbubani'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 Morris' 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.
Non-Executive	Non-Executive	Non-Executive
• Lead Independent Director • Risk Management Committee Chairman • Audit Committee member • Nominating Committee member • Remuneration Committee member • Board Sustainability Committee member	• Non-Executive and Independent Director • Board Sustainability Committee Chairman	Non-Executive and Non-Independent Director
• Bachelor of Engineering in Mechanical Engineering (First Class Honours), University of Adelaide, Australia • Post Graduate Diploma in Business Administration, University of Singapore	• 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	• Masters in Business Administration, Drake University, Des Moines IA • Bachelors of Science in Finance, Illinois State University
• Group President, GIC Pte. Ltd. (2007 - 2016) • Advisor to Group Executive Committee, GIC Pte Ltd (2017 - April 2019) • Professor, Lee Kuan Yew School of Public Policy, National University of Singapore	• Long distinguished career in diplomacy and academia.	• Senior Vice President and President of Agricultural Services and Oilseeds business, Archer Daniels Midland Company ("ADM")
Information can be found in the "Directors' Statement" section of the Annual Report 2022.		
NIL	NIL	Nominee and officer of ADM
NIL	NIL	NIL save as disclosed above
Yes	Yes	Yes
Information can be found in the "Board of Directors" section of the Annual Report 2022.		
The responses under items (a) to (k) to the 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
President 总裁,
Yihai Kerry Arawana Group

MR NIU YU XIN
Executive Vice President 常务副总裁,
Yihai Kerry Arawana Group

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

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

Please visit the Key Management Team page on our website for individual profiles.

CORPORATE INFORMATION

BOARD OF DIRECTORS
KUOK Khoon Hong *(Chairman)*
PUA Seck Guan
TEO La-Mei
KUOK Khoon Ean
KUOK Khoon Hua*
Gregory MORRIS** *(Appointed on 1 July 2022)*
LIM Siong Guan *(Lead Independent Director)*
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
TEO Siong Seng
SOH Gim Teik
CHONG Yoke Sin

* TONG Shao Ming is alternate to KUOK Khoon Hua *(Appointed on 27 October 2022)*
** Juan Ricardo LUCIANO is alternate to Gregory MORRIS *(Appointed on 1 July 2022)*

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@sg.wilmar-intl.com

COMPANY SECRETARY
TEO La-Mei

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28 Biopolis Road
Wilmar International
Singapore 138568
Telephone: (65) 6216 0244
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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)

Information as at 2 March 2023

RISK MANAGEMENT

OPERATING UNITS

- Monitors respective risks
- Ensures compliance to trading policies and limits

EXECUTIVE RISK COMMITTEE (ERC)

- Comprises Chairman and CEO, COO, CFO and Group Head, Edible Oils
- Monitors and improves overall effectiveness of risk management system
- Reviews trade positions and limits

BOARD-LEVEL RISK MANAGEMENT COMMITTEE (RMC)

- Chaired by Lead Independent Director
- Reviews overall risk management guidelines/ framework, policies and systems
- Reviews and recommends risk limits

INDEPENDENT MIDDLE OFFICE

- Captures and measures Groupwide risks
- Monitors limit breaches
- Submits daily risk exposure report to ERC
- Triggers risk alert to merchandising team, ERC and/or RMC when necessary

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, interest rate movements do not have a significant impact on the net contribution margin. The Group's long-term assets are substantially funded by equity. 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

BOARD OF DIRECTORS (THE "BOARD")

BOARD/GROUP SECRETARY

CHAIRMAN & CEO

Committee	Committee Members	Key Responsibilities
Executive Committee	**Chairman** Kuok Khoon Hong **Member** Pua Seck Guan	• General management and operational matters • Monitor Group performance • Business development of the Group
Capital Approval Committee	**Members** • Kuok Khoon Hong • Pua Seck Guan • Charles Loo Cheau Leong • Matthew John Morgenroth	• Review and approve capital expenditure for projects to be undertaken by the Group • Ensure funds invested realise their best return (Internal Rate of Return/ Return on Investments) for the Group
Audit Committee	**Chairman** Tay Kah Chye **Members** • Kwah Thiam Hock • Lim Siong Guan	• Assist the Board in discharging its statutory and other responsibilities • Oversee financial reporting, internal control and risk management systems, internal and external audit process, interested person transactions, information technology ("IT") and whistleblowing matters
Risk Management Committee	**Chairman** Lim Siong Guan **Members** • Kuok Khoon Hong • Tay Kah Chye	• Review overall risk management policies and framework • Review and recommend risk limits • Determine risk tolerance level for the Group • Review major non-compliance with risk policies
Executive Risk Committee	**Members** • Kuok Khoon Hong • Pua Seck Guan • Charles Loo Cheau Leong • Thomas Lim Kim Guan	• Monitor and improve overall effectiveness of risk management system • Review trade positions and limits of forward purchase and sale • Provide risk management oversight on market risk exposures on commodities and currencies
Nominating Committee	**Chairman** Kwah Thiam Hock **Members** • Kuok Khoon Hong • Tay Kah Chye • Lim Siong Guan	• Review all Board appointments, re-appointment and retirement of Directors • Review the independence of Directors • Review succession plans for the Board and the Key Management Team ("KMT") • Review and recommend appropriate performance benchmarks for monitoring the share performance of Wilmar, relative to its peers in the same industry • Conduct assessments of the effectiveness of Board, Board Committees and Directors
Remuneration Committee	**Chairman** Kwah Thiam Hock **Members** • Tay Kah Chye • Lim Siong Guan	• Review and recommend a framework of remuneration for the Board and the KMT • Study market trends relating to incentives in remunerating employees and determine performance measures criteria • Administer the Company's share option scheme
Share Purchase Committee	**Chairman** Kuok Khoon Hong **Member** Pua Seck Guan	• Decide on the terms and all matters for effecting share buyback by way of on-market purchase(s) or off-market purchase(s)
Board Sustainability Committee	**Chairman** Kishore Mahbubani **Member** • Lim Siong Guan • Kwah Thiam Hock • Kuok Khoon Hong	• Observe sustainability and Environmental, Social and Governance ("ESG") development trends • Review progress of the Company's sustainability/ESG strategies, policies, targets and key performance indicators • Review impact of the Company's business on the environment and society, respond actively to emerging sustainability issues • Monitor overall management of stakeholder engagement and its outcomes, including ensuring mechanisms for sustainability-related grievances are in place • Assess, review and recommend to the Board, approval of the Company's annual sustainability reports

● Independent Directors ● Executive Directors/KMT

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 2022, 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 strategic and 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 KMT section of this Annual Report) 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 ("ED") namely, Mr Kuok Khoon Hong (Board 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 (SPC 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") which became operative from 1 January 2022.

The BSC has an independent majority and its members are Mr Kishore Mahbubani (BSC 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)

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 video-conferencing.

Four Board meetings were held in the financial year ended 31 December 2022 ("FY2022") 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 is prepared in consultation with the respective Chairmen.

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 Board Committees. RC and NC meetings are attended only by Independent Directors but with the Board Chairman 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 FY2022 is as follows:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	BOARD SUSTAINABILITY COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
No. of meetings held	**4(1)**	**4(1)**	**4(1)**	**4(1)**	**1**	**1**
Name of Director	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**
Executive Directors						
Kuok Khoon Hong	4/4	–	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 (or in his absence, Tong Shao Ming)	4/4	–	–	–	–	–
Raymond Guy Young(2) (or in his absence, Juan Ricardo Luciano)	2/4	–	–	–	–	–
Gregory Morris(2) (or in his absence, Juan Ricardo Luciano)	2/4	–	–	–	–	–
Independent Directors						
Lim Siong Guan	4/4	4/4	4/4	4/4	1/1	1/1
Tay Kah Chye	4/4	4/4	4/4	–	1/1	1/1
Kwah Thiam Hock	4/4	4/4	–	4/4	1/1	1/1
Kishore Mahbubani	4/4	–	–	4/4	–	–
Teo Siong Seng	4/4	–	–	–	–	–
Soh Gim Teik	4/4	–	–	–	–	–
Chong Yoke Sin	4/4	–	–	–	–	–

Notes:
(1) Four meetings were held in FY2022 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 Gregory Morris was appointed a Director of Wilmar on 1 July 2022 to replace Mr Raymond Guy Young, who resigned with effect from the same day. Each of them is a nominee of Archer Daniels Midland Company, which is a substantial shareholder of the Company.

The Exco and the SPC conducted all matters by written resolution and did not convene meetings in FY2022.

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 includes attending directors' training courses organised by the Singapore Institute of Directors.

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.

In 2022, Wilmar Directors attended sustainability training modules, prescribed by SGX RegCo, to equip themselves with basic knowledge on sustainability matters.

Some of the other professional development programmes attended by Directors in the course of FY2022 include the following:

1. SID Directors Conference 2022;
2. ACRA-SGX-SID Audit Committee Seminar 2022;
3. Singapore Governance and Transparency Forum by the Singapore Institute of Directors ("SID");
4. Corporate Governance Conference 2022 by Securities Investors Association (Singapore) ("SIAS");
5. Investor Forum by SIAS;
6. Cambridge - Earth on Board in-person Board Director Programme;
7. Board sustainability training by Wilmar's own Sustainability department; and
8. Briefings by SID, 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.

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 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 on Group business activity 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.

CORPORATE GOVERNANCE

<u>**Access to Management, Company Secretary and Independent Advisers**</u> – 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"), Chief Information Officer 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.

<u>**Access to Professional Advice**</u> – To enable Directors to discharge their duties effectively, they are free to seek independent professional advice, if necessary, at the Company's expense.

Company Secretary

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 flow 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.

Principle 2: Board Composition and Guidance

Size and Board Composition

The Board, through regular reviews by the NC and guided by its Board Diversity Policy (a copy of which is posted on the Company's website), seeks to ensure an appropriate balance of experience, competency and knowledge among the Directors to provide effective entrepreneurial leadership to the Company. Taking into account the complex nature and wide scope of the Group's business and operations, the Board considers the current board size of 13 members appropriate.

Together with two alternate Directors, Wilmar has a total of 15 Directors: three female Directors (of which one is an alternate Director) and 12 male Directors (of which one is an alternate Director).

Board Skill Matrix and Diversity Indicators

The Board is made up of Directors of different nationalities and cultural ethnicities, with a wide range in age, skills, experience and qualifications. Reflecting the global reach of the Group's business, most of Wilmar's Directors have extensive experience in jurisdictions outside Singapore. 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 and tables on pages 70 and 71 of this Annual Report.

Board Diversity

In reviewing Board composition and in succession planning, the NC considers the benefits of all aspects of diversity, including diversity of skills, age, experience, gender, independence, education, cultural ethnicity and industry knowledge of the Company.

A key requirement is that only individuals with broad based experience and complementary skills will be appointed to the Board. The NC annually reviews the Company's progress towards achieving its diversity targets.

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.

Board Diversity Policy, Targets, Timeline and Progress

Wilmar updated its Board Diversity Policy in October 2022 to introduce new gender diversity targets. In line with recommendations by the Singapore Council for Board Diversity, the policy contains a target of bringing female representation on the Board to 25% by 2025 and 30% by 2030, while recognising that the Board's needs may change over time and considering the skills and experience of the Board at the relevant time. The policy is available on Wilmar's corporate website.

To reach the targets in accordance with the timeline, the Board will be guided by the Board Diversity Policy in making decisions on appointment, re-election or retirement of its members and the NC will conduct an annual diversity review to ensure: (i) the effectiveness of the policy; and (ii) the objectives of the policy are still relevant and fit for the intended purpose.

Progress will be reported in the Corporate Governance Report each year. As at the date of this Corporate Governance Report, Wilmar has 20% female representation on its Board.

The NC will, from time to time, review and monitor the Board selection process and its progress to ensure that the objectives of the Board Diversity Policy are met. The Company will put in place processes to identify and appoint new Board members through the use of external consultants, if necessary, and expand the scope of its search for appropriate candidates by going beyond the Board's existing network of contacts and will strive to ensure that any brief to external consultants to search for candidates for appointment to the Board will include a requirement to present candidates who meet the Company's diversity criteria.

New Appointments

In 2022, the Board made progress in achieving greater gender, skillset, age and cultural diversity with the appointment of two new Directors:

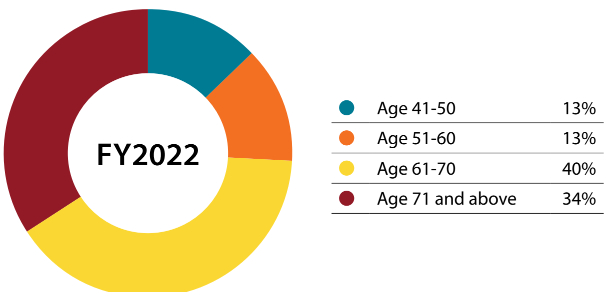
1. Mr Gregory Morris was appointed on 1 July 2022 to the Board as a Non-Executive and Non-Independent Director. He is a nominee of Archer Daniels Midland Company ("ADM"), a substantial shareholder of the Company. Mr Morris replaced Mr Raymond Young, also a nominee of ADM and a Non-Executive and Non-Independent Director of Wilmar. Mr Morris is based in the United States and brings to the Board extensive senior management experience in ADM, a global agribusiness company and contributes to Board diversity in terms of professional, industrial and geographical expertise and nationality. Mr Morris attended an induction session with Management to be introduced to the Group's business and the Management team as well as to share his experience and perspective. Mr Morris also completed the Singapore Institute of Directors' Listed Entity Director Programme in 2022.

2. Ms Tong Shao Ming was appointed on 27 October 2022 to the Board as an alternate Director to Mr Kuok Khoon Hua, a Non-Executive and Non-Independent Director and nominee of PPB Group Berhad, a substantial shareholder of the Company. Ms Tong is based in Hong Kong and brings to the Board extensive experience in investments, capital markets and corporate finance transactions and contributes to the Board diversity in terms of professional and financial expertise, age, nationality and gender. Ms Tong is the third female member of the Wilmar Board. Ms Tong has prior experience as a listed-company Director outside of Singapore and will be attending the Singapore Institute of Directors' Listed Entity Director Programme in 2023.

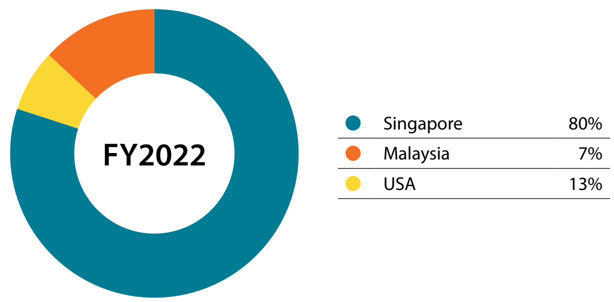
CORPORATE GOVERNANCE

The following charts set out Wilmar's Board diversity indicators as at the end of FY2022:

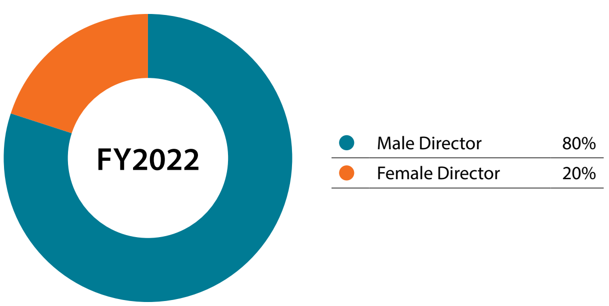
AGE SPREAD



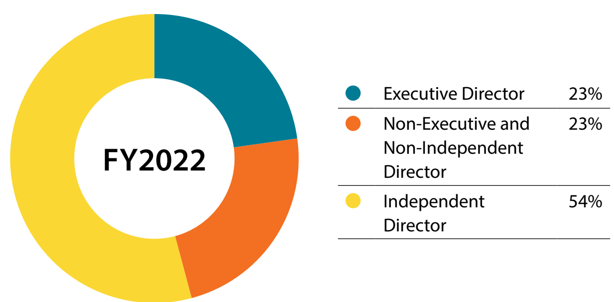
NATIONALITY SPREAD



GENDER DIVERSITY



BOARD INDEPENDENCE*



*The above chart does not include Alternate Directors.

The Board's skill matrix, which sets out the expertise, skill and experience of the Board, is as follows:

Directors' Expertise and Experience Matrix

Directors	Kuok Khoon Hong	Pua Seck Guan	Teo La-Mei	Kuok Khoon Ean	Kuok Khoon Hua	Gregory Morris	Lim Siong Guan	Tay Kah Chye	Kwah Thiam Hock	Kishore Mahbubani	Teo Siong Seng	Soh Gim Teik	Chong Yoke Sin	Juan Ricardo Luciano	Tong Shao Ming
Banking & Finance		√		√				√			√				√
Insurance									√						
Accounting & Finance						√		√	√			√			√
Legal			√												√
Corporate Governance			√	√				√	√			√		√	√
Risk Management	√			√		√	√	√				√		√	
Industry knowledge	√	√		√	√	√		√						√	√
Entrepreneurial and management	√	√		√	√		√		√		√		√		
Investment	√	√		√	√		√		√				√		√
Public Policies							√			√					
Shipping	√			√					√		√				
Commerce	√	√		√							√				
Strategic & Analytics	√	√		√	√	√	√	√		√		√	√	√	√
Corporate Restructuring	√	√	√	√	√			√			√	√	√		√
Information Technology and Cyber Security		√											√		

Directors' Expertise and Experience Matrix By Geography

Directors	Kuok Khoon Hong	Pua Seck Guan	Teo La-Mei	Kuok Khoon Ean	Kuok Khoon Hua	Gregory Morris	Lim Siong Guan	Tay Kah Chye	Kwah Thiam Hock	Kishore Mahbu-bani	Teo Siong Seng	Soh Gim Teik	Chong Yoke Sin	Juan Ricardo Luciano	Tong Shao Ming
Singapore	√	√	√	√			√	√	√	√	√	√	√		√
PRC (incl Hong Kong)	√	√	√	√	√					√	√	√	√		√
Indonesia and Malaysia	√	√	√	√				√		√		√			√
Africa	√		√						√		√				
Australia	√		√	√							√		√		
USA				√		√				√			√	√	
India	√	√	√							√	√				
Russia	√														
Ukraine	√														
Brazil														√	
Vietnam								√			√				√
UK															√
Thailand															√

ESG Expertise

The majority of Wilmar's Board of Directors have business experience and expertise related to at least one of Wilmar's 16 material sustainability topics which may be found in Wilmar's latest Sustainability Report.

To ensure that our Board is equipped with the knowledge and skills to effectively contribute in their roles as Directors, we provide various trainings and briefings. On an ongoing basis, Directors are provided with opportunities to develop and refresh their skills and knowledge.

In 2022, our Directors attended SGX-ST's prescribed mandatory sustainability training course(s) for board of directors. Directors are also encouraged to participate in seminars, conferences and training programmes which are relevant to their roles as directors and in 2022, specifically related to sustainability, our Board of Directors, as well as some members of our KMT, attended the following training sessions conducted by our Sustainability department:

- ESG analysis and reporting
- Climate change and greenhouse gas emissions

Board Independence

The number of Independent Directors of the Company makes 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 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 2022 ("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 declare 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.

CORPORATE GOVERNANCE

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 FY2022, 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. Mr Tay Kah Chye and Mr Kwah Thiam Hock, who have each served more than 16 years on the Wilmar Board, will be retiring upon the conclusion of the Company's 2023 AGM and will not be seeking re-election.

One of the Company's Independent Directors, Mr Teo Siong Seng, is the Executive Chairman 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 FY2022, PIL received freight charges amounting to US$8.38 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 agreed 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.

The Board is also satisfied that in FY2022, all Directors exercised independent judgement and made decisions objectively in the best interest of the Group.

Long-Serving Directors

In 2023, Mr Tay Kah Chye and Mr Kwah Thiam Hock, who have each served more than 16 years on the Wilmar Board, will be retiring and will not be seeking re-election.

SGX RegCo announced in January 2023 that it will limit the tenure of Independent Directors serving on the boards of issuers listed on SGX to nine years and even through there is a transition period until the Company's AGM held for the financial year ending on 31 December 2023, the Company will be early-adopting the new listing rules with the retirement of Mr Tay and Mr Kwah at the conclusion of the Company's 2023 AGM.

Non-Executive Directors

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, are free to discuss company matters without Management being present. The Lead Independent Director may provide feedback to the Board Chairman after such discussions.

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. Wilmar achieved its highest profit in FY2022 despite geo-political and pandemic challenges resulting in a highly volatile commodities market.

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 cognisant 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.

Although the role of the Chairman and CEO is not separate, 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, and the Board has a Lead Independent Director, 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 Independent Director, 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.

CORPORATE GOVERNANCE

The role of Mr Lim as the Lead Independent Director 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 Independent Director, 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 Khoon 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 Independent Director.

The NC met once in 2022. 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 FY2022, 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 and Board Renewal

The Board embraces the philosophy that a good Board needs the support of a strong and effective 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 KMT for the Group's global operations.

In 2023, Mr Tay Kah Chye and Mr Kwah Thiam Hock, who have each served more than 16 years on the Wilmar Board, will be retiring and will not be seeking re-election.

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, competing time commitments and well as SGX listing rules on independence and tenure.

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 FY2022 assessment, an additional section on sustainability and an evaluation of the Board Sustainability Committee 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. No external consultant was engaged for the assessment process in FY2022.

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.

CORPORATE GOVERNANCE

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 results from the exercise and the feedback obtained from the Directors were collated by the Company Secretary and shared with the NC Chairman, Board Chairman and the NC members, and subsequently with the entire 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 FY2022 through its formal annual evaluation process, found no significant issue that warranted 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 ("RC") assists the Board to ensure competitive compensation policies and packages are put in place. The scope of the RC covers review of remuneration packages for individual Directors and key management personnel, and also share option plans. 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 and no Director is involved in deciding his own remuneration.

The RC met once in 2022. 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 plan;
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.

The RC members have access to appropriate advice from the HR Head who attends all RC meetings. The HR Head also provides benchmarks of remuneration packages paid by comparable companies in various industries so as to ensure that our remuneration packages are competitive and in line with market rates. The RC, if it requires, may seek expert advice on executive compensation matters from professional firms. During FY2022, the RC did not require the service of an expert adviser on executive compensation matters.

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 the 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. In the Company's continuous efforts to create sustainable value for stakeholders, the Company has taken into consideration relevant key ESG targets in the annual performance review of its Executive Directors and key management personnel. The key ESG targets which were incorporated in the performance review for FY2022 include Climate Change, Responsible Sourcing and Supply, Health and Safety, Business

Ethics and Compliance as well as Talent Retention. These ESG targets form part of a larger set of ESG topics that have been identified as being material to the Group. The performance of each senior management member was appraised with reference to the key targets, along with external factors such as changing business environment and industry trends, to determine 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, senior management and key executives with the interests of shareholders, to improve performance and achieve sustainable growth for the Company and to strengthen the ownership culture among its senior management and key executives in times of rapid globalisation.

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 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.

A review of Directors' fees, which took into account Directors' contributions and their respective responsibilities, including attendance and time spent at Board meetings and various Board Committee meetings, was undertaken and a recommendation was made for a revision in Directors' fees for FY2022. The proposed fee revision was benchmarked against the amounts paid by other large market capitalisation SGX-listed companies. The last revision in Directors' fees paid by the Company was in FY2018.

Directors' fees for FY2022 have been revised as follows:

Fee Structure for Directors' Fees for FY2022

1. A single base fee of S$90,000 (previously S$80,000) for serving as Non-Executive Director;
2. Additional fee of S$25,000 (increased from S$20,000) for serving as Lead Independent Director; and
3. Except for the Risk Management Committee, the fee for serving as Chairman/ Member on the following Board Committees is increased as follows: -

Chairman's Fee	FY2022 (Revised) (S$)		FY 2021 (S$)
Audit Committee	45,000		40,000
Risk Management Committee	40,000	(no change)	40,000
Nominating Committee	25,000		20,000
Remuneration Committee	25,000		20,000
Board Sustainability Committee	30,000	(new)	-
Member's Fee			
Audit Committee	25,000		20,000
Risk Management Committee	20,000	(no change)	20,000
Nominating Committee	12,000		10,000
Remuneration Committee	12,000		10,000
Board Sustainability Committee	20,000	(new)	-

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 the KMT and selected senior executives was made 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 periodically.

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 FY2022 is as follows:

Name of Directors	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	1,327,650	55,778	366,150	11,500,000	13,249,578
Pua Seck Guan (part-time)	Nil	686,280	42,029	244,100	2,800,000	3,772,409
Teo La-Mei	Nil	706,200	600	183,075	1,550,000	2,439,875
Non-Executive Directors						
Kuok Khoon Ean	90,000	–	–	147,500	–	237,500
Kuok Khoon Hua	90,000	–	–	147,500	–	237,500
Tong Shao Ming (Note 1) *(Appointed: 27 Oct 2022 as Alternate Director to Mr Kuok Khoon Hua)*	–	–	–	–	–	–
Gregory Morris (Note 2) *(Appointed: 1 July 2022 as Non- Independent Director) (Pro-rata fees)*	45,000	–	–	–	–	45,000
Raymond Guy Young (Note 2) *(Resigned: 1 July 2022) (Pro-rata fees)*	45,000	–	–	–	–	45,000
Juan Ricardo Luciano (Note 1) *(Ceased as Alternate Director to Mr Raymond Guy Young on 1 July 2022. Appointed: 1 July 2022 as Alternate Director to Mr Gregory Morris)*	–	–	–	–	–	–
Lim Siong Guan *(Lead Independent Director)*	224,000	–	–	147,500	–	371,500
Tay Kah Chye	179,000	–	–	147,500	–	326,500
Kwah Thiam Hock	185,000	–	–	147,500	–	332,500
Kishore Mahbubani	120,000	–	–	147,500	–	267,500
Teo Siong Seng	90,000	–	–	147,500	–	237,500
Soh Gim Teik	90,000	–	–	103,300	–	193,300
Chong Yoke Sin	90,000	–	–	37,000	–	127,000

Notes:
* The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Option Valuation Module.
** The remuneration reported includes all forms of remuneration from the Company and its subsidiaries. Save as disclosed, they do not receive any other remuneration from the Company and its subsidiaries.

Note 1 – No fee is payable.
Note 2 – Fee is payable to Archer Daniels Midland Company.

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 Robert Bohbot Matthew John Morgenroth Mu Yankui Rahul Kale Thomas Lim Kim Guan	21%	75%	4%	100%

The aggregate remuneration of the top five key executives is S$19,910,720. 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)

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is employed as an Executive in the Finance Department and Mr Kuok Meng Yuan, the son of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is a Manager in the Business Development Department. Both their remuneration for FY2022 are in the range of S$50,000 to S$150,000.

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 Independent Director. It comprises two other Board members, namely Mr Kuok Khoon Hong and Mr Tay Kah Chye. The RMC met four times during FY2022.

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 60 of this Annual Report.

The function and objectives of the RMC include the following:

1. review the overall risk management policies and framework;
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 in the overall risk management framework came under the purview of the Board Sustainability Committee which was established on 1 January 2022. The committee met four times during FY2022 and its function is described on page 64 of this Annual Report.

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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.

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.

The AC does not comprise former partners or directors of Ernst & Young LLP ("EY"), the Company's external auditor, within a period of two years commencing on the date of their ceasing to be a partner or director. No AC member has 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 FY2022, 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 FY2022 are summarised below.

Financial Reporting

All Directors (who are not AC members) 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 external auditor attends the half-year and full-year AC meetings.

The AC met four times during FY2022 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 FY2022, 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	The AC considered the approach and methodology applied to the valuation model in goodwill and brands impairment assessment. The AC reviewed the reasonableness of cash flow forecasts, the long-term growth rate and discount rate. 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 FY2022. Details can be found on page 105 of this Annual Report.
Accounting for derivative transactions	The AC considered and reviewed the methodology and assumptions applied to the valuation of the derivative transactions. 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 FY2022. Details can be found on page 106 of this Annual Report.

Following the review and discussions on the financial statements, the AC recommended to the Board to approve the full year financial statements for FY2022.

During FY2022, the AC had one meeting with the external auditor and internal auditor, without the presence of Management. Such meeting 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 FY2022 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 FY2022 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 2022 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 FY2022, 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 140 of this Annual Report.

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. The IA Head meets with the AC without the presence of CEO or Management, at least annually.

The IA Department is staffed by suitably qualified and experience 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.

Interested Person Transactions

The AC reviewed the Group's IPTs for FY2022 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 2022 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.

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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 FY2022 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$100,000)
		FY2022 US$'000	FY2022 US$'000
Archer Daniels Midland Company (Group)	Controlling shareholder and its associates	NIL	1,416,902
Associates of Kuok Khoon Ean & Kuok Khoon Hua#	Associates of Directors	118,104	32,337
Kuok Khoon Hong's Associates	Associates of Director	9,235	763
PPB Group Berhad (Group)	Controlling shareholder and its associates	267,265	1,350
Kuok Brothers Sdn Bhd	Controlling shareholder and associate of Directors	NIL	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 Company'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.

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 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 and released via SGXNet. Printed copies of the annual report are sent to shareholders upon request, which is in line with Wilmar's commitment to environmental conservation.

CORPORATE GOVERNANCE

Notice(s) of general meeting(s) 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.

Board Directors are present at the AGM venue to answer shareholders' questions and to interact with shareholders.

Conduct of General Meetings

The Board supports and encourages effective shareholder participation at general meetings. The Company's convened its 2022 AGM in hybrid format for the first time where shareholders had a choice of attending in person at the AGM venue or joining the webcast (live audio-visual webcast or audio-only stream). Barring unforeseen circumstances, the Company intends to continue holding future general meetings in hybrid format and will be convening the 2023 AGM in the same hybrid format. Details of the arrangements will be provided in the Notice of 2023 AGM.

In advance of the 2022 AGM, shareholders were able to submit their questions and receive the Company's response published via SGXNet. Additional questions received from shareholders following the release of the Company's initial response were addressed during the AGM.

To improve interaction with shareholders during the AGM, a "chat function" was made available to shareholders to type and submit their questions during the AGM. The Company addressed substantial and relevant questions.

Singapore-based Directors were present at the AGM venue as were other members of Management, the Company's external legal advisors and auditor.

In line with past years' practice, at the start of the 2022 AGM, Wilmar's CFO presented an update on the Group's progress and financial highlights. The presentation was made available on the websites of SGX-ST and the Company for the benefit of shareholders who were unable to attend the AGM.

The Company's Constitution allows for voting in absentia. Where shareholders are unable to attend general meetings, they may appoint proxies to attend, speak and vote on their behalf.

A scrutineer was appointed to count and validate the votes cast and the total number of votes cast for or against the resolutions and the respective percentages were also announced in a timely manner after the 2022 AGM. Each share is entitled to one vote.

In compliance with the Act, all resolutions tabled at the Company's general meetings are separate and voted on individually. Each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as the authorisation to issue additional shares, re-election of directors and remuneration of non-executive directors. The rationale for the resolutions are set out in the notices to the meeting. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices.

Minutes of the 2022 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 on the next business day following the AGM.

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 FY2022, the Board has recommended a final dividend of S$0.11 per ordinary share. Including the interim dividend of S$0.06 per ordinary share paid in August 2022, the total dividend for the year of S$0.17 per ordinary share, represents a dividend payout of around 33% of the Group's net profits.

Principle 12: Engagement with Shareholders

Disclosure of Information on a Timely Basis

The Company is committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. In line with this commitment, the Company has an Investor Relations ("IR") Policy (a copy of which is posted on the Company's website) which promotes regular, effective and fair communication as well as allows for ongoing exchange of views with shareholders. The Company balances regular, effective and fair communications with shareholders and the investment community with the need to safeguard commercial sensitivities.

The Company ensures that all material information is disclosed in a comprehensive, accurate and timely manner through SGXNet. The Company also maintains a current corporate website www.wilmar-international.com to communicate and engage with shareholders and stakeholders. 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.

Interaction with Shareholders

The Group has a dedicated 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 views 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. Feedback and views gathered are regularly reported to senior management and the Board of Directors.

During FY2022, the IR team, together with members of the KMT, engaged with over 110 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.

CORPORATE GOVERNANCE

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 FY2022 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	• Workplace Health & Safety • Fair Workplace Practices • Career advancement • Learning and Development • Instilling Wilmar core values and sense of belonging	• 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	• 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
Employees	• Women empowerment & equitable Employment • Protection from sexual harassment • Health and safety outside of workplace • Welfare of families and children • Education for children • Better direct communication with Management	• 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 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

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Employees		• 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	
Shareholders and the Investing Public	• Accurate and timely updates on the Company's strategy, business and financial performance • Business outlook • Sustainability/ESG reporting	• Practise good corporate governance, transparency and disclosure including material sustainability/ESG topics • Provide accurate and timely updates via SGXNet, the Company's website and regular meetings with the investing community	• AGM • Quarterly updates and briefings on financial results • Sustainability/ESG focused meetings • 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
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	• 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

CORPORATE GOVERNANCE

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Suppliers	No Deforestation, No Peat, No Exploitation ("NDPE") policy	Suppliers to comply with NDPE policy	• Proactive engagement through local offices and in collaboration with Civil Society Organisations ("CSOs") and Non-Governmental Organisations ("NGOs") • Online sustainability reporting
	• Support for sustainability requirements • Balancing development needs and no deforestation requirements	• 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 CSOs and NGOs to discuss cases that are linked to community and smallholder development	• 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	• 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 and non-governmental organisations	**Environmental organisations** • Deforestation • Loss of wildlife and their habitat • Contribution of agriculture to climate change • Transparency of concession maps **Social organisations** • 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 **Labour Unions** • Fair wages • Human Rights for employees • Safe working conditions • Improvement of industrial relations	• 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	• Wilmar meets with civil society and non-governmental organisations 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 civil society and non-governmental organisations 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 FY2022 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2021.

2 March 2023

FINANCIAL STATEMENTS

FINANCIAL REVIEW

CAPITAL STRUCTURE

We achieved excellent results for the year, with net profits crossing US$2 billion for the first time since listing. However, shareholders' funds grew marginally to US$19.99 billion as at 31 December 2022 as weaker regional currencies led to lower translation reserves at the end of the reporting period. Nevertheless, 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$18.75 billion. These resulted in a higher net debt to equity ratio of 0.94x as at 31 December 2022 (31 December 2021: 0.87x).

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 credit. Taking the above into consideration, our adjusted net debt (excluding liquid working capital) ratio which better reflects our Group's debt position was 0.30x as at 31 December 2022 (31 December 2021: 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. The Group incurred capital expenditure of US$2.48 billion for FY2022 as we continue our focus on expanding our footprint in the food and agri-business globally.

As at 31 December	**2022 US$ million**	2021 US$ million
Shareholders' funds	**19,985.7**	19,923.9
Net loans and borrowings	**18,746.5**	17,237.7
Net debt to equity	**0.94x**	0.87x
Liquid working capital:		
Inventories (excluding consumables)	**12,620.4**	11,157.0
Trade receivables	**6,549.0**	6,833.4
Less: Current liabilities (excluding loans and borrowings)	**(6,507.8)**	(6,101.4)
	12,661.6	11,889.0
Net loans and borrowings (excluding liquid working capital)	**6,084.9**	5,348.7
Adjusted net debt to equity	**0.30x**	0.27x

FINANCIAL REVIEW

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

Our total net debt of US$18.75 billion comprised:

As at 31 December	2022 US$ million	2021 US$ million
Short-term loans and borrowings	**23,434.5**	22,291.8
Long-term loans and borrowings	**6,994.5**	6,822.7
	30,429.0	29,114.5
Cash and bank balances (current & non-current)	**8,097.5**	8,680.0
Other deposits with financial institutions (current)	**3,585.0**	3,196.8
	11,682.5	11,876.8
Net loans and borrowings	**18,746.5**	17,237.7

Higher commodity prices and timing of trade purchases during the year led to high inventory balance as at 31 December 2022. Correspondingly, this resulted in higher working capital requirements and led net debt to increase by US$1.51 billion to US$18.75 billion. As of 31 December 2022, about 83% 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 2024 onwards. Our loans and borrowings were predominantly on floating rates.

Majority of our loans and borrowings were denominated in United States Dollar (US$) and Chinese Renminbi (RMB) 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 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.

FINANCIAL REVIEW

- **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 in quoted equity instruments.

CASH FLOW, FUNDING AND LIQUIDITY

Cash flow

Record net profits recognised in FY2022 led the Group to generate strong operating cashflows before working capital changes of US$3.95 billion for the year, resulting in free cash flow of US$613.6 million. Cash and cash equivalents as of 31 December 2022 was stable and strong at US$2.85 billion.

	FY2022 US$ million	FY2021 US$ million
Total cash and bank balances	**8,097.5**	8,680.0
Less: Fixed deposits pledged for bank facilities	**(3,457.4)**	(3,964.2)
Less: Other deposits with more than 3 months maturity	**(1,640.7)**	(2,023.3)
Less: Bank overdrafts	**(152.7)**	(104.9)
Cash and cash equivalents	**2,846.7**	2,587.6
Net cash flows generated from/(used in) operating activities	**2,047.7**	(45.0)
Net cash flows used in investing activities	**(2,455.8)**	(2,356.1)
Net cash flows generated from financing activities	**667.2**	2,405.3
Net increase in cash held	**259.1**	4.2
Turnover days:		
Inventories	**69**	69
Trade receivables	**30**	28
Trade payables	**13**	12

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 FY2022 were as follows:

- US$2.48 billion was used to fund our capital expenditure for plantations development, property, plant and equipment (FY2021: US$2.53 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$667.2 million was generated from financing activities, mainly from loan drawdowns on the back of higher working capital requirements and lower fixed deposits pledged with financial institutions as of 31 December 2022. This was partially offset by dividends and share buyback activities during the year.

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 2022, total short-term debt stood at US$23.43 billion. Our liquid assets comprising cash, bank and structured deposits, marketable securities, receivables and inventories amounted to US$22.33 billion, which included short-term cash and bank balances of US$3.00 billion. In addition, we have committed undrawn credit facilities of US$2.21 billion and approximately US$24.53 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 FY2023 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 during 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 FY2022, our Board of Directors has proposed a final dividend of 11.0 Singapore cents per share. Together with the interim dividend of 6.0 Singapore cents per share paid on 24 August 2022, total dividend for FY2022 will amount to 17.0 Singapore cents per share (FY2021: 15.5 Singapore cents per share). This will result in a dividend payout ratio of approximately 33% of net profit (FY2021: 38% 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. The Board believes in a stable and steady growth in dividend per share. Over the years, the amount of dividends declared to our shareholders has been increasing and the total dividends (interim and final) declared in FY2022 will be our highest ordinary dividend declared since listing.

During the year, the company re-purchased 67.6 million of its ordinary shares for a consideration of US$199.5 million as part of its share buyback programme. Currently, we have a share buy-back mandate which will be expiring on 20 April 2023, 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 14.9 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 2022.

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 2022 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
Gregory MORRIS (appointed on 1 July 2022)
LIM Siong Guan
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
TEO Siong Seng
SOH Gim Teik
CHONG Yoke Sin
Juan Ricardo LUCIANO is alternate to Gregory MORRIS (appointed on 1 July 2022)
TONG Shao Ming is alternate to KUOK Khoon Hua (appointed on 27 October 2022)

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:

	Direct Interest			Deemed Interest		
Name of Director	**As at 1.1.2022 or date of appointment (if later)**	**As at 31.12.2022**	**As at 21.01.2023**	**As at 1.1.2022 or date of appointment (if later)**	**As at 31.12.2022**	**As at 21.01.2023**
The Company						
(Ordinary Shares)						
Kuok Khoon Hong	2,500,000	2,995,000	2,995,000	805,307,435	815,890,735	815,890,735
Pua Seck Guan	–	–	–	860,000	1,200,000	1,200,000
Teo La-Mei	1,452,000	1,699,500	1,699,500	–	–	–
Kuok Khoon Ean	400,000	900,000	900,000	59,942,479	59,962,479	59,962,479
Kuok Khoon Hua	1,017,021	1,297,021	1,297,021	58,884,000	58,884,000	58,884,000
Tay Kah Chye	100,000	100,000	100,000	300,000	500,000	500,000
Kwah Thiam Hock	300,000	300,000	300,000	200,000	400,000	400,000
Kishore Mahbubani	–	–	–	510,000	510,000	510,000
Teo Siong Seng	20,000	20,000	20,000	–	–	–
(Share options exercisable at S$3.04 per share)						
Pua Seck Guan	340,000	–	–	–	–	–
Kuok Khoon Ean	500,000	–	–	–	–	–
Kuok Khoon Hua	500,000	–	–	–	–	–
Tay Kah Chye	500,000	–	–	–	–	–
Kwah Thiam Hock	500,000	–	–	–	–	–
(Share options exercisable at S$3.94 per share)						
Kuok Khoon Hong	1,500,000	1,005,000	1,005,000	–	–	–
Pua Seck Guan	1,000,000	1,000,000	1,000,000	–	–	–
Teo La-Mei	750,000	502,500	502,500	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	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	–	–	–

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Direct Interest			Deemed Interest		
Name of Director	As at 1.1.2022 or date of appointment (if later)	As at 31.12.2022	As at 21.01.2023	As at 1.1.2022 or date of appointment (if later)	As at 31.12.2022	As at 21.01.2023
The Company						
(Share options exercisable at S$3.78 per share)						
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	–	–	–
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	–	500,000	500,000	–	–	–
Chong Yoke Sin	–	500,000	500,000	–	–	–
Subsidiary						
Yihai Kerry Arawana Holdings Co., Ltd						
(Share options exercisable at RMB 36.72 per ordinary A-share)						
Kuok Khoon Hong	–	300,000	300,000	–	–	–
Pua Seck Guan	–	250,000	250,000	–	–	–
Tong Shao Ming*	40,000	40,000	40,000	–	–	–

* Ms Tong Shao Ming was appointed to the Wilmar Board of Directors as alternate to Mr Kuok Khoon Hua on 27 October 2022.

Except as disclosed in this statement, no Director (including alternate 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, either at the beginning of the financial year or as at the date of appointment (whichever is later) and at the end of the financial year.

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 2022, options for a total of 68,403,500 ordinary shares were exercised and options for a total of 153,151,500 ordinary shares had lapsed/expired.

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. The options have expired on 9 September 2022.

DIRECTORS' STATEMENT

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 2022, the number of outstanding options that were not exercised under this option grant was 38,513,600. 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:

<u>For Executive Directors and executives</u>

• 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

<u>For Non-Executive Directors</u>

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

DIRECTORS' STATEMENT

SHARE OPTION SCHEMES (CONTINUED)

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

2022 Grant

On 1 September 2022, the Company granted options to subscribe for a total of 42,455,000 ordinary shares of the Company at S$3.78 per share (at a 7% 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. 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 14,909,800 ordinary shares of the Company were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009 and Wilmar ESOS 2019.

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 1.1.2022	No. of options granted	No. of options lapsed/ expired	No. of options exercised	As at 31.12.2022	Exercise Price	Exercise Period
Wilmar ESOS 2009							
08.09.2017	4,256,700	–	–	(4,256,700)	–	S$3.04	09.09.2019 to 08.09.2022
08.09.2017	2,990,400	–	–	(2,990,400)	–	S$3.04	09.09.2020 to 08.09.2022
08.09.2017	6,711,300	–	–	(6,711,300)	–	S$3.04	09.09.2021 to 08.09.2022
Sub-total	13,958,400	–	–	(13,958,400)	–		
Wilmar ESOS 2019							
29.09.2020	16,000,200	–	(95,700)	(951,400)	14,953,100	S$3.94	30.09.2022 to 29.09.2025
29.09.2020	11,700,200	–	(95,700)	–	11,604,500	S$3.94	30.09.2023 to 29.09.2025
29.09.2020	12,054,600	–	(98,600)	–	11,956,000	S$3.94	30.09.2024 to 29.09.2025
Sub-total	39,755,000	–	(290,000)	(951,400)	38,513,600		
01.09.2022	–	17,025,100	–	–	17,025,100	S$3.78	02.09.2024 to 01.09.2027
01.09.2022	–	12,525,100	–	–	12,525,100	S$3.78	02.09.2025 to 01.09.2027
01.09.2022	–	12,904,800	–	–	12,904,800	S$3.78	02.09.2026 to 01.09.2027
Sub-total	–	42,455,000	–	–	42,455,000		
Grand Total	53,713,400	42,455,000	(290,000)	(14,909,800)	80,968,600		

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 31.12.2022	Aggregate options exercised since commencement of the option scheme to 31.12.2022	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2022	Aggregate options outstanding as at 31.12.2022
Kuok Khoon Hong	–	6,500,000	3,500,000	3,000,000	–
Pua Seck Guan	–	1,000,000	1,000,000	–	–
Teo La-Mei	–	1,400,000	1,400,000	–	–
Kuok Khoon Ean	–	1,900,000	900,000	1,000,000	–
Kuok Khoon Hua	–	500,000	500,000	–	–
Tay Kah Chye	–	1,900,000	1,000,000	900,000	–
Kwah Thiam Hock	–	1,900,000	1,000,000	900,000	–
Kishore Mahbubani	–	500,000	500,000	–	–
Total	–	15,600,000	9,800,000	5,800,000	–

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 31.12.2022	Aggregate options exercised since commencement of the option scheme to 31.12.2022	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2022	Aggregate options outstanding as at 31.12.2022
Kuok Khoon Hong	1,500,000	3,000,000	495,000	–	2,505,000
Pua Seck Guan	1,000,000	2,000,000	–	–	2,000,000
Teo La-Mei	750,000	1,500,000	247,500	–	1,252,500
Kuok Khoon Ean	500,000	1,000,000	–	–	1,000,000
Kuok Khoon Hua	500,000	1,000,000	–	–	1,000,000
Lim Siong Guan	500,000	1,000,000	–	–	1,000,000
Tay Kah Chye	500,000	1,000,000	–	–	1,000,000
Kwah Thiam Hock	500,000	1,000,000	–	–	1,000,000
Kishore Mahbubani	500,000	1,000,000	–	–	1,000,000
Teo Siong Seng	500,000	1,000,000	–	–	1,000,000
Soh Gim Teik	500,000	800,000	–	–	800,000
Chong Yoke Sin	500,000	500,000	–	–	500,000
Total	7,750,000	14,800,000	742,500	–	14,057,500

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 (which expired on 9 September 2022), the 2020 Grant and the 2022 Grant.

SHARE OPTION SCHEME (SUBSIDIARY)

Yihai Kerry Arawana Holdings Co., Ltd

2022 Restricted Share Incentive Plan

On 13 June 2022, Yihai Kerry Arawana Holdings Co., Ltd ("YKA"), an indirect 89.99%-owned subsidiary of the Company which is listed on the Shenzhen Stock Exchange ChiNext Board, implemented the 2022 Restricted Share Incentive Plan ("RSIP").

Under the terms of the RSIP, YKA granted options in 2022 to subscribe for a total of 29,733,000 ordinary A-shares at RMB 36.72 per share (at a 20% discount to RMB 45.90 being the weighted average share price for a period of five consecutive market days immediately prior to the date of grant of options) to some employees and directors. As at 31 December 2022, the number of outstanding options not exercised under this option grant was 29,231,000, with 502,000 options lapsed.

Details and terms of the YKA RSIP have been disclosed in YKA's Shenzhen Stock Exchange ChiNext announcement dated 13 June 2022 and will be disclosed in YKA's Annual Report.

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.

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONTINUED)

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 2022.

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

14 March 2023

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 2022, 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 2022 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 2022, 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

KEY AUDIT MATTERS (CONTINUED)

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.

As at 31 December 2022, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US$602.1 million (current: US$574.6 million) and US$742.9 million (current: US$718.2 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, ownership and completeness of the derivatives. We also compared the carrying values of the derivatives against the statements obtained and 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

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
14 March 2023

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$'000	2021 US$'000
Revenue	4	**73,398,976**	65,793,619
Cost of sales	5	**(65,922,885)**	(58,602,446)
Gross profit		**7,476,091**	7,191,173
Other items of income			
Net (loss)/gain arising from changes in fair value of biological assets	14	**(14,157)**	21,335
Finance income	6	**423,736**	335,287
Other operating income	7	**478,982**	255,487
Other items of expense			
Selling and distribution expenses		**(3,293,045)**	(3,412,741)
Administrative expenses		**(1,116,846)**	(1,095,798)
Other operating expenses	7	**(234,049)**	(196,813)
Finance costs	8	**(872,084)**	(588,422)
Non-operating items	9	**(5,866)**	36,858
Share of results of joint ventures		**51,932**	63,548
Share of results of associates		**221,864**	155,947
Profit before tax	10	**3,116,558**	2,765,861
Income tax expense	11	**(547,213)**	(699,602)
Profit after tax		**2,569,345**	2,066,259
Attributable to:			
Owners of the Company		**2,402,478**	1,890,390
Non-controlling interests		**166,867**	175,869
		2,569,345	2,066,259
Earnings per share attributable to owners of the Company (US cents per share)			
– Basic	12	**38.3**	30.0
– Diluted	12	**38.3**	29.9

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$'000	2021 US$'000
Profit after tax	**2,569,345**	2,066,259
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	**(27,568)**	10,880
(Loss)/gain on disposal of investment securities at fair value through other comprehensive income	**(8,895)**	6
Revaluation of property, plant and equipment upon transfer to investment properties	**1,970**	–
Gain/(loss) on remeasurements of defined benefit plan	**3,312**	(550)
	(31,181)	10,336
Items that may be reclassified subsequently to income statement		
Foreign currency translation	**(1,583,654)**	196,369
Fair value adjustment on cash flow hedges	**22,158**	74,741
Fair value adjustment on forward elements of forward contracts	**(80,275)**	(11,961)
	(1,641,771)	259,149
Other comprehensive income, net of tax	**(1,672,952)**	269,485
Total comprehensive income for the year	**896,393**	2,335,744
Attributable to:		
Owners of the Company	**965,453**	2,122,261
Non-controlling interests	**(69,060)**	213,483
	896,393	2,335,744

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**14,814,301**	14,192,433	**120,555**	119,798
Investment properties	13	**82,757**	38,286	**–**	–
Bearer plants	14	**601,518**	638,118	**–**	–
Intangible assets	15	**5,403,170**	5,393,884	**–**	–
Investment in subsidiaries	16	**–**	–	**11,859,238**	10,468,178
Investment in joint ventures	17	**370,001**	631,572	**–**	–
Investment in associates	17	**3,244,865**	2,874,956	**13,677**	13,677
Investment securities	18	**301,999**	365,301	**–**	–
Deferred tax assets	19	**284,921**	204,495	**–**	–
Derivative financial instruments	20	**27,587**	11,956	**–**	–
Other financial receivables	21	**193,395**	150,136	**281,627**	313,255
Other non-financial assets	21	**69,192**	63,874	**–**	–
Other bank deposits	24	**2,375,854**	2,338,437	**–**	–
		27,769,560	26,903,448	**12,275,097**	10,914,908
Current assets					
Inventories	22	**13,230,073**	11,738,686	**–**	–
Trade receivables	23	**6,549,012**	6,833,416	**–**	–
Other financial receivables	21	**4,534,665**	4,183,458	**5,778,438**	5,678,762
Other non-financial assets	21	**1,659,511**	1,827,070	**5,454**	7,473
Derivative financial instruments	20	**574,562**	563,981	**–**	–
Investment securities	18	**362,921**	326,846	**–**	–
Other bank deposits	24	**2,722,249**	3,649,000	**–**	–
Cash and bank balances	24	**2,999,417**	2,692,541	**1,448**	1,033
		32,632,410	31,814,998	**5,785,340**	5,687,268
TOTAL ASSETS		**60,401,970**	58,718,446	**18,060,437**	16,602,176
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	**2,351,947**	2,009,073	**–**	–
Other financial payables	26	**2,416,629**	2,374,133	**5,631,541**	5,376,050
Other non-financial liabilities	26	**765,132**	862,926	**–**	–
Derivative financial instruments	20	**718,229**	566,612	**30**	–
Loans and borrowings	27	**23,434,545**	22,291,835	**–**	308,724
Tax payables		**255,861**	288,652	**–**	–
		29,942,343	28,393,231	**5,631,571**	5,684,774
NET CURRENT ASSETS		**2,690,067**	3,421,767	**153,769**	2,494

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Non-current liabilities					
Other financial payables	26	**229,055**	276,525	**2,125,000**	1,425,000
Other non-financial liabilities	26	**223,168**	200,723	**–**	–
Derivative financial instruments	20	**24,698**	55,279	**–**	–
Loans and borrowings	27	**6,994,456**	6,822,646	**75,919**	–
Deferred tax liabilities	19	**387,682**	367,713	**–**	–
		7,859,059	7,722,886	**2,200,919**	1,425,000
TOTAL LIABILITIES		**37,801,402**	36,116,117	**7,832,490**	7,109,774
NET ASSETS		**22,600,568**	22,602,329	**10,227,947**	9,492,402
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	**(475,882)**	(304,886)	**(475,882)**	(304,886)
Retained earnings		**13,244,811**	11,726,821	**1,591,114**	696,726
Other reserves	29	**(1,242,188)**	42,945	**217,581**	205,428
		19,985,736	19,923,875	**10,227,947**	9,492,402
Non-controlling interests		**2,614,832**	2,678,454	**–**	–
TOTAL EQUITY		**22,600,568**	22,602,329	**10,227,947**	9,492,402
TOTAL EQUITY AND LIABILITIES		**60,401,970**	58,718,446	**18,060,437**	16,602,176

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company						
	Share capital US$'000	**Treasury shares** US$'000	**Retained earnings** US$'000	**Other reserves** US$'000	**Equity attributable to owners of the Company, total** US$'000	**Non-controlling interests** US$'000	**Equity total** US$'000
2022							
GROUP							
Opening balance at 1 January 2022	8,458,995	(304,886)	11,726,821	42,945	19,923,875	2,678,454	22,602,329
Profit for the year	–	–	2,402,478	–	2,402,478	166,867	2,569,345
Other comprehensive income	–	–	(3,249)	(1,433,776)	(1,437,025)	(235,927)	(1,672,952)
Total comprehensive income for the year	–	–	2,399,229	(1,433,776)	965,453	(69,060)	896,393
Grant of equity-settled share options	–	–	–	18,479	18,479	1,272	19,751
Share capital contributed by non-controlling shareholders	–	–	–	–	–	32,613	32,613
Acquisition of treasury shares	–	(199,548)	–	–	(199,548)	–	(199,548)
Reissuance of treasury shares pursuant to exercise of share options	–	28,552	–	5,115	33,667	–	33,667
Dividends on ordinary shares	–	–	(755,435)	–	(755,435)	–	(755,435)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(47,801)	(47,801)
Net transfer to other reserves	–	–	(125,804)	125,804	–	–	–
Total contributions by and distributions to owners	–	(170,996)	(881,239)	149,398	(902,837)	(13,916)	(916,753)
Acquisition of additional interest in subsidiaries	–	–	–	(429)	(429)	(2,516)	(2,945)
Disposal of subsidiaries	–	–	–	(422)	(422)	(4,566)	(4,988)
Dilution of interest in subsidiaries	–	–	–	96	96	26,436	26,532
Total changes in ownership interests in subsidiaries	–	–	–	(755)	(755)	19,354	18,599
Closing balance at 31 December 2022	**8,458,995**	**(475,882)**	**13,244,811**	**(1,242,188)**	**19,985,736**	**2,614,832**	**22,600,568**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company						
	Share capital US$'000	**Treasury shares** US$'000	**Retained earnings** US$'000	**Other reserves** US$'000	**Equity attributable to owners of the Company, total** US$'000	**Non-controlling interests** US$'000	**Equity total** 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 a subsidiary	–	–	–	–	–	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company				
	Share capital US$'000	**Treasury shares** US$'000	**Retained earnings** US$'000	**Other reserves** US$'000	**Equity attributable to owners of the Company, total** US$'000
2022					
COMPANY					
Opening balance at 1 January 2022	8,895,134	(304,886)	696,726	205,428	9,492,402
Profit for the year	–	–	1,649,823	–	1,649,823
Total comprehensive income for the year	–	–	1,649,823	–	1,649,823
Grant of equity-settled share options	–	–	–	7,038	7,038
Acquisition of treasury shares	–	(199,548)	–	–	(199,548)
Reissuance of treasury shares pursuant to exercise of share options	–	28,552	–	5,115	33,667
Dividends on ordinary shares	–	–	(755,435)	–	(755,435)
Total transactions with owners in their capacity as owners	–	(170,996)	(755,435)	12,153	(914,278)
Closing balance at 31 December 2022	**8,895,134**	**(475,882)**	**1,591,114**	**217,581**	**10,227,947**
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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$'000	2021 US$'000
Cash flows from operating activities		
Profit before tax	**3,116,558**	2,765,861
Adjustments for:		
Net loss/(gain) arising from changes in fair value of biological assets	**14,157**	(21,335)
Depreciation of bearer plants	**58,229**	58,707
Depreciation of property, plant and equipment	**1,092,837**	1,084,495
Increase in fair value of investment properties	**(940)**	(2,129)
Gain on disposal of investment in joint ventures	**(180,589)**	(2,393)
Gain on disposal of investment in associates	**(11,942)**	–
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**(386)**	(1,879)
Amortisation of intangible assets	**2,348**	3,454
Gain on bargain purchase on business combination	**(3,226)**	–
(Gain)/loss on disposal of property, plant and equipment	**(21,615)**	6,780
Gain on disposal of biological assets	**(144)**	(390)
(Gain)/loss on disposal/liquidation of subsidiaries	**(8,357)**	575
Gain on disposal of investment securities at fair value through profit or loss	**(1,198)**	(1,060)
Grant of share options to employees	**19,751**	6,871
Net fair value loss/(gain) on derivative financial instruments	**165,966**	(103,633)
Net fair value loss/(gain) on investment securities at fair value through profit or loss	**15,864**	(3,014)
Foreign exchange differences arising from translation	**(457,245)**	203,986
Investment income from investment securities	**(39,181)**	(40,751)
Interest expense	**887,294**	594,674
Interest income	**(423,736)**	(335,287)
Share of results of joint ventures	**(51,932)**	(63,548)
Share of results of associates	**(221,864)**	(155,947)
Operating cash flows before working capital changes	**3,950,649**	3,994,037
Changes in working capital:		
Increase in inventories	**(1,402,431)**	(2,257,517)
Decrease/(increase) in receivables and other assets	**430,539**	(1,330,359)
Increase in payables	**193,737**	487,789
Cash flows generated from operations	**3,172,494**	893,950
Interest paid	**(799,628)**	(535,394)
Interest received	**360,085**	283,502
Income taxes paid	**(685,284)**	(687,102)
Net cash flows generated from/(used in) operating activities	**2,047,667**	(45,044)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 **US$'000**	2021 US$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	**(85,764)**	9,442
(Increase)/decrease in plasma investments	**(4,162)**	8,464
Increase in investment securities at fair value through profit or loss	**(51,289)**	(35,132)
Increase in other non-financial assets	**(520)**	(54,188)
Payments for property, plant and equipment	**(2,441,373)**	(2,482,070)
Payments for bearer plants	**(41,426)**	(44,685)
(Increase)/decrease in investment securities at fair value through other comprehensive income	**(35,078)**	18,554
Investment income from investment securities	**39,181**	40,751
Payments for investment in joint ventures	**(3,262)**	(29,214)
Payments for investment in associates	**(49,047)**	(2,233)
Payments for intangible assets	**(237)**	(503)
Dividends received from joint ventures	**22,423**	11,339
Dividends received from associates	**71,259**	58,383
Proceeds from disposal of property, plant and equipment	**85,108**	85,519
Proceeds from disposal of interest/capital reduction in joint ventures	**1,389**	62,083
Proceeds from disposal/dilution of interest in associates	**23,656**	–
Net cash flow from disposal/liquidation of subsidiaries	**13,300**	(2,588)
Net cash flows used in investing activities	**(2,455,842)**	(2,356,078)
Cash flows from financing activities		
Decrease in net amount due from related parties	**13,915**	47,071
Increase in net amount due from joint ventures	**(37,851)**	(11,253)
Increase in net amount due from associates	**(42,190)**	(37,879)
(Decrease)/increase in advances from non-controlling shareholders	**(33,458)**	19,631
Proceeds from loans and borrowings	**620,932**	6,338,583
Decrease/(increase) in fixed deposits pledged with financial institutions for bank facilities	**782,696**	(3,313,731)
(Increase)/decrease in other financial receivables	**(75,364)**	462,691
Decrease in other deposits with maturity more than 3 months	**382,516**	62,672
Interest paid	**(31,046)**	(14,288)
Net cash flow from acquisition of additional interest in subsidiaries	**(2,945)**	(58,507)
Shares buy-back held as treasury shares	**(199,548)**	(97,503)
Dividends paid by the Company	**(755,435)**	(968,301)
Dividends paid to non-controlling shareholders by subsidiaries	**(47,801)**	(81,210)
Proceeds from dilution of interest in subsidiaries	**26,532**	–
Proceeds from reissuance of treasury shares by the Company	**33,667**	15,877
Proceeds from issue of ordinary shares by subsidiaries to non-controlling shareholders	**32,613**	41,416
Net cash flows generated from financing activities	**667,233**	2,405,269
Net increase in cash and cash equivalents	**259,058**	4,147
Cash and cash equivalents at the beginning of the year	**2,587,643**	2,583,496
Cash and cash equivalents at the end of the year	**2,846,701**	2,587,643

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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$"), which is also the Company's functional currency, except when otherwise indicated. All values in the tables are rounded to the nearest thousand (US$'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 amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these amendments 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
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
Amendments to SFRS(I) 17 Initial Application of SFRS(I) 1-17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants	1 January 2024
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 new and amendments to 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 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (continued)

(b) Business combinations (continued)

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Associates and joint ventures (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (continued)

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.

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.

Repair 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investment properties (continued)

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.

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 were 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets (continued)

(b) Other intangible assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (continued)

Subsequent measurement (continued)

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.

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 OCI 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Inventories (continued)

(a) Physical inventories, futures and other forward contracts (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Employee benefits (continued)

(c) Provision for employee service entitlements

For 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. 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.

In April 2022, DSAK IAI (Institute of Indonesia Chartered Accountants' Accounting Standard Board) issued an explanatory material through a press release regarding attribution of benefits to periods of service in accordance with PSAK 24: Imbalan Kerja which was adopted from IAS 19 Employee Benefits. The explanatory material conveyed the information that the fact pattern of the pension program based on the Labour Law currently enacted in Indonesia is similar to those responded and concluded in the IFRS Interpretation Committee (IFRIC) Agenda Decision Attributing Benefit to Periods of Service (IAS 19).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 96 years
Buildings	–	2 to 20 years
Plant and machineries	–	2 to 32 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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 amounts of the Group's goodwill and brands as at 31 December 2022 were approximately US$3,832,204,000 (2021: US$3,819,147,000) and US$1,552,361,000 (2021: US$1,552,461,000) 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 2022 were approximately US$255,861,000 (2021: US$288,652,000), US$284,921,000 (2021: US$204,495,000) and US$387,682,000 (2021: US$367,713,000) respectively.

4. REVENUE

	Group	
	2022	2021
	US$'000	US$'000
Sales of agricultural commodities and consumable products	**72,614,664**	65,125,646
Ship charter income	**478,758**	396,378
Others	**305,554**	271,595
	73,398,976	65,793,619

5. COST OF SALES

	Group	
	2022	2021
	US$'000	US$'000
Cost of inventories recognised as expense – physical deliveries	**57,645,052**	50,783,356
Labour and other overhead expenses	**7,603,756**	7,001,634
Net fair value loss on derivative financial instruments	**674,077**	817,456
	65,922,885	58,602,446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. FINANCE INCOME

	Group	
	2022	2021
	US$'000	US$'000
Finance income:		
– From associates	**5,762**	4,827
– From bank balances	**55,002**	47,167
– From fixed deposits	**226,593**	166,406
– From joint ventures	**2,364**	3,257
– From other deposits with financial institutions	**116,522**	102,150
– From other sources	**10,821**	5,233
– From related parties	**2,741**	3,311
– Late interest charges pertaining to trade receivables	**3,931**	2,936
	423,736	335,287

7. OTHER OPERATING INCOME OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating income/(expenses):

	Group	
	2022	2021
	US$'000	US$'000
Amortisation of intangible assets	**(2,348)**	(3,454)
Bad debts written off (non-trade)	**(358)**	(260)
Compensation income	**11,623**	23,380
Energy/power/steam income	**57,221**	49,675
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**386**	1,879
Net fair value gain on derivative financial instruments	**327**	92
Foreign exchange loss, excluding net foreign exchange loss on shareholders' loans to subsidiaries	**(102,693)**	(42,847)
Gain on disposal of investment in joint ventures	**180,589**	2,393
Gain on disposal of investment in associates	**11,942**	–
Gain/(loss) on disposal/liquidation of subsidiaries	**8,357**	(575)
Government grants/incentive income	**50,030**	40,188
Grant of share options to employees	**(19,751)**	(6,871)
Income from sales cancellation	**1,933**	3,526
Inventories written off	**(173)**	(5,452)
Gain/(loss) on disposal of property, plant and equipment	**21,615**	(6,780)
Pre-operating expenses	**(971)**	(630)
Processing fee income/tolling income	**1,077**	1,173
Rental and storage income	**18,248**	23,375
Scrap sales	**27,486**	22,630
Service fees/management fees/commission income	**4,621**	20,535
Write back of allowance for expected credit losses	**1,386**	14,804

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 qualifying 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 2022

8. FINANCE COSTS

	Group	
	2022	2021
	US$'000	US$'000
Interest expense:		
– Loans and borrowings	**799,425**	526,344
– Loans from associates	**324**	264
– Loans from joint ventures	**897**	1,450
– Loans from related parties	**38**	105
– Interest rate swaps	**5,998**	3,110
– Amortisation of forward elements of forward currency contracts	**46,530**	39,208
– Interest on lease liabilities	**10,319**	11,849
– Others	**24,389**	14,128
	887,920	596,458
Less: Amount capitalised		
– Bearer plants	**(202)**	(660)
– Property, plant and equipment	**(15,634)**	(7,376)
	872,084	588,422

9. NON-OPERATING ITEMS

	Group	
	2022	2021
	US$'000	US$'000
Net foreign exchange loss on shareholders' loans to subsidiaries	**(16,111)**	(3,844)
Finance costs on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries	**(15,210)**	(6,252)
Gain on disposal of investment securities at FVPL	**1,198**	1,060
Investment income from investment securities	**39,181**	40,751
Net fair value (loss)/gain on investment securities at FVPL	**(15,864)**	3,014
Net gain from changes in fair value of investment properties	**940**	2,129
	(5,866)	36,858

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2022	2021
	US$'000	US$'000
Audit fees paid to:		
– Auditor of the Company	**579**	611
– Other auditors	**7,202**	6,434
Non-audit fees paid to:		
– Auditor of the Company	**7**	3
– Other auditors	**1,213**	1,360
Depreciation of property, plant and equipment	**1,078,837**	1,047,818
Depreciation of bearer plants	**59,918**	60,563
Less: Amount capitalised as part of costs of bearer plants	**(1,689)**	(1,856)
Add: Impairment loss of property, plant and equipment	**14,000**	36,677
Depreciation and impairment loss of property, plant and equipment and bearer plants – net	**1,151,066**	1,143,202
Employee benefits expense	**2,143,241**	2,084,854

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 and 31 December 2021 are:

	Group	
	2022	2021
	US$'000	US$'000
Consolidated Income Statement		
Current income tax		
Current year	**625,671**	594,063
Over provision in respect of previous years	**(30,887)**	(22,813)
Withholding tax expenses	**21,695**	52,913
	616,479	624,163
Deferred income tax		
Origination and reversal of temporary differences	**(74,318)**	55,795
Under provision in respect of previous years	**5,052**	19,644
Income tax expense recognised in the income statement	**547,213**	699,602
Deferred income tax related to other comprehensive income:		
Net tax (credit)/charges in fair value of derivative financial instruments designated as cash flow hedges and others	**(20,928)**	4,916

(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 2022 and 31 December 2021 are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Accounting profit before income tax	**3,116,558**	2,765,861
Tax calculated at tax rate of 17% (2021: 17%)	**529,815**	470,196
Adjustments:		
Effect of different tax rates in other countries	**185,520**	202,351
Effect of tax incentives	**(75,033)**	12,807
Effect of changes in tax rates for deferred tax recognised previously	**(457)**	(9,560)
Income not subject to taxation	**(97,561)**	(49,364)
Non-deductible expenses	**97,716**	62,490
Deferred tax assets not recognised	**21,027**	32,504
Over provision in respect of previous years	**(25,835)**	(3,169)
Share of results of joint ventures and associates	**(46,809)**	(38,657)
Utilisation of previously unrecognised tax losses/capital allowances	**(61,719)**	(31,221)
Withholding tax expenses	**21,695**	52,913
Others	**(1,146)**	(1,688)
Income tax expense recognised in the consolidated income statement	**547,213**	699,602

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
	2022	2021
Profit for the year attributable to owners of the Company (US$'000)	**2,402,478**	1,890,390
Weighted average number of ordinary shares ('000)	**6,272,414**	6,308,080
Basic earnings per share (US cents per share)	**38.3**	30.0

(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	
	2022	2021
Profit for the year attributable to owners of the Company (US$'000)	**2,402,478**	1,890,390
Weighted average number of ordinary shares ('000)	**6,272,414**	6,308,080
Effects of dilution		
– Grant of equity-settled share options ('000)	**2,508**	9,841
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,274,922**	6,317,921
Diluted earnings per share (US cents per share)	**38.3**	29.9

There are 42,455,000 share options (2021: Nil) 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 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES

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 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, and 1 January 2022	**153,578**	**5,134,049**	**10,500,751**	**388,976**	**921,207**	**318,536**	**2,404,091**	**19,821,188**
Acquisition of subsidiaries	**–**	**34,070**	**75,543**	**383**	**–**	**736**	**15,498**	**126,230**
Disposal of subsidiaries	**–**	**(484)**	**(1,475)**	**(40)**	**–**	**(40)**	**–**	**(2,039)**
Additions	**–**	**34,934**	**39,401**	**21,016**	**41,225**	**19,146**	**2,226,735**	**2,382,457**
Disposals	**–**	**(37,400)**	**(62,493)**	**(9,854)**	**(40,157)**	**(8,389)**	**–**	**(158,293)**
Transfers	**125**	**594,056**	**986,109**	**32,331**	**–**	**4,903**	**(1,617,524)**	**–**
Transfer to investment properties	**–**	**(32,936)**	**(1,623)**	**–**	**–**	**–**	**–**	**(34,559)**
Transfer to right-of-use assets	**–**	**–**	**–**	**–**	**–**	**–**	**(18,188)**	**(18,188)**
Reclassifications	**–**	**(652)**	**1,024**	**(372)**	**–**	**4**	**(4)**	**–**
Currency translation differences	**(11,066)**	**(357,813)**	**(768,850)**	**(34,682)**	**(12)**	**(15,141)**	**(188,712)**	**(1,376,276)**
At 31 December 2022	**142,637**	**5,367,824**	**10,768,387**	**397,758**	**922,263**	**319,755**	**2,821,896**	**20,740,520**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES (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 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, and 1 January 2022	**11,666**	**1,422,453**	**5,065,270**	**274,481**	**323,112**	**187,404**	**–**	**7,284,386**
Disposal of subsidiaries	**–**	**(438)**	**(1,444)**	**(21)**	**–**	**(40)**	**–**	**(1,943)**
Depreciation charge for the year	**–**	**202,200**	**635,390**	**39,400**	**66,892**	**25,320**	**–**	**969,202**
Disposals	**–**	**(9,339)**	**(40,003)**	**(9,563)**	**(15,696)**	**(7,378)**	**–**	**(81,979)**
Impairment loss	**–**	**8,029**	**6,709**	**(738)**	**–**	**–**	**–**	**14,000**
Reclassifications	**–**	**(486)**	**1,676**	**(1,164)**	**–**	**(26)**	**–**	**–**
Currency translation differences	**–**	**(109,618)**	**(416,057)**	**(25,283)**	**(1)**	**(11,003)**	**–**	**(561,962)**
At 31 December 2022	**11,666**	**1,512,801**	**5,251,541**	**277,112**	**374,307**	**194,277**	**–**	**7,621,704**
Net carrying amount								
At 31 December 2021	141,912	3,711,596	5,435,481	114,495	598,095	131,132	2,404,091	12,536,802
At 31 December 2022	**130,971**	**3,855,023**	**5,516,846**	**120,646**	**547,956**	**125,478**	**2,821,896**	**13,118,816**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES (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 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 and 1 January 2022	**72,867**	**15,658**	**475**	**7,810**	**96,810**
Additions	**1,092**	**2,596**	**579**	**2,406**	**6,673**
Disposals	**–**	**(613)**	**(475)**	**–**	**(1,088)**
Transfers	**2,778**	**1,315**	**–**	**(4,093)**	**–**
At 31 December 2022	**76,737**	**18,956**	**579**	**6,123**	**102,395**
Accumulated depreciation					
At 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 and 1 January 2022	**767**	**10,503**	**246**	**–**	**11,516**
Depreciation charge for the year	**1,576**	**2,754**	**61**	**–**	**4,391**
Disposals	**–**	**(611)**	**(254)**	**–**	**(865)**
At 31 December 2022	**2,343**	**12,646**	**53**	**–**	**15,042**
Net carrying amount					
At 31 December 2021	72,100	5,155	229	7,810	85,294
At 31 December 2022	**74,394**	**6,310**	**526**	**6,123**	**87,353**

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$15,634,000 (2021: US$7,376,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US$10,665,000 (2021: US$80,109,000) are pledged as security for bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES (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 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 and 1 January 2022	**1,544,484**	**178,296**	**38,984**	**18,972**	**82,464**	**28,797**	**1,891,997**
Acquisition of subsidiaries	**41,175**	**8,768**	**–**	**–**	**–**	**–**	**49,943**
Disposal of subsidiaries	**(1,515)**	**–**	**–**	**–**	**–**	**–**	**(1,515)**
Additions	**174,057**	**29,340**	**4,916**	**886**	**–**	**11,275**	**220,474**
Disposals	**(11,035)**	**(16,277)**	**(4)**	**(59)**	**(272)**	**(1,888)**	**(29,535)**
Transfer from property, plant and equipment	**18,188**	**–**	**–**	**–**	**–**	**–**	**18,188**
Transfer to investment properties	**(8,411)**	**–**	**–**	**–**	**–**	**–**	**(8,411)**
Currency translation differences	**(112,478)**	**(17,780)**	**(7,784)**	**(1,224)**	**–**	**(1,447)**	**(140,713)**
At 31 December 2022	**1,644,465**	**182,347**	**36,112**	**18,575**	**82,192**	**36,737**	**2,000,428**
Accumulated depreciation							
At 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 and 1 January 2022	**107,482**	**66,533**	**11,386**	**3,942**	**33,076**	**13,947**	**236,366**
Disposal of subsidiaries	**(123)**	**–**	**–**	**–**	**–**	**–**	**(123)**
Depreciation charge for the year	**46,782**	**32,883**	**5,390**	**1,279**	**16,039**	**7,262**	**109,635**
Disposals	**(1,545)**	**(9,271)**	**(4)**	**(54)**	**–**	**(1,853)**	**(12,727)**
Currency translation differences	**(19,552)**	**(4,588)**	**(2,997)**	**(260)**	**–**	**(811)**	**(28,208)**
At 31 December 2022	**133,044**	**85,557**	**13,775**	**4,907**	**49,115**	**18,545**	**304,943**
Net carrying amount							
At 31 December 2021	1,437,002	111,763	27,598	15,030	49,388	14,850	1,655,631
At 31 December 2022	**1,511,421**	**96,790**	**22,337**	**13,668**	**33,077**	**18,192**	**1,695,485**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES (CONTINUED)

Right-of-use assets (continued)

	Land and land rights US$'000	Total US$'000
Company		
Costs		
At 1 January 2021	–	–
Transfer from property, plant and equipment	35,155	35,155
At 31 December 2021, 1 January 2022 and 31 December 2022	**35,155**	**35,155**
Accumulated depreciation		
At 1 January 2021	–	–
Depreciation charge for the year	651	651
At 31 December 2021 and 1 January 2022	**651**	**651**
Depreciation charge for the year	**1,302**	**1,302**
At 31 December 2022	**1,953**	**1,953**
Net carrying amount		
At 31 December 2021	34,504	34,504
At 31 December 2022	**33,202**	**33,202**

	Group		Company	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Net carrying amount				
Property, plant and equipment	**13,118,816**	12,536,802	**87,353**	85,294
Right-of-use assets	**1,695,485**	1,655,631	**33,202**	34,504
Total	**14,814,301**	14,192,433	**120,555**	119,798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. PROPERTY, PLANT AND EQUIPMENT RIGHT-OF-USE ASSETS INVESTMENT PROPERTIES (CONTINUED)

Investment properties

	Group	
	2022	2021
	US$'000	US$'000
Balance sheet		
At 1 January	**38,286**	32,475
Transfer from property, plant and equipment	**34,559**	2,758
Transfer from right-of-use assets	**8,411**	–
Addition	**743**	–
Net gain from fair value adjustment recognised in asset revaluation reserve	**2,627**	–
Net gain from changes in fair value recognised in profit or loss	**940**	2,129
Currency translation differences	**(2,809)**	924
At 31 December	**82,757**	38,286
Income statement		
Rental income from investment properties		
– Minimum lease payments	**1,578**	1,470
	1,578	1,470
Direct operating expenses arising from:		
– Rental generating properties	**458**	491
	458	491

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 2022. 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 2022 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
8/25/26/33 Hua Neng Union Tower, Shanghai, China	Office	Leasehold	21 years
8 Yihai Avenue, Zhangpu Town, Kunshan, Jiangsu, China	Land and Industrial Plant	Leasehold	41 years
No.12 Machong West Xingang Road, Machong Town, Dongguan, Guangdong, China	Land and Industrial Plant	Leasehold	42 years
East 200 meters, Jiaotong Avenue and Zhoushan Road intersection, Gang District, Zhoukou, Henan, China	Land and Industrial Plant	Leasehold	49 years
De'gan Industrial Zone, Jiang Jin district, Chongqing, China	Land and Industrial Plant	Leasehold	48 years
Sanjia Village, Siwei Village, Chongxian Street, Yuhang District, Hangzhou City, Zhejiang, China	Land and Industrial Plant	Leasehold	39 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. BEARER PLANTS BIOLOGICAL ASSETS

	Group	
	2022	2021
Bearer plants	**US$'000**	US$'000
Group		
Costs		
At 1 January	**1,266,182**	1,250,517
Additions	**35,753**	37,865
Disposals	**(1,036)**	(1,400)
Capitalisation of interest	**202**	660
Capitalisation of depreciation	**1,689**	1,856
Capitalisation of employee benefits	**5,673**	6,820
Written off	**(6,703)**	(15,304)
Currency translation differences	**(24,253)**	(14,832)
At 31 December	**1,277,507**	1,266,182
Accumulated depreciation and impairment loss		
At 1 January	**628,064**	584,384
Depreciation charge for the year	**59,918**	60,563
Disposals	**(29)**	–
Written off	**(5,517)**	(12,804)
Currency translation differences	**(6,447)**	(4,079)
At 31 December	**675,989**	628,064
Net carrying amount		
At 31 December	**601,518**	638,118

	Group	
	2022	2021
Biological assets (Note 21)	**US$'000**	US$'000
At 1 January	**66,012**	44,724
Fair value (loss)/gain of biological assets	**(14,157)**	21,335
Currency translation differences	**(859)**	(47)
At 31 December	**50,996**	66,012

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,434,000 metric tonnes (2021: 4,005,000 metric tonnes) of Fresh Fruit Bunches ("FFB"), which had a fair value less estimated point-of-sale costs of approximately US$829,929,000 (2021: US$723,658,000). 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 2022

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	
Area	**2022 Hectares**	2021 Hectares
Planted area:		
– Mature	**218,409** [(1)]	211,800 [(1)]
– Immature	**20,561**	26,203
	238,970	238,003

	Group	
Value	**2022 US$'000**	2021 US$'000
Planted area:		
– Mature	**513,428** [(1)]	529,718 [(1)]
– Immature	**88,090**	108,400
	601,518	638,118

(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$84 to US$159 (2021: US$168 to US$248) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield (annual) is 21.0 (2021: 19.6) 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 2022

15. INTANGIBLE ASSETS

	Goodwill US$'000	Trademarks & licenses and others US$'000	Brands US$'000	Total US$'000
Group				
Cost				
At 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 and 1 January 2022	**3,929,064**	**35,998**	**1,552,461**	**5,517,523**
Additions	**–**	**347**	**–**	**347**
Acquisition of subsidiaries	**52,320**	**–**	**–**	**52,320**
Currency translation differences	**(46,583)**	**(3,140)**	**(100)**	**(49,823)**
At 31 December 2022	**3,934,801**	**33,205**	**1,552,361**	**5,520,367**
Accumulated amortisation and impairment loss				
At 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 and 1 January 2022	**109,917**	**13,722**	**–**	**123,639**
Amortisation during the year	**–**	**2,348**	**–**	**2,348**
Currency translation differences	**(7,320)**	**(1,470)**	**–**	**(8,790)**
At 31 December 2022	**102,597**	**14,600**	**–**	**117,197**
Net carrying amount				
At 31 December 2021	3,819,147	22,276	1,552,461	5,393,884
At 31 December 2022	**3,832,204**	**18,605**	**1,552,361**	**5,403,170**

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 2022

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
2022					
Goodwill	**912,529**	**1,111,527**	**1,791,202**	**16,946**	**3,832,204**
Brands	**1,544,345**	**8,016**	**–**	**–**	**1,552,361**
2021					
Goodwill	913,406	1,104,758	1,784,899	16,084	3,819,147
Brands	1,544,369	8,092	–	–	1,552,461

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	
	2022	2021	**2022**	2021	**2022**	2021
	%	%	**%**	%	**%**	%
Terminal growth rates	**1.5 – 3.4**	1.9 – 3.4	**2.3 – 3.0**	2.0 – 3.0	**1.5 – 2.0**	1.5 – 2.0
Pre-tax discount rates	**6.7 – 19.2**	5.9 – 19.0	**11.0 – 13.8**	11.0 – 14.4	**9.2 – 12.0**	7.6 – 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 2022

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	US$'000	US$'000
Unquoted equity shares, at cost	**11,859,238**	10,468,178

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 is as follows:

Name of subsidiaries acquired	Equity interest acquired %	Consideration US$'000	Month of acquisition
Agrifert Malaysia Sdn Bhd ^	100	105,421	Apr 2022
African Tank Terminals Limited ^	50	23,000	Apr 2022
Bright Agrocomm DMCC ^	50	2,443	Apr 2022
Wilmar Tanzania Limited ^ (formerly known as Murzah Wilmar East Africa Limited)	51	20,540	Apr 2022
Wilmar Pasta Tanzania Limited ^ (formerly known as Tanzania Pasta Industries Limited)	51	9,272	Apr 2022
Wilmar Rice Tanzania Limited ^ (formerly known as MW Rice Millers Limited)	50	1,500	Apr 2022

^ In accordance with SFRS(I) 3, management is required to identify the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. The final allocation of the purchase price to the identifiable assets, liabilities and contingent liabilities assumed in the business combination is currently being determined and has not been completed as at 31 December 2022.

The fair values of the identifiable assets and liabilities of the abovementioned subsidiaries acquired and the effect thereof as at the date of acquisition were as follows:

	Fair value recognised on acquisition US$'000
Property, plant and equipment	176,173
Inventories	132,993
Trade receivables and other assets	123,514
Cash and cash equivalents	47,756
	480,436
Trade and other payables (including provision for employee gratuity)	251,480
Loans and borrowings	9,189
Deferred tax liabilities	23,288
	283,957
Identifiable net assets acquired	196,479
Less: Transfer from investment in joint ventures	(2,268)
Less: Transfer from investment in associates	(78,999)
	115,212
Positive goodwill arising from acquisition recognised as part of intangible assets	52,320
Gain on bargain purchase on business combination	(3,226)
Fair value gain arising from changes of interest in a joint venture resulting in change of control	(386)
Total consideration for acquisition	**163,920**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (continued)

Total cost of business combination

The total cost of the business combination is as follows:

	Cashflow on acquisition US$'000
Consideration for acquisition	163,920
Less: Advance for acquisition paid in prior year	(30,400)
Consideration for acquisition – cash paid	**133,520**
The effects of acquisition on cash flow are as follows:	
Consideration settled in cash	133,520
Less: Cash and cash equivalents of subsidiaries acquired	(47,756)
Net cash outflow on acquisition	**85,764**

Impact of acquisitions on consolidated income statement

From the respective dates of acquisition, the acquirees have contributed additional revenue and net loss of approximately US$275,642,000 and US$17,516,000 respectively for the financial year ended 31 December 2022. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US$73,493,186,000 and net profit would have been approximately US$2,391,551,000.

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 is as follows:

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 (Taiyuan) Oils, Grains & Foodstuffs Industries Co., Ltd	6 +	86 +	–	(323)	323	Jan 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kerry (Panjin) Logistics Co., Ltd	40	100	2,945	2,997	(52)	Mar 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kitchen (Huaian) Food Co., Ltd	22 +	100	1,313	1,169	144	Oct 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kitchen (Jining) Food Co., Ltd	22 +	100	547	501	46	Oct 2022

\+ Rounded to the nearest whole % as indicated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal of interests in subsidiaries without loss of control

During the year, the Group disposed the interests in the following major subsidiaries without loss of control:

Immediate holding company	Name of subsidiary	Disposal of interest %	Proportion of ownership interest after disposal %	Proceeds US$'000	Book value US$'000	Increase in equity attributable to the owners of the Company US$'000	Month of disposal
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kerry (Guangzhou) Logistics & Supply Chain Co., Ltd	1 +	94 +	145	79	66	Jun 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kitchen (Shanghai) Healthy Food Co., Ltd	8 +	78 +	–	(29)	29	Jun 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kerry (Qinhuangdao) Oils & Grains Industries Co., Ltd	15	85	26,387	26,387	–	Oct 2022
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kitchen (Shanghai) Supply Chain Management Co., Ltd	22 +	78 +	–	(1)	1	Dec 2022

\+ Rounded to the nearest whole % as indicated.

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
MWK Inc.	35	11,431	Jan 2022
Qinhuangdao Goldensea Bioenergy Co., Ltd	100	1,271	Feb 2022
Wilmar Yihai Flour Investments Pte. Ltd.	100	7	Aug 2022
Wilmar Great Ocean Investment Pte Ltd	100	2	Aug 2022
Wanqi Wilmar (Taizhou) Biotechnology Co., Ltd (formerly known as Wilmar Yuanda BioTech Taixing Co., Ltd)	70	2,531	Nov 2022

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal/liquidation of subsidiaries (continued)

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
Property, plant and equipment	1,488
Trade receivables and other assets	9,372
Inventories	27
Cash and cash equivalents	662
	11,549
Trade and other payables	584
Net carrying amounts of assets disposed	10,965
Less: Transfer to investment in an associate	(1,084)
Less: Non-controlling interest	(4,566)
Net assets disposed	5,315
Net assets disposed	5,315
Add: Foreign currency translation reserve realised upon disposal/liquidation of subsidiaries	290
Gain on disposal/liquidation	8,357
Sales proceeds, net	13,962
Less: Cash and cash equivalents of subsidiaries disposed/liquidated	(662)
Net cash inflow on disposal/liquidation of subsidiaries	**13,300**

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES

The Group's investment in joint ventures is summarised below:

	Group		**Company**	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Vietnam Agribusiness Holdings Pte. Ltd.	**92,374**	74,076	**–**	–
Other joint ventures	**277,627**	557,496	**–**	–
Investment in joint ventures	**370,001**	631,572	**–**	–

Details of the list of significant joint ventures are included in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of material joint venture is as follows:

	Vietnam Agribusiness Holdings Pte. Ltd.	
	2022	2021
	US$'000	US$'000
Assets and liabilities:		
Current assets	**212,483**	165,651
Non-current assets	**51,018**	38,518
Total assets	**263,501**	204,169
Current liabilities	**108,899**	86,165
Total liabilities	**108,899**	86,165
Shareholders' equity	**154,600**	118,004
Proportion of the Group's ownership interest	**50%**	50%
Group's share	**77,300**	59,002
Goodwill on acquisition	**15,074**	15,074
Carrying amount of the investment	**92,374**	74,076
Revenue	**900,042**	867,901
Profit for the year	**36,596**	23,552
Total comprehensive income	**36,596**	23,552
Cash and cash equivalents	**93,467**	26,497
Depreciation and amortisation	**5,787**	5,723
Finance expense	**48**	300
Income tax expense	**10,798**	7,166

The activities of Vietnam Agribusiness Holdings Pte. Ltd. ("VAH") is strategic to the Group's activities. No dividends were received during the financial year ended 31 December 2022 (2021: US$Nil).

Aggregate information about the Group's shares in joint ventures that are not individually material are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Share of the joint ventures' profit for the year	**33,634**	51,772
Share of the joint ventures' total comprehensive income	**33,634**	51,772

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The Group's investment in associates is summarised below:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	**594,754**	603,251	**–**	–
Adani Wilmar Limited ^	**432,623**	–	**–**	–
Other associates	**2,217,488**	2,271,705	**13,677**	13,677
Investment in associates	**3,244,865**	2,874,956	**13,677**	13,677
Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)	**4,897,948**	870,780	**17,345**	18,605

^ Adani Wilmar Limited ("AWL") was a 50% owned joint venture of the Group in 2021. Subsequent to the listing of AWL on 8 February 2022, the Group accounted AWL as an associate and continued to account for its investment in AWL using the equity method.

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		Adani Wilmar Limited *	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Assets and liabilities:				
Current assets	**814,311**	561,611	**1,786,725**	1,959,650
Non-current assets	**341,021**	323,592	**753,205**	720,200
Total assets	**1,155,332**	885,203	**2,539,930**	2,679,850
Current liabilities	**504,006**	213,139	**1,462,989**	1,922,866
Non-current liabilities	**900**	1,084	**130,531**	235,752
Total liabilities	**504,906**	214,223	**1,593,520**	2,158,618
Shareholders' equity	**636,271**	655,582	**945,406**	494,898
Proportion of the Group's ownership interest	**44%**	44%	**44%+**	50%
Group's share	**279,959**	288,456	**415,695**	247,449
Goodwill on acquisition	**314,795**	314,795	**16,928**	16,928
Carrying amount of the investment	**594,754**	603,251	**432,623**	264,377
Revenue	**3,529,209**	3,501,773	**5,304,964**	6,626,080
Profit for the year	**45,166**	24,687	**72,779**	82,284
Total comprehensive income	**45,166**	24,687	**70,937**	81,633

* Subsequent to the listing of AWL on 8 February 2022, AWL's financial results will only be released on a quarterly basis. For 2022, the summarised financial information disclosed relates to AWL's financial results up to period ended 30 September 2022 and its financial position as at 30 September 2022.

\+ Rounded to the nearest whole % as indicated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The activities of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd and Adani Wilmar Limited are strategic to the Group's activities. Dividend of approximately US$3,747,000 (2021: US$3,544,000) was received from COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd during the financial year ended 31 December 2022. No dividend was received from Adani Wilmar Limited during the financial year ended 31 December 2022 (2021: US$Nil).

Aggregate information about the Group's shares in associates that are not individually material are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Share of the associates' profit for the year	**169,990**	145,085
Share of the associates' total comprehensive income	**169,990**	145,085

18. INVESTMENT SECURITIES

	Group	
	2022	2021
	US$'000	US$'000
At fair value through other comprehensive income		
Non-current:		
Quoted equity instruments *	**187,306**	215,687
Unquoted equity instruments	**35,644**	39,512
Investment funds	**79,049**	110,102
	301,999	365,301
At fair value through profit or loss		
Current:		
Quoted equity instruments	**362,921**	326,846
	362,921	326,846

* 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	
	2022	2021
	US$'000	US$'000
At fair value through other comprehensive income		
Preference shares issued by financial institutions in China	**130,785**	145,464
Unity Foods Limited ^	**–**	34,912
Primavera Capital (Cayman) Fund I L.P.	**6,934**	17,307
Sugar Terminals Limited	**32,998**	35,270
Others	**131,282**	132,348
	301,999	365,301

^ Subsequent to the subscription of shares made in connection with a rights issue exercise by Unity Foods Limited ("UFI"), UFI has become an associate on 11 February 2022 and is accounted by the Group using the equity method.

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$39,181,000 (2021: US$40,751,000) from its investment securities.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. DEFERRED TAX

	Group			
	Balance sheet		Consolidated income statement	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Deferred tax assets:				
Provisions	**121,030**	129,969	**(6,460)**	(24,034)
Unutilised tax losses	**201,926**	116,615	**(113,566)**	32,006
Timing differences for tax purposes	**164,148**	145,210	**(9,194)**	29,755
Fair value adjustments on derivatives classified as cash flow hedges	**36,078**	10,276	**–**	–
Other items	**9,940**	2,890	**(908)**	(157)
	533,122	404,960		
Less: Deferred tax liabilities:				
Timing differences for tax purposes	**459,927**	423,007	**58,182**	26,394
Fair value adjustments on acquisition of subsidiaries	**52,660**	29,727	**(1,796)**	(4,438)
Fair value adjustments on derivatives classified as cash flow hedges	**25,544**	19,155	**–**	–
Fair value adjustments on biological assets	**11,412**	14,875	**(3,463)**	5,712
Undistributed earnings	**83,830**	80,734	**5,096**	11,348
Other items	**2,510**	680	**2,843**	(1,147)
	635,883	568,178		
	(102,761)	(163,218)		
Deferred income tax (credit)/charge			**(69,266)**	75,439

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	
	2022 US$'000	2021 US$'000
Deferred tax assets	**284,921**	204,495
Deferred tax liabilities	**(387,682)**	(367,713)
	(102,761)	(163,218)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US$429,548,000 (2021: US$937,850,000) 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 (2021: 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$7,431,340,000 (2021: US$6,731,032,000). The deferred tax liability is estimated to be approximately US$628,089,000 (2021: US$539,785,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2022			2021		
	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	**15,142,097**	**179,261**	**223,690**	14,669,666	137,265	180,912
Futures, options and swap contracts	**11,535,000**	**272,638**	**441,036**	10,436,870	264,288	331,230
Interest rate swap	**–**	**–**	**–**	117,106	–	6,045
Fair value of firm commitment contracts	**5,794,515**	**150,250**	**78,201**	7,282,237	174,384	103,704
Total derivative financial instruments		**602,149**	**742,927**		575,937	621,891
Less: Current portion		**(574,562)**	**(718,229)**		(563,981)	(566,612)
Non-current portion		**27,587**	**24,698**		11,956	55,279

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 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 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$26,763,000 (2021: gain of approximately US$1,149,000), with related deferred tax charge of approximately US$1,268,000 (2021: tax charge of approximately US$8,683,000), 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 three financial years as follows: US$25,083,000, US$30,000 and US$1,650,000 (2021: US$96,000, US$1,053,000 and US$Nil).

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$69,152,000 (2021: loss of approximately US$6,375,000), with related deferred tax credit of approximately US$26,551,000 (2021: tax credit of approximately US$2,089,000), 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$44,010,000 (2021: gain of approximately US$32,818,000) is recognised in the income statement and offset with a similar loss on the inventory.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. OTHER FINANCIAL RECEIVABLES OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Non-current:				
Loans to non-controlling shareholders of subsidiaries	**28,828**	–	–	–
Other non-trade receivables	**85,691**	78,861	–	–
Amounts due from subsidiaries – non-trade	–	–	**231,689**	263,317
Amounts due from joint ventures – non-trade	**50,450**	34,764	**49,938**	49,938
Amounts due from associates – non-trade	**14,118**	17,643	–	–
Amounts due from related parties – non-trade	**14,308**	18,868	–	–
Other financial receivables	**193,395**	150,136	**281,627**	313,255
Current:				
Deposits	**126,996**	183,852	**175**	53
Loans to non-controlling shareholders of subsidiaries	**26,412**	5,017	–	–
Other non-trade receivables	**427,833**	397,325	**14,768**	27,247
Other deposits with financial institutions	**3,584,932**	3,196,798	–	–
Amounts due from subsidiaries – non-trade	–	–	**5,760,400**	5,647,029
Amounts due from joint ventures – non-trade	**98,784**	103,825	**417**	1,756
Amounts due from associates – non-trade	**242,140**	258,664	**2,678**	2,677
Amounts due from related parties – non-trade	**27,568**	37,977	–	–
Other financial receivables	**4,534,665**	4,183,458	**5,778,438**	5,678,762
Non-current:				
Prepayments	**52,755**	50,914	–	–
Plasma investments	**16,437**	12,960	–	–
Other non-financial assets	**69,192**	63,874	–	–
Current:				
Prepayments and other non-financial assets	**239,137**	267,091	**5,454**	7,473
Biological assets (Note 14)	**50,996**	66,012	–	–
Tax recoverables	**178,529**	130,150	–	–
Advances for property, plant and equipment	**341,962**	490,673	–	–
Advances for acquisition of subsidiaries	–	47,532	–	–
Advances to suppliers	**848,887**	825,612	–	–
Other non-financial assets	**1,659,511**	1,827,070	**5,454**	7,473

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 5.8% (2021: 2.5% to 4.2%) 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 2022, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$6,914,000 (2021: US$6,914,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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$14,709,000 (2021: US$43,576,000) and US$109,472,000 (2021: US$136,144,000) respectively, which bear interest ranging from 2.3% to 8.5% (2021: 1.5% to 12.0%) per annum. These balances are expected to be settled in cash.

As at 31 December 2022, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$81,959,000 (2021: 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$25,665,000 (2021: US$4,191,000), which bear interest ranging from 2.6% to 11.8% (2021: 3.0% to 7.2%) per annum and are expected to be settled in cash.

The non-current loans to non-controlling shareholders of subsidiaries bear interest at 2.0% 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 2.6% to 4.5% (2021: 1.8% to 4.5%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US$483,917,000 (2021: US$66,650,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2022	2021
	US$'000	US$'000
Balance Sheet		
At cost:		
Raw materials	**3,920,618**	4,029,941
Consumables	**608,066**	578,494
Finished goods	**4,657,716**	4,328,160
Stock in transit	**1,063,883**	854,176
	10,250,283	9,790,771
At net realisable value:		
Raw materials	**1,122,458**	701,499
Consumables	**1,648**	3,223
Finished goods	**1,855,684**	1,243,193
	2,979,790	1,947,915
	13,230,073	11,738,686
Income Statement		
Inventories recognised as an expense in cost of sales	**57,645,052**	50,783,356
Inclusive of the following charge:		
– Provision for net realisable value	**82,836**	74,038

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. TRADE RECEIVABLES

	Group	
	2022	2021
	US$'000	US$'000
Trade receivables	**5,073,081**	5,187,224
Notes receivables	**111,749**	221,681
Value added tax recoverable	**797,178**	832,127
Amounts due from joint ventures – trade	**56,583**	345,937
Amounts due from associates – trade	**367,208**	122,718
Amounts due from related parties – trade	**179,376**	156,984
	6,585,175	6,866,671
Less: Allowance for expected credit losses	**(36,163)**	(33,255)
	6,549,012	6,833,416

Trade receivables, including amounts due from joint ventures, associates and related parties, are non-interest bearing and the average turnover is 30 days (2021: 28 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 2022 and 31 December 2021.

The Group has pledged trade receivables amounting to approximately US$5,633,000 (2021: US$135,156,000) 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	
	2022	2021
	US$'000	US$'000
At 1 January	**(33,255)**	(50,895)
(Additional)/ write back of allowance during the year	**(5,637)**	9,106
Acquisition of subsidiaries	**(815)**	(4,797)
Bad debts written off against allowance	**2,273**	13,212
Currency translation differences	**1,271**	119
At 31 December	**(36,163)**	(33,255)

Financial assets carried at amortised cost

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**6,549,012**	6,833,416	**–**	–
Other financial receivables – current	**4,534,665**	4,183,458	**5,778,438**	5,678,762
Other financial receivables – non-current	**193,395**	150,136	**281,627**	313,255
Cash and bank balances – current	**2,999,417**	2,692,541	**1,448**	1,033
Other bank deposits – current	**2,722,249**	3,649,000	**–**	–
Other bank deposits – non-current	**2,375,854**	2,338,437	**–**	–
Total financial assets carried at amortised cost	**19,374,592**	19,846,988	**6,061,513**	5,993,050

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. OTHER BANK DEPOSITS CASH AND BANK BALANCES

	Group	
	2022	2021
	US$'000	US$'000
Non-current:		
Fixed deposits pledged with financial institutions for bank facilities	**2,124,720**	1,999,648
Other deposits with maturity more than 12 months	**251,134**	338,789
	2,375,854	2,338,437
Current:		
Fixed deposits pledged with financial institutions for bank facilities	**1,332,656**	1,964,548
Other deposits with maturity more than 3 months	**1,389,593**	1,684,452
	2,722,249	3,649,000
	5,098,103	5,987,437

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Cash at banks and on hand	**2,436,674**	1,945,593	**1,448**	1,033
Short-term and other deposits	**562,743**	746,948	**–**	–
Cash and bank balances	**2,999,417**	2,692,541	**1,448**	1,033

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 average effective interest rate of the Group is 2.7% (2021: 2.5%) per annum.

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Other bank deposits	**5,098,103**	5,987,437	**–**	–
Cash and bank balances	**2,999,417**	2,692,541	**1,448**	1,033
Total cash and bank balances	**8,097,520**	8,679,978	**1,448**	1,033

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the balance sheet date:

	Group	
	2022	2021
	US$'000	US$'000
Cash and bank balances	**2,999,417**	2,692,541
Bank overdrafts	**(152,716)**	(104,898)
Cash and cash equivalents	**2,846,701**	2,587,643

25. TRADE PAYABLES

	Group	
	2022	2021
	US$'000	US$'000
Trade payables	**2,215,659**	1,840,604
Value added tax payable	**62,669**	24,965
Amounts due to joint ventures – trade	**17,277**	45,085
Amounts due to associates – trade	**50,380**	52,199
Amounts due to related parties – trade	**5,962**	46,220
	2,351,947	2,009,073

Trade payables, including amounts due to joint ventures, associates and related parties, are non-interest bearing and the average turnover is 13 days (2021: 12 days).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. TRADE PAYABLES (CONTINUED)

Financial liabilities carried at amortised cost

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**2,351,947**	2,009,073	**–**	–
Other financial payables – current	**2,416,629**	2,374,133	**5,631,541**	5,376,050
Other financial payables – non-current	**229,055**	276,525	**2,125,000**	1,425,000
Loans and borrowings	**30,429,001**	29,114,481	**75,919**	308,724
Total financial liabilities carried at amortised cost	**35,426,632**	33,774,212	**7,832,460**	7,109,774

26. OTHER FINANCIAL PAYABLES OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Current:				
Advances from non-controlling shareholders of subsidiaries	**16,054**	31,929	**–**	–
Accrued operating expenses	**1,381,796**	1,224,356	**23,496**	23,657
Amounts due to subsidiaries – non-trade	**–**	–	**5,606,369**	5,351,258
Amounts due to joint ventures – non-trade	**51,018**	41,420	**–**	–
Amounts due to associates – non-trade	**15,784**	12,535	**–**	43
Amounts due to related parties – non-trade	**1,545**	2,598	**89**	89
Deposits from third parties	**200,727**	260,434	**12**	8
Payable for property, plant and equipment	**340,123**	313,520	**–**	–
Other tax payables	**29,515**	15,748	**–**	–
Lease liabilities (Note 32)	**60,667**	59,637	**–**	–
Other payables	**319,400**	411,956	**1,575**	995
Other financial payables	**2,416,629**	2,374,133	**5,631,541**	5,376,050
Non-current:				
Advances from non-controlling shareholders of subsidiaries	**40,604**	58,560	**–**	–
Amounts due to subsidiaries – non-trade	**–**	–	**2,125,000**	1,425,000
Amounts due to joint ventures – non-trade	**5,302**	–	**–**	–
Amounts due to associates – non-trade	**6,320**	5,072	**–**	–
Lease liabilities (Note 32)	**169,048**	204,857	**–**	–
Other payables	**7,781**	8,036	**–**	–
Other financial payables	**229,055**	276,525	**2,125,000**	1,425,000
Current:				
Advances from customers and others	**765,132**	862,926	**–**	–
Other non-financial liabilities	**765,132**	862,926	**–**	–
Non-current:				
Provision for employee gratuity	**96,822**	98,369	**–**	–
Deferred income – government grants	**126,346**	102,354	**–**	–
Other non-financial liabilities	**223,168**	200,723	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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$1,026,000 (2021: US$871,000) and amounts due to joint ventures of approximately US$39,488,000 (2021: US$29,511,000), which bear interest ranging from 2.6% to 5.8% (2021: 3.0% to 5.3%) 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$14,708,000 (2021: US$27,823,000), which bear interest rate at 2.8% to 7.0% (2021: 2.8% 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 2022 %	Weighted average interest rate 2021 %	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Current:								
Bank term loans	(a)	**2023**	**5**	1	**3,545,491**	2,792,099	**–**	–
Short-term/pre-shipment loans	(a)	**2023**	**4**	2	**11,233,571**	11,515,403	**–**	–
Trust receipts/bill discounts	(a)	**2023**	**2**	1	**8,135,221**	7,562,699	**–**	–
Bank overdrafts	(b)	**2023**	**12**	7	**152,716**	104,898	**–**	–
Short/Medium Term Notes	(c)	**2023**	**2**	1	**359,993**	308,724	**–**	308,724
Redeemable non-convertible debentures	(d)	**2023**	**12**	12	**7,553**	8,012	**–**	–
					23,434,545	22,291,835	**–**	308,724
Non-current:								
Bank term loans	(a)	**2024-2029**	**4**	2	**6,829,608**	6,723,374	**–**	–
Medium Term Notes	(c)	**2024-2027**	**2**	3	**147,805**	78,417	**75,919**	–
Redeemable non-convertible debentures	(d)	**2024**	**12**	12	**17,043**	20,855	**–**	–
					6,994,456	6,822,646	**75,919**	–
Total loans and borrowings					**30,429,001**	29,114,481	**75,919**	308,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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) Short/Medium Term Notes

On 18 May 2022, the Company issued a 5-year Medium Term Note of Japanese Yen 10 billion at a fixed rate of 0.72% per annum.

A subsidiary of the Company issued the following notes:

- on 29 November 2021, a 3-year Medium Term Note of Chinese Renminbi 500 million at a fixed rate of 3.14% per annum; and
- on 15 July 2022, a 180-day Short Term Note of Chinese Renminbi 2.5 billion at a fixed rate of 1.82% per annum.

(d) Redeemable non-convertible debentures

The redeemable non-convertible debentures ("NCD") are secured by certain non-current 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 restructuring the NCD issued to LIC.

(e) The bank facilities, up to a limit of approximately US$15,922,271,000 (2021: US$13,573,627,000), are guaranteed by the Company and certain subsidiaries.

(f) The Group has bank loans and other bank deposits amounting to approximately US$2,856,721,000 (2021: US$3,493,302,000), disclosed off-balance sheet as of 31 December 2022 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2021, 31 December 2021, 1 January 2022 and 31 December 2022	**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 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 and 1 January 2022	**(108,230)**	**(304,886)**
Acquired during the financial year	**(67,608)**	**(199,548)**
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	**14,910**	**33,667**
– Transferred from employee share option reserve	**–**	**6,039**
– Transferred to general reserve on reissuance of treasury shares	**–**	**(11,154)**
	14,910	**28,552**
At 31 December 2022	**(160,928)**	**(475,882)**

Treasury shares relate to ordinary shares of the Company that are held by the Company.

67,608,000 shares (2021: 28,047,000) were acquired during the financial year.

Options for a total of 14,910,000 ordinary shares (2021: 6,987,000) were exercised during the financial year pursuant to Wilmar ESOS 2009 and Wilmar ESOS 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2022	2021	**2022**	2021
	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	**(636,795)**	733,637	**–**	–
General reserve	**805,426**	646,199	**43,040**	31,886
Equity transaction reserve	**388,461**	388,767	**–**	–
Hedging reserve	**26,763**	1,149	**–**	–
Employee share option reserve	**40,603**	28,163	**29,162**	28,163
Fair value reserve	**(20,850)**	29,822	**–**	–
Asset revaluation reserve	**7,287**	5,514	**–**	–
Cost of hedging reserve	**(69,152)**	(6,375)	**–**	–
Total other reserves	**(1,242,188)**	42,945	**217,581**	205,428

(b) Movements:

(i) Capital reserve

	Group		Company	
	2022	2021	**2022**	2021
	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	
	2022	2021
	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

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(iii) Foreign currency translation reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**733,637**	571,997
Currency translation differences of foreign operations	**(1,370,722)**	162,515
Disposal/liquidation of subsidiaries	**290**	(875)
At 31 December	**(636,795)**	733,637

(iv) General reserve

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
At 1 January	**646,199**	493,957	**31,886**	27,760
Transferred from retained earnings	**145,157**	148,653	**–**	–
Disposal of subsidiaries	**(422)**	–	**–**	–
Gain on reissuance of treasury shares	**11,154**	4,126	**11,154**	4,126
Gain/(loss) on remeasurements of defined benefit plan	**3,338**	(537)	**–**	–
At 31 December	**805,426**	646,199	**43,040**	31,886

(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 2022

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(v) Equity transaction reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**388,767**	426,452
Share of changes in equity transaction reserve of an associate	**27**	–
Acquisition of additional interest in subsidiaries	**(429)**	(37,998)
Dilution of interest in subsidiaries	**96**	313
At 31 December	**388,461**	388,767

(vi) Hedging reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**1,149**	(73,501)
Fair value adjustment on cash flow hedges	**(34,948)**	78,035
Recognised in the income statement on derivatives contracts realised	**60,562**	(3,385)
At 31 December	**26,763**	1,149

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		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
At 1 January	**28,163**	24,197	**28,163**	24,197
Grant of equity-settled share options	**18,479**	6,871	**7,038**	6,871
Reissuance of treasury shares pursuant to exercise of equity-settled share options	**(6,039)**	(2,905)	**(6,039)**	(2,905)
At 31 December	**40,603**	28,163	**29,162**	28,163

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(viii) Fair value reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**29,822**	24,496
Fair value adjustment on investment securities at FVOCI	**(31,145)**	5,326
Transferred to retained earnings	**(19,527)**	–
At 31 December	**(20,850)**	29,822

Fair value reserve represents the cumulative fair value changes, net of tax, of investment securities at FVOCI until they are disposed or impaired.

(ix) Asset revaluation reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**5,514**	5,514
Surplus on revaluation of investment properties, net of tax	**1,773**	–
At 31 December	**7,287**	5,514

(x) Cost of hedging reserve

	Group	
	2022	2021
	US$'000	US$'000
At 1 January	**(6,375)**	2,981
Fair value adjustment on forward elements of forward contracts	**(62,777)**	(9,356)
At 31 December	**(69,152)**	(6,375)

30. PROVISION FOR EMPLOYEE GRATUITY

The estimated liabilities for employee gratuity based on the actuarial report have been determined using the following assumptions:

	Group	
	2022	2021
Discount rate	**7.3% per annum**	7.55% per annum
– Short term	**4% per annum**	7% per annum
– Long term	**7% per annum**	7% per annum
Retirement age	**57 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. PROVISION FOR EMPLOYEE GRATUITY (CONTINUED)

The details of the employee gratuity expense recognised in the income statement are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Current service costs	**10,504**	4,123
Adjustment of new entrant employees/transfers	**364**	158
Interest costs	**5,923**	7,215
Past service costs	**1,669**	(17,912)
	18,460	(6,416)

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	
	2022	2021
	US$'000	US$'000
At 1 January	**98,369**	113,014
Acquisition of subsidiaries	**–**	588
Provision/(write back) made for the year	**18,460**	(6,416)
Payments during the year	**(6,236)**	(7,339)
Currency translation differences	**(9,482)**	(1,455)
Remeasurements of defined benefit plan during the year	**(4,289)**	(23)
At 31 December	**96,822**	98,369

31. EMPLOYEE BENEFITS

	Group	
	2022	2021
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**1,711,022**	1,709,340
Defined contribution plans	**223,509**	205,025
Share-based payments	**19,751**	6,871
Other short-term benefits	**175,955**	171,418
Other long-term benefits	**18,677**	(980)
	2,148,914	2,091,674
Less: Amount capitalised as bearer plants	**(5,673)**	(6,820)
	2,143,241	2,084,854

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 2022, options for a total of 68,403,500 ordinary shares were exercised and options for a total of 153,151,500 ordinary shares had lapsed/expired.

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. The options have expired on 9 September 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 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 2022, the number of outstanding options that were not exercised under this option grant was 38,513,600. 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

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31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

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

2022 Grant

On 1 September 2022, the Company granted options to subscribe for a total of 42,455,000 ordinary shares of the Company at S$3.78 per share (at a 7% 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. 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

Date of grant	Opening balance	Options granted	Options lapsed/ expired	Options exercised	Closing balance	Exercise price	Exercise period
2022							
Wilmar ESOS 2009							
08.09.2017	**4,256,700**	**–**	**–**	**(4,256,700)**	**–**	**S$3.04**	**09.09.2019 to 08.09.2022**
08.09.2017	**2,990,400**	**–**	**–**	**(2,990,400)**	**–**	**S$3.04**	**09.09.2020 to 08.09.2022**
08.09.2017	**6,711,300**	**–**	**–**	**(6,711,300)**	**–**	**S$3.04**	**09.09.2021 to 08.09.2022**
	13,958,400	**–**	**–**	**(13,958,400)**	**–**		
Wilmar ESOS 2019							
29.09.2020	**16,000,200**	**–**	**(95,700)**	**(951,400)**	**14,953,100**	**S$3.94**	**30.09.2022 to 29.09.2025**
29.09.2020	**11,700,200**	**–**	**(95,700)**	**–**	**11,604,500**	**S$3.94**	**30.09.2023 to 29.09.2025**
29.09.2020	**12,054,600**	**–**	**(98,600)**	**–**	**11,956,000**	**S$3.94**	**30.09.2024 to 29.09.2025**
	39,755,000	**–**	**(290,000)**	**(951,400)**	**38,513,600**		
01.09.2022	**–**	**17,025,100**	**–**	**–**	**17,025,100**	**S$3.78**	**02.09.2024 to 01.09.2027**
01.09.2022	**–**	**12,525,100**	**–**	**–**	**12,525,100**	**S$3.78**	**02.09.2025 to 01.09.2027**
01.09.2022	**–**	**12,904,800**	**–**	**–**	**12,904,800**	**S$3.78**	**02.09.2026 to 01.09.2027**
	–	**42,455,000**	**–**	**–**	**42,455,000**		
Grand Total	**53,713,400**	**42,455,000**	**(290,000)**	**(14,909,800)**	**80,968,600**		

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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							
Wilmar ESOS 2009							
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
	21,080,900	–	(135,800)	(6,986,700)	13,958,400		
Wilmar ESOS 2019							
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
	40,380,000	–	(625,000)	–	39,755,000		
Grand Total	61,460,900	–	(760,800)	(6,986,700)	53,713,400		

Options for a total of 42,455,000 ordinary shares (2021: Nil) were granted during the financial year ended 31 December 2022. The weighted average fair value of options granted during the financial year was S$0.58.

Options for a total of 14,909,800 ordinary shares (2021: 6,986,700 ordinary shares) were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009 and Wilmar ESOS 2019.

The weighted average share price at the date of exercise of the options during the financial year was S$4.33 (2021: S$4.77).

The range of exercise prices for options outstanding at the end of the financial year were from S$3.78 to S$3.94 (2021: S$3.04 to S$3.94). The weighted average contractual life for these options was 3.8 years (2021: 3.0 years).

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	2022	2021
Dividend (S$ per share)	**0.18**	No issuance
Expected volatility	**0.20**	No issuance
Risk-free interest rate (% p.a.)	**3.49**	No issuance
Expected life of option (years)	**5.00**	No issuance
Weighted average share price at date of grant (S$)	**3.84**	No issuance

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. EMPLOYEE BENEFITS (CONTINUED)

SHARE OPTION SCHEME (SUBSIDIARY)

Yihai Kerry Arawana Holdings Co., Ltd

2022 Restricted Share Incentive Plan

On 13 June 2022, Yihai Kerry Arawana Holdings Co., Ltd ("YKA"), an indirect 89.99% owned subsidiary of the Company which is listed on the Shenzhen Stock Exchange ChiNext Board, implemented the 2022 Restricted Share Incentive Plan ("RSIP").

Under the terms of the RSIP, YKA granted options in 2022 to subscribe for a total of 29,733,000 ordinary A-shares at RMB 36.72 per share (at a 20% discount to RMB 45.90 being the weighted average share price for a period of five consecutive market days immediately prior to the date of grant of options) to some employees and directors. As at 31 December 2022, the number of outstanding options not exercised under this option grant was 29,231,000, with 502,000 options lapsed.

Details and terms of the YKA RSIP have been disclosed in YKA's Shenzhen Stock Exchange ChiNext announcement dated 13 June 2022 and will be disclosed in YKA's Annual Report.

The fair values of the options are estimated at the respective grant dates using Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The inputs to the models used are as follows:

Grant year	2022
Expected volatility	**0.22**
Risk-free interest rate (% p.a.)	**2.53**
Expected life of option (years)	**5.00**
Weighted average share price at date of grant (RMB)	**46.28**

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	
	2022	2021
	US$'000	US$'000
Balance at beginning	**264,494**	264,977
Currency translation differences	**(13,709)**	(6,354)
Acquisition of subsidiaries	**3,763**	4,770
Additions	**55,464**	82,265
Accretion of interest	**10,319**	11,849
Payments	**(79,628)**	(81,951)
Disposals	**(10,988)**	(11,062)
	229,715	264,494
Lease liabilities – current	**60,667**	59,637
Lease liabilities – non-current	**169,048**	204,857
	229,715	264,494

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. LEASES

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Amounts recognised in income statement

	Group	
	2022	2021
	US$'000	US$'000
Depreciation of right-of-use assets	**109,635**	112,561
Interest expense on lease liabilities	**10,319**	11,849
Expense relating to short-term leases	**143,402**	129,874
Expense relating to leases of low-value assets	**1,387**	1,000
Total amounts recognised in income statement	**264,743**	255,284

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	
	2022	2021
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**2,136,461**	1,834,852

(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	
	2022	2021
	US$'000	US$'000
Committed contracts		
Purchases	**6,827,332**	7,523,731
Sales	**9,069,180**	10,360,412

(c) Corporate guarantees

The following are the corporate guarantees for the credit facilities extended by banks to:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Subsidiaries	**–**	–	**13,994,877**	11,747,044
Joint ventures	**8,371**	3,871	**8,371**	3,871
Associates	**268,467**	250,020	**268,467**	250,020
	276,838	253,891	**14,271,715**	12,000,935

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
	2022	2021
	US$'000	US$'000
Related parties		
Dividend income	**8,897**	–
Dividend paid	**1,365**	2
Freight charges	**136,317**	106,698
Interest expense	**38**	105
Interest income	**2,741**	3,311
Other income	**4,031**	4,277
Other expense	**5,625**	3,508
Purchase of goods	**1,216,005**	1,110,708
Sale of goods	**692,882**	492,549
Ship charter income	**11,392**	8,952
Joint ventures		
Dividend income	**22,423**	11,339
Freight charges	**4,393**	3,387
Interest expense	**897**	1,450
Interest income	**2,364**	3,257
Other income	**18,240**	31,614
Other expense	**16,810**	19,913
Purchase of goods	**1,006,828**	1,119,880
Sale of goods	**636,365**	2,022,374
Ship charter income	**16,502**	7,082
Associates		
Dividend income	**71,259**	58,383
Freight charges	**1,314**	2,453
Interest expense	**324**	264
Interest income	**5,762**	4,827
Other income	**24,778**	33,867
Other expense	**25,395**	19,668
Purchase of goods	**1,530,595**	1,022,030
Sale of goods	**2,953,468**	1,101,038
Ship charter income	**65,644**	77,687

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33. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

	Group	
	2022	2021
	US$'000	US$'000
Defined contribution plans	**154**	156
Salaries and bonuses	**38,368**	34,360
Short-term employee benefits (including grant of share options)	**2,882**	3,016
	41,404	37,532
Comprise amounts paid to:		
Directors of the Company	**16,184**	14,136
Other key management personnel	**25,220**	23,396
	41,404	37,532

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			
2022	**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**
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	**23,620**	**209,737**	**68,642**	**301,999**
Investment securities at FVPL	**362,921**	**–**	**–**	**362,921**
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**179,261**	**–**	**179,261**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**222,897**	**199,991**	**–**	**422,888**
At 31 December 2022	**609,438**	**588,989**	**68,642**	**1,267,069**
Non-financial assets:				
Biological assets	**–**	**–**	**50,996**	**50,996**
Investment properties	**–**	**–**	**82,757**	**82,757**
At 31 December 2022	**–**	**–**	**133,753**	**133,753**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**223,690**	**–**	**223,690**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**378,469**	**140,768**	**–**	**519,237**
At 31 December 2022	**378,469**	**364,458**	**–**	**742,927**

NOTES TO THE FINANCIAL STATEMENTS

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34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Fair value of assets and liabilities that are carried at fair value (continued)

	Group			
2021	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
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

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).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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:

Assets and liabilities	Methods and assumptions
• 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.
• Investment funds	The fair value is determined by reference to valuation provided by non-related fund managers.
• Unquoted equity instruments	The fair value is derived using valuation methods which includes earnings multiple approach and discounted cash flows.
• Forward currency contracts	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
• 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.
• 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.
• 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

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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 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
At 1 January 2022	**66,686**	**66,012**	**38,286**	**170,984**
Total (loss)/gain recognised in the income statement:				
– Net loss arising from changes in fair value of biological assets	**–**	**(14,157)**	**–**	**(14,157)**
– Net gain arising from changes in fair value of investment properties	**–**	**–**	**940**	**940**
Additions	**135**	**–**	**743**	**878**
Transfer from property, plant and equipment and right-of-use assets	**–**	**–**	**42,970**	**42,970**
Transfer from level 2	**7,926**	**–**	**–**	**7,926**
Total (loss)/gain recognised in the other comprehensive income:				
– Net (loss)/gain arising from changes in fair value	**(2,471)**	**–**	**2,627**	**156**
– Foreign currency translation	**(3,634)**	**(859)**	**(2,809)**	**(7,302)**
At 31 December 2022	**68,642**	**50,996**	**82,757**	**202,395**

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.

There has been transfer of investment securities from Level 2 to Level 3 for the financial year ended 31 December 2022 as offer received to sell the securities was withdrawn.

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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			
	2022 US$'000		2021 US$'000	
	Carrying amount	**Effect of reasonably possible alternative assumptions**	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
– Quoted equity instruments	**32,998**	**(i)**	35,270	(i)
– Unquoted equity instruments	**35,644**	**(ii)**	31,416	(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.

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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			
	2022 US$'000		2021 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**193,395**	**#**	150,136	#
Financial liabilities:				
Other financial payables	**229,055**	**#**	276,525	#

	Company			
	2022 US$'000		**2021** US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**281,627**	**#**	313,255	#
Financial liabilities:				
Other financial payables	**2,125,000**	**#**	1,425,000	#

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 2022 and 31 December 2021.

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.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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			
	2022		2021	
	US$'000	**%**	US$'000	%
By country:				
People's Republic of China	**2,035,184**	**31**	2,321,778	34
South East Asia	**1,540,850**	**23**	1,813,221	27
Europe	**448,469**	**7**	359,243	5
Africa	**527,701**	**8**	471,217	7
Australia/New Zealand	**330,542**	**5**	349,682	5
India	**177,383**	**3**	283,124	4
Others	**1,488,883**	**23**	1,235,151	18
	6,549,012	**100**	6,833,416	100

	Group			
	2022		2021	
	US$'000	**%**	US$'000	%
By segment:				
Food Products	**2,007,127**	**31**	1,992,534	29
Feed and Industrial Products	**4,067,776**	**62**	4,419,581	65
Plantation and Sugar Milling	**414,680**	**6**	330,614	5
Others	**59,429**	**1**	90,687	1
	6,549,012	**100**	6,833,416	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

	2022 US$'000				2021 US$'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	**–**	**301,999**	**–**	**301,999**	–	365,301	–	365,301
Investment securities at FVPL	**362,921**	**–**	**–**	**362,921**	326,846	–	–	326,846
Trade and other financial receivables	**11,253,460**	**196,738**	**–**	**11,450,198**	11,053,365	151,692	–	11,205,057
Derivative financial instruments	**574,562**	**27,587**	**–**	**602,149**	563,981	11,956	–	575,937
Total cash and bank balances	**5,771,180**	**2,507,091**	**–**	**8,278,271**	6,386,542	2,393,782	118,745	8,899,069
Total undiscounted financial assets	**17,962,123**	**3,033,415**	**–**	**20,995,538**	18,330,734	2,922,731	118,745	21,372,210

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2022 US$'000				2021 US$'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 liabilities:								
Trade and other financial payables	**4,776,481**	**191,343**	**96,645**	**5,064,469**	4,391,927	230,036	99,503	4,721,466
Derivative financial instruments	**718,229**	**24,698**	**–**	**742,927**	566,612	55,279	–	621,891
Loans and borrowings	**23,672,477**	**7,851,145**	**7,546**	**31,531,168**	22,420,897	7,088,047	7,521	29,516,465
Total undiscounted financial liabilities	**29,167,187**	**8,067,186**	**104,191**	**37,338,564**	27,379,436	7,373,362	107,024	34,859,822
Total net undiscounted financial (liabilities)/assets	**(11,205,064)**	**(5,033,771)**	**(104,191)**	**(16,343,026)**	(9,048,702)	(4,450,631)	11,721	(13,487,612)

	2022 US$'000				2021 US$'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	**5,779,102**	**281,628**	**–**	**6,060,730**	5,680,380	313,255	–	5,993,635
Total cash and bank balances	**1,448**	**–**	**–**	**1,448**	1,033	–	–	1,033
Total undiscounted financial assets	**5,780,550**	**281,628**	**–**	**6,062,178**	5,681,413	313,255	–	5,994,668
Financial liabilities:								
Other financial payables	**5,944,158**	**2,337,734**	**–**	**8,281,892**	5,453,320	1,461,561	–	6,914,881
Loans and borrowings	**–**	**75,919**	**–**	**75,919**	308,724	–	–	308,724
Total undiscounted financial liabilities	**5,944,158**	**2,413,653**	**–**	**8,357,811**	5,762,044	1,461,561	–	7,223,605
Total net undiscounted financial liabilities	**(163,608)**	**(2,132,025)**	**–**	**(2,295,633)**	(80,631)	(1,148,306)	–	(1,228,937)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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.

	2022 US$'000				2021 US$'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	**198,800**	**78,038**	**–**	**276,838**	253,891	–	–	253,891
Company								
Financial guarantees	**6,213,042**	**7,858,673**	**200,000**	**14,271,715**	4,876,443	6,820,667	303,825	12,000,935

(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 (2021: 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$58,097,000 (2021: US$54,598,000), 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A 5% (2021: 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)	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Chinese Renminbi	**23,348**	(2,995)	**–**	–
Malaysian Ringgit	**(11,425)**	(1,347)	**(17,155)**	(30,961)
Indonesian Rupiah	**38,333**	15,423	**(17,463)**	(20,391)
Others	**(23,625)**	(11,251)	**7,310**	(997)

(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.

At the balance sheet date, a 1% (2021: 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	
	2022 US$'000	2021 US$'000
Effect of increase in commodities price indices on		
Profit before tax	**(22,036)**	(23,698)
Equity (hedging reserve)	**(4,578)**	(153)
Effect of decrease in commodities price indices on		
Profit before tax	**22,036**	23,698
Equity (hedging reserve)	**4,578**	153

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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% (2021: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US$18,146,000 (2021: US$16,343,000) 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$15,100,000 (2021: US$18,266,000) 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 2022 and 31 December 2021.

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	
	2022	2021
	US$'000	US$'000
Shareholders' funds	**19,985,736**	19,923,875
Loans and borrowings	**30,429,001**	29,114,481
Less: Cash and bank balances	**(8,097,520)**	(8,679,978)
Less: Other deposits with financial institutions – current	**(3,584,932)**	(3,196,798)
Net debt	**18,746,549**	17,237,705
Net gearing ratio (times)	**0.94**	0.87

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
	2022	2021
	US$'000	US$'000
Shareholders' funds	**19,985,736**	19,923,875
Liquid working capital:		
Inventories (excluding consumables)	**12,620,359**	11,156,969
Trade receivables	**6,549,012**	6,833,416
Less: Current liabilities (excluding loans and borrowings)	**(6,507,798)**	(6,101,396)
Total liquid working capital	**12,661,573**	11,888,989
Adjusted net debt	**6,084,976**	5,348,716
Adjusted net gearing ratio (times)	**0.30**	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 and 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 2022

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.

2022

	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	30,643,103	40,291,729	2,312,989	151,155	–	73,398,976
Inter-segment	873,273	4,253,869	2,424,320	221,345	(7,772,807)	–
Total revenue	31,516,376	44,545,598	4,737,309	372,500	(7,772,807)	73,398,976
Results:						
Segment results	723,480	1,556,899	569,315	106	–	2,849,800
Share of results of joint ventures	11,068	39,957	(9)	916	–	51,932
Share of results of associates	53,347	73,133	79,629	15,755	–	221,864
Unallocated expenses						(7,038)
Profit before tax						3,116,558
Income tax expense						(547,213)
Profit for the year						2,569,345
Assets and Liabilities:						
Segment assets	21,822,652	22,497,012	7,382,014	10,860,026	(6,238,050)	56,323,654
Investment in joint ventures	166,264	198,416	804	4,517	–	370,001
Investment in associates	1,312,311	947,213	655,569	329,772	–	3,244,865
Unallocated assets						463,450
Total assets						60,401,970
Segment liabilities	15,250,932	13,499,669	3,007,932	11,129,578	(6,238,050)	36,650,061
Unallocated liabilities						1,151,341
Total liabilities						37,801,402
Other segment information:						
Additions to non-current assets	1,611,143	872,609	195,147	189,368	–	2,868,267
Depreciation, impairment and amortisation	420,049	448,355	232,924	52,086	–	1,153,414
Finance income	261,582	167,148	26,516	242,646	(274,156)	423,736
Finance costs	(388,604)	(532,648)	(50,843)	(189,355)	274,156	(887,294)#

Including non-operating finance costs amounting to approximately US$15,210,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. SEGMENT INFORMATION (CONTINUED)

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 2022

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:

	2022 US$'000	2021 US$'000
Share-based payments (executive share options)	**(7,038)**	(6,871)

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:

	2022 US$'000	2021 US$'000
Deferred tax assets	**284,921**	204,495
Tax recoverables	**178,529**	130,150
	463,450	334,645

E The following items are added to segment liabilities to arrive at "total liabilities" reported in the balance sheet:

	2022 US$'000	2021 US$'000
Deferred tax liabilities	**387,682**	367,713
Tax payables	**255,861**	288,652
Short/Medium Term Notes	**507,798**	387,141
	1,151,341	1,043,506

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	
	2022 US$ million	2021 US$ million	**2022 US$ million**	2021 US$ million
People's Republic of China	**37,602**	34,228	**13,427**	12,935
South East Asia	**14,210**	12,311	**8,269**	8,230
India	**2,119**	1,853	**1,145**	999
Europe	**2,924**	2,548	**363**	330
Australia/New Zealand	**2,749**	2,711	**2,067**	2,189
Africa	**5,543**	5,036	**1,342**	1,236
Others	**8,252**	7,107	**542**	403
	73,399	65,794	**27,155**	26,322

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 2022

38. DIVIDENDS

	Group and Company	
	2022	2021
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final tax-exempt (one-tier) dividend for 2021: S$0.105 (2020: S$0.090) per share	**482,426**	427,664
– Special tax-exempt (one-tier) dividend for 2021: S$Nil (2020: S$0.065) per share	**–**	308,869
– Interim tax-exempt (one-tier) dividend for 2022: S$0.060 (2021: S$0.050) per share	**273,009**	231,768
	755,435	968,301
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 2022: S$0.11 (2021: S$0.105) per share	**521,240**	487,923

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	
			2022	2021
			%	%
Calofic Corporation [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
Wilmar Plantations Sdn. Bhd. (formerly known as PPB Oil Palms Sdn. Bhd., which was converted from a public to a private company) [2] & its subsidiaries	Malaysia	Investment holding and provision of agricultural and technical advisory services, oil palm cultivation, operation of palm oil mills, and 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, rice bran oil industry, rice flour industry, plastic packaging industry, sugar industry and trading	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 %	Proportion of ownership interest 2021 %
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, specialty fats and oleochemicals, 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 2022

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 2022 %	2021 %
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**	50

(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 %	Proportion of ownership interest 2021 %
Adani Wilmar Limited (2) (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.	**44 +**	50
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 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 +
FFM Berhad (2) & its subsidiaries	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products	**20**	20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 %	Proportion of ownership interest 2021 %
Laiyang Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Edible oils packaging	**25 +**	25 +
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 +
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, sugarcane 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	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
^ Adani Wilmar Limited ("AWL") was a 50% owned joint venture of the Group in 2021. Subsequent to the listing of AWL on 8 February 2022, the Group accounted AWL as an associate and continued to account for its investment in AWL using the equity method.

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 14 March 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 2 MARCH 2023

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	:	160,846,000 (2.58%*)
Number of Shares (Excluding Treasury Shares)	:	6,242,555,106
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	64	0.24	1,325	0.00
100 to 1,000	5,772	21.49	4,595,673	0.07
1,001 to 10,000	16,618	61.87	71,574,278	1.15
10,001 to 1,000,000	4,346	16.18	190,116,687	3.05
1,000,001 and above	59	0.22	5,976,267,143	95.73
Total	**26,859**	**100.00**	**6,242,555,106**	**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	2,995,000	818,143,235(1)	821,138,235	13.15
Longhlin Asia Limited	69,009,921	462,248,371(2)	531,258,292	8.51
Archer Daniels Midland Company	–	1,404,173,054(3)	1,404,173,054	22.49
Archer Daniels Midland Asia-Pacific Limited	615,415,916	788,757,138(4)	1,404,173,054	22.49
ADM Ag Holding Limited	356,461,795	–	356,461,795	5.71
Global Cocoa Holdings Ltd	356,399,775	–	356,399,775	5.71
Kuok Brothers Sdn Berhad	230,000	1,183,151,955(5)	1,183,381,955	18.96
PPB Group Berhad	1,172,614,755	–	1,172,614,755	18.78
Kerry Group Limited	–	692,300,266(6)	692,300,266	11.09
Kerry Holdings Limited	–	332,570,991(7)	332,570,991	5.33

Notes:

(1) Mr Kuok Khoon Hong is deemed to be interested in 1,000,000 Shares held by his spouse, 187,370,471 Shares held by Hong Lee Holdings (Pte) Ltd ("Hong Lee"), 228,461,271 Shares held by HPR Investments Limited, 33,490,773 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 187,370,471 Shares held by Hong Lee.

(3) Archer Daniels Midland Company ("ADMC") 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"). ADMC 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, 19,169,738 Shares held by Alpha Model Limited, 500,000 Shares held by Athena Equities Holding Limited ("Athena"), 34,296,744 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"), 260,749,078 Shares held by Harpole Resources Limited ("Harpole"), 6,225,658 Shares held by Kerry Asset Management Limited ("KAM"), 21,604,314 Shares held by Macromind Investments Limited, 203,555 Shares held by Marsser Limited, 33,760,355 Shares held by Natalon Company Limited ("Natalon") and 260,182,600 Shares held by Noblespirit Corporation.

(7) Kerry Holdings Limited is deemed to be interested in 500,000 Shares held by Athena, 31,335,900 Shares held by Dalex, 260,749,078 Shares held by Harpole, 6,225,658 Shares held by KAM and 33,760,355 Shares held by Natalon.

STATISTICS OF SHAREHOLDINGS

AS AT 2 MARCH 2023

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	1,696,401,782	27.17
2	PPB Group Berhad	1,172,614,755	18.78
3	Citibank Nominees Singapore Pte Ltd	685,021,228	10.97
4	DBSN Services Pte Ltd	355,313,153	5.69
5	DBS Nominees Pte Ltd	325,707,754	5.22
6	Kuok (Singapore) Limited	256,951,112	4.12
7	Harpole Resources Limited	256,211,778	4.10
8	Noblespirit Corporation	242,600,000	3.89
9	HSBC (Singapore) Nominees Pte Ltd	239,267,344	3.83
10	UOB Kay Hian Pte Ltd	107,048,987	1.71
11	DB Nominees (Singapore) Pte Ltd	80,057,674	1.28
12	Longhlin Asia Limited	69,009,921	1.11
13	United Overseas Bank Nominees Pte Ltd	61,491,363	0.99
14	Hong Lee Holdings (Pte) Ltd	36,204,971	0.58
15	Natalon Company Limited	33,760,355	0.54
16	Kefkong Limited	32,400,000	0.52
17	Phillip Securities Pte Ltd	31,877,089	0.51
18	Dalex Investments Limited	31,335,900	0.50
19	OCBC Securities Private Ltd	30,171,731	0.48
20	BNP Paribas Nominees Singapore Pte Ltd	26,528,538	0.42
	Total	**5,769,975,435**	**92.41**

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 2 March 2023, 29.06%* 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 6,242,555,106 Shares (excluding Treasury Shares) as at 2 March 2023.
# "Subsidiary Holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

WILMAR INTERNATIONAL LIMITED (the "**Company**" or "**Wilmar**")
(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, 20 April 2023 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 2022. (Resolution 1)

2. To declare a final dividend of S$0.11 per ordinary share for the financial year ended 31 December 2022. (Resolution 2)

3. To approve the payment of Directors' fees of S$1,248,000 for the financial year ended 31 December 2022 (2021: S$1,035,396).

   (See Explanatory Note 1) (Resolution 3)

4. To re-elect the following Directors pursuant to the Constitution of the Company (the "**Constitution**"):

   <u>Retiring by rotation under Article 105 of the Constitution</u>

   (a) Mr Kuok Khoon Ean (Resolution 4)

   (b) Mr Kuok Khoon Hua (Resolution 5)

   (c) Mr Lim Siong Guan (Resolution 6)

   (d) Mr Kishore Mabubhani (Resolution 7)

   <u>Retiring at the first annual general meeting following appointment, under Article 106 of the Constitution</u>

   (e) Mr Gregory Morris (Resolution 8)

   (See Explanatory Note 2)

   Note: Mr Kwah Thiam Hock and Mr Tay Kah Chye are Independent Directors of the Company who will retire upon the conclusion of the AGM. Mr Kwah and Mr Tay have each given notice to the Company that they will not seek re-election to the Board.

5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

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

(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;

NOTICE OF ANNUAL GENERAL MEETING

(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)

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 29 March 2023 (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

NOTICE OF ANNUAL GENERAL MEETING

(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)

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;

NOTICE OF ANNUAL GENERAL MEETING

"**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;

"**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 2 May 2023 for the purposes of determining shareholders' entitlements to the proposed final dividend of S$0.11 per ordinary share for the financial year ended 31 December 2022 (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 28 April 2023 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 28 April 2023 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved by shareholders at the Company's AGM will be paid on 12 May 2023.

By Order of the Board

Teo La-Mei
Director and Company Secretary

Singapore
29 March 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. **Directors' Fees** – The Ordinary Resolution 3 proposed in item no. 3 above is to approve the payment of Directors' fees of S$1,248,000 for the financial year ended 31 December 2022 (2021: S$1,035,396) for services rendered by Non-Executive Directors. The amount of proposed Directors' fees is based on the following revised fee structure:

   (a) base fee of S$90,000 (2021: S$80,000) per year for each Non-Executive Director;

   (b) Lead Independent Director fee of S$25,000 (2021: S$20,000); and

   (c) supplemental fees for serving on the following Board committees:

   (i) Audit Committee
   - as Chairman: S$45,000 (2021: S$40,000)
   - as Member: S$25,000 (2021: S$20,000)

   (ii) Risk Management Committee
   - as Chairman: S$40,000 (no change)
   - as Member: S$20,000 (no change)

   (iii) Remuneration Committee
   - as Chairman: S$25,000 (2021: S$20,000)
   - as Member: S$12,000 (2021: S$10,000)

   (iv) Nominating Committee
   - as Chairman: S$25,000 (2021: S$20,000)
   - as Member: S$12,000 (2021: S$10,000)

   (v) Board Sustainability Committee ("BSC")
   - as Chairman: S$30,000 (the BSC was formed in FY2022)
   - as Member: S$20,000 (the BSC was formed in FY2022).

   More information can be found in the "Corporate Governance" section of the Company's Annual Report 2022.

2. **Re-election of Directors** – 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, Mr Kuok Khoon Ean is considered a non-executive and non-independent Director;

   (b) in relation to Ordinary Resolution 5, Mr Kuok Khoon Hua is considered a non-executive and non-independent Director. The appointment of Ms Tong Shao Ming as his alternate Director shall continue upon his re-election;

   (c) in relation to Ordinary Resolution 6, Mr Lim Siong Guan will, upon re-election, continue to serve as Lead Independent Director, Chairman of Risk Management Committee, and a member of the Audit Committee, the Nominating Committee, the Remuneration Committee and the Board Sustainability Committee. He is considered a non-executive and independent Director;

   (d) in relation to Ordinary Resolution 7, Mr Kishore Mabubhani will, upon re-election, continue to serve as Chairman of the Board Sustainability Committee. He is considered a non-executive and independent Director; and

   (e) in relation to Ordinary Resolution 8, Mr Gregory Morris is considered a non-executive and non-independent Director. The appointment of Mr Juan Luciano as his alternate Director shall continue upon his re-election.

   Please refer to the "Supplemental Information on Directors Seeking Re-election" section of the Company's Annual Report 2022 for information relating to the Directors proposed to be re-elected.

NOTICE OF ANNUAL GENERAL MEETING

3. **Authority to issue and allot shares** – 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. Although SGX-ST Listing Rules permit a limit of up to 15%, Wilmar is voluntarily seeking a lower limit of 10% for the issue of shares on a non 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. **Authority to grant options and issue and allot shares under Wilmar ESOS 2019** – 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. Although SGX-ST Listing Rules permit a limit of up to 15%, Wilmar is voluntarily seeking a lower limit of 5%.

5. **IPT Mandate** – 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. **Share Purchase Mandate** – 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.

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 ("**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. Pre-registration is mandatory to attend the Physical Meeting and/or the Virtual Meeting.

4. Shareholders of the Company ("**Shareholders**", including proxy(ies) where applicable) should take note of the following arrangements for the conduct of the AGM on 20 April 2023:

   (a) **Key Dates and Attendance**

   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.
29 Mar 2023 (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/wilmar2023agm	
6 Apr 2023 (Thu) 10.00 a.m.	Deadline for Shareholders*, proxy(ies), CPF and SRS investors to submit questions in advance of the AGM.	
10 Apr 2023 (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 2023 (Fri)	The Company will publish its responses to the questions which were submitted by 6 April 2023 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
17 Apr 2023 (Mon) 10.00 a.m.	Deadline for the submission of Proxy Form Deadline for pre-registration for attendees of Virtual Meeting All Shareholders to pre-register online at the URL: https://conveneagm.sg/wilmar2023agm by 10.00 a.m. on 17 Apr 2023 for verification purposes. 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/wilmar2023agm 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 17 Apr 2023), failing which the appointment shall be invalid.	Deadline for the submission of Proxy Form Deadline for pre-registration for attendees of Physical Meeting All Shareholders to pre-register online at the URL: https://conveneagm.sg/wilmar2023agm by 10.00 a.m. on 17 Apr 2023 for verification purposes. Due to limited number of attendees at the AGM venue, the Company reserves the right to limit authenticated Shareholders for attendance at the AGM venue. 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/wilmar2023agm 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 17 Apr 2023), failing which the appointment shall be invalid.
18 Apr 2023 (Tue)	Following verification, the Company will provide authenticated Shareholders and proxy(ies) with a confirmation email by 18 April 2023 ("**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. Shareholders who have registered by 10.00 a.m. on 17 April 2023 but have not received the Confirmation Email for Virtual Meeting by 18 April 2023, 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.	Authenticated Shareholders and proxy(ies) who are successful in the pre-registration to attend the Physical Meeting will receive a confirmation email by 18 April 2023 ("**Confirmation Email for Physical Meeting**") via the email address provided during pre-registration or as indicated in the Proxy Form. Shareholders who are unsuccessful in the pre-registration to attend the Physical Meeting will receive a Confirmation Email for Virtual Meeting by 18 April 2023 to attend the Live Webcast of the AGM proceeding via the login credentials created during pre-registration or login with their Singpass account. Shareholders who have registered by 10.00 a.m. on 17 April 2023 but have not received the Confirmation Email for Physical Meeting or the Confirmation Email for Virtual Meeting, as the case may be, by 18 April 2023, please contact the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at +65 6236 3550 or +65 6236 3555 or email to: is.WilmarAGM@sg.tricorglobal.com.
Date and time of AGM 20 Apr 2023 (Thu) 10.00 a.m.	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.	Details as set out in the Confirmation Email for Physical Meeting.

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 6 April 2023:

(a) if submitted electronically, be submitted via the Company's pre-registration website at the URL https://conveneagm.sg/wilmar2023agm;

(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 2023 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	Physical 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 questions in the text box.	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 questions in the 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 10 April 2023) 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/wilmar2023agm;

(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 17 April 2023, 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.

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 2022 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) **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 train to the nearest MRT station at "One-North" along the Circle Line. If driving, Shareholders will need to find parking at nearby buildings in the vicinity.

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.

For security purposes, we would like to further inform you that by registering, you agree and authorise Wilmar International Limited to process, collect, use, disclose and store your personal data (including an image of you and your mobile number) for the following purposes:

(a) to conduct security checks and monitoring in relation to the Company's premises;

(b) to contact you for emergency purposes; and

(c) any other purpose relating to any of the above.

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WILMAR INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199904785Z)

PROXY FORM

IMPORTANT
1. Electronic Dissemination – This Proxy Form will be disseminated by electronic means. It 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 29 March 2023 ("**Notice of AGM**"). **Printed copies of this Proxy Form and the Notice of AGM will *not* be sent to members.**
2. 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; 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.
3. Proxy – **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:
   (a) 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
   (b) 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 10 April 2023, being 7 working days before the date of the AGM.
4. 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/them, the Chairman of the Annual General Meeting of the Company on 20 April 2023 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 2022			
2	To declare a final dividend of S$0.11 per ordinary share			
3	To approve the payment of Directors' fees			
4	To re-elect Mr Kuok Khoon Ean as a Director			
5	To re-elect Mr Kuok Khoon Hua as a Director			
6	To re-elect Mr Lim Siong Guan as a Director			
7	To re-elect Mr Kishore Mahbubani as a Director			
8	To re-elect Mr Gregory Morris 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
IMPORTANT – Please read notes overleaf

____
Date

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/wilmar2023agm;

   (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 17 April 2023**, 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 must, 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

80 Robinson Road #11-02
Singapore 068898

Fold this flap here to seal

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Wilmar International Limited is firmly committed to responsible corporate citizenship and we endeavour to do our part to protect the environment. This publication is produced by a printer certified by the Forest Stewardship Council™ (FSC™) and uses soy-based ink – a more environmentally responsible option than the traditionally used petroleum-based ink. It does not have finishing processes like lamination and UV coating, and is printed on Green Forest Smooth paper, which is certified to be environmentally friendly according to the FSC™ standard.

WILMAR INTERNATIONAL LIMITED

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