



**SPEECH BY MR KUOK KHOON HONG, WILMAR'S CHAIRMAN & CEO, AT WILMAR'S 25<sup>TH</sup> ANNIVERSARY GALA DINNER ON 15 APRIL 2016**

Dear Directors, JV partners and Colleagues,

Good evening and a warm welcome to our 25th anniversary dinner.

Wilmar started as a very small trading company 25 years ago and has grown to become the biggest agri-commodity company in Asia and one of the largest agri-commodity players in the world. Never in Martua's and my wildest dreams did we expect Wilmar to become what it is today. Therefore we thought it fitting to celebrate this achievement with the people who helped to make this dream possible - you, our partners and our staff.

On this occasion, I think it is good to reflect on what made us successful and set out the strategy going forward. I credit our success to several factors:

1. A successful company must have a good business vision. Our initial strategy to concentrate on palm and agri business mainly in Asia was the right one. The massive increase in Palm Oil production in Indonesia and Malaysia and the rapid economic growth in Asia over the last few decades have enabled us to become a major agri commodity trader and processor and also develop some of Asia's leading food brands.
2. You can have a good vision but you need good people to realise it. We have probably the best people for our business in most of the countries we operate and the team works closely together both within the country and with their colleagues in other countries - sharing experience, market information and technology. As an example, when cost of importing a product becomes cheaper than manufacturing it locally due to changes in duty, they will not hesitate to import if it maximises the total profit of the Group.
3. We strive to produce, market and distribute the best quality products at the lowest costs. We achieve this by building manufacturing complexes and concentrating on products which have synergies in manufacturing, marketing, distribution and purchasing of raw materials.
4. We are not complacent. We work hard, we keep improving our business model and learn new skills to make ourselves more efficient. When we succeed in one business, we do not rest on our laurels but move on to the next one. We have a spirit of adventurism and are willing to venture into new and difficult markets.
5. We plan for the very long term and are willing to take on long gestation projects with good potential. It is for this reason we went into difficult markets like Ukraine, Africa and

India way before others and got into difficult businesses like rice and flour in China and persisted even though we suffered losses for many years. But to be able to do this, we need employees who see a long-term future with us. This is important as no company can become great without staff who share the same long-term vision and are prepared to commit to that vision.

6. We find good and reliable partners, treat them fairly, honestly and with respect and develop a close and trusting relationship with them. Our success in many countries like India, Sri Lanka, Russia, Ukraine and Africa is due mainly to the great partners we have in those countries. We ensure that our people involved in the JVs make decisions which are best for the JVs as opposed to just its shareholders and we do not differentiate between our staff and those who work for the JVs.
7. We appreciate the importance of local talent. We try our best to use good local people in our overseas operations instead of depending on expatriates. Even where expatriates are used, it is usually for the initial period when we set up the JVs. Local talent will be identified and trained to take on more senior roles.
8. We take a very tough stance towards corruption. No matter how able a staff, if he is corrupt we will let him go. Corruption is like cancer. If treated late, it will spread and any treatment becomes more difficult and even if cured, there will be permanent damage to the body.

What should we do going forward? How do we ensure that we will continue to succeed and be an even more successful Group 25 years from now? I think we have to continue doing all the things mentioned above in addition to the following:

1. We must ensure uniform high standards throughout the Group and major associates. Besides improving competitiveness, it is necessary because plant and food safety and environmental issues are very important these days especially for big groups. A major mismanagement mishap in one operation can have a disastrous impact on the whole Group. Besides financial losses, reputation - which takes years to build - would suffer huge damage. It will not be easy to win back trust and credibility once reputation is damaged. If we did not adopt sustainable practices in our plantations, our Palm operations will be in big trouble today.
2. Technology is rapidly changing the world. An old established business can be affected badly by a disruptive technology in a very short time. Look at the media, retail, mobile phone and taxi business. Once great companies have seen their business or dominant position badly affected by new technology. To continue to do well, we have to adopt new technologies to identify consumer trends and manufacture, market and distribute our products more efficiently. Technology however is not a cure-all and can be very expensive, so we have to use it with care.
3. To build a great company, a company needs to have a great corporate culture. We must produce quality goods and sell them at fair prices. We must not do anything that is bad

for consumers' health and causes damage to the environment. We must be honourable and fair to everyone we deal with and treat them with respect irrespective of their position. We must have the same commitment to our staff as what we expect from them. We should allow our staff to develop their full potential and give them a chance to be rich honestly. Our success must be shared by shareholders, employees and the society.

4. As we grow bigger, we need greater skill sets to manage our operations. Some of our businesses are already the world's biggest so theoretically we should have the world's best managers to run those operations. We will put more effort into training our staff and also look for talent from outside the Group. We will be setting up a proper training school to train our staff and dealers in Shanghai. Unlike the old days when good jobs are hard to come by, today every good man has headhunters after him. To attract and retain good people, besides remunerating them well, they must share the Group's vision and values, enjoy their work and enjoy working with their colleagues. We will accelerate the promotion of young people and give them greater responsibilities. We will raise the expectations of our staff of their superiors so that any manager who fails to meet their expectations will have to step aside. Business is too competitive these days to do well with mediocre people.
5. China and India have the world's biggest population. Indonesia is fourth. Therefore the biggest selling products in these countries will be the world's biggest selling products. Some of our products' volumes are already the world's biggest and there will be more such products in future. Therefore we must ensure our product quality is world-class. To help achieve this, we have set up a Global R&D Center in Shanghai helmed by an internationally recognised scientific advisor to improve our manufacturing processes and product quality and develop new products.
6. Our charity work has progressed well even though it is slower than what I would like. It is heartwarming to see the many dedicated people in our Group spending their free time to help in our charity work. Charity is not just about money. High quality charity needs a good model and dedicated people. There is a limit to what a group can do. What we should aim for is to develop models which can be duplicated by others. Our volunteers have helped build excellent schools in Indonesia and China and also orphanages and old folks home in China. We have also given the gift of sight to many of this disadvantaged group by sponsoring the cost of their cataract operations. There are many very poor people in the countries we operate and I hope more of our staff will volunteer to help. With the human and financial resources of the Group, if we put in major effort, we can do outstanding charitable work to help the communities in the countries that we operate in.

Food is the biggest business in Asia, and Asia has huge growth potential because of the size of its population. Many people will become middle class in the next 15 to 20 years, consuming more and better quality food. Given the base and the people we have in major Asian countries, if we continue to work hard and be innovative, we have a good chance to be an even bigger Group in the next 25 years. But building the biggest Group has never been my ambition. My wish is to build an extraordinary Group that commands tremendous

respect from society for the quality of its products, the sincerity of its values and the integrity of its people. A Group with many outstanding people, people with vision, integrity, great character, a good heart and ideals.

I would like to take this opportunity to express a special note of thanks to those who have contributed significantly to Wilmar's success. The first will be my uncle Robert Kuok. Without his vision, there will be no Kuok/Wilmar merger. He has also given me his full support after the merger. Pak Djumin deserves special recognition for introducing Martua to me. Without him, there will be no Wilmar. Stephen Yu was ADM's VP for Asia Pacific in 1993. He met me and invited me to ADM's headquarters in Decatur to meet his Chairman. Stephen later became ADM's representative on our Board. ADM was a much bigger company than Wilmar in those days but Stephen treated us fairly and with respect and enabled the partnership to achieve its full synergies. Zhou Bi Qian was President of Top Glory, COFCO's subsidiary in Hong Kong. He was the one who got me back to China and gave Wilmar significant help and moral support during the early days. Teo Kim Yong was my Singapore Deputy for 23 years and made many contributions to the Group's progress. Lee Hock Kuan was the first General Manager of Southseas Oils and Fats and was the one who build Arawana to become the No. 1 consumer pack oil in China. There were many others like Kwok Kian Hai, the Managing Director of Kuok Oils and Grains after me, the late Wong Meow Fong, Steve Furcich from ADM, Ong Ah Yong who built Northseas Oils in Tianjin and Rod Wong, the first GM of East Ocean. To these people, I am eternally grateful for what they have done for us. I have only named those who have left or retired from the Group. If I include existing staff, there will be too many to name.

Thank you once again for all that you have done for the Group. With the opportunities and the great people we have, I believe tomorrow will be better. And I hope I will still be around in 25 years to celebrate our 50<sup>th</sup> anniversary and that many of you will continue this journey with us. Our colleagues from various countries have put up the entertainment programme that you will be seeing tonight and all the performers are our staff. I hope you will have a good time tonight.