wilmar

IPO AND ACCELERATING

GROWTH

IN CHINA

ANNUAL
REPORT
2020

CONTENTS

WHO WE ARE

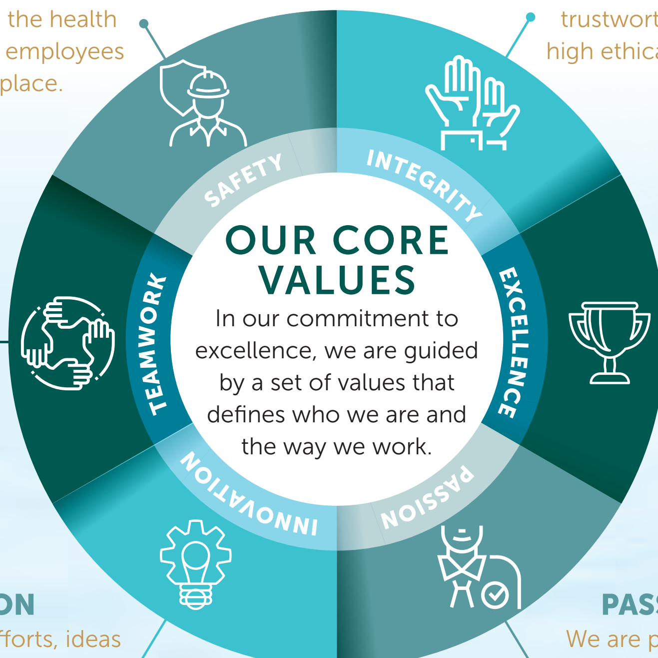
Wilmar International Limited, founded in 1991 and headquartered in Singapore, is today Asia's leading agribusiness group. Wilmar is ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange.

At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugarcane, to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging, animal feeds and industrial agri-products such as oleochemicals and biodiesel. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies.

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

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

INTEGRITY
We value honesty, trustworthiness and high ethical standards.



TEAMWORK
We work as one team to achieve our corporate goals.

EXCELLENCE
We strive for excellent performance in everything we do.

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

PASSION
We are passionate about growing our business globally.

CHAIRMAN'S MESSAGE

FY2020 IN REVIEW

I am pleased to report that the Group achieved a strong set of results for FY2020 amidst the challenges brought on by the Covid-19 pandemic situation. All core businesses recorded robust performances and this is a testament to the resilience of the business model that we have developed over the years.

The Group recorded a 18.6% jump in net profit to US$1.53 billion in FY2020, on the back of good performance from both Food Products and Feed and Industrial Products segments. Performance of the Plantation and Sugar Milling segment also improved, due mainly to higher palm and sugar prices during the year. Overall sales volume grew 10.1% to 88.8 million MT in FY2020 (FY2019: 80.7 million MT) while revenue increased by 18.5% to US$50.53 billion (FY2019: US$42.64 billion).

Earnings per share rose to 24.1 US cents in FY2020, as compared to 20.4 US cents in FY2019. The Group's balance sheet remains strong, with total assets standing at US$51.02 billion as at 31 December 2020 (FY2019: US$47.05 billion) while shareholders' funds strengthened significantly to US$18.88 billion (FY2019: US$16.76 billion).

The Food Products segment reported a 18.3% increase in profit to US$1.15 billion for FY2020 (FY2019: US$974.5 million). Consumer products enjoyed a healthy volume growth driven by consumers' confidence in our products. As China recovers from the Covid-19 outbreak, we will continue to see a recovery in volume for our medium pack and bulk products from the hotels/restaurants/catering industry.

The Feed and Industrial Products segment recorded an increase of 26.3% in profit to US$795.9 million for FY2020 (FY2019: US$630.3 million) on the back of strong oilseed crushing volume and margin in the first half of the year due to recovery of the hog sector in China. Overall volume rose by 10.9% to 58.1 million MT in FY2020 (FY2019: 52.4 million MT), driven mainly by better sales in both oilseeds and grains and sugar businesses.

The Plantation and Sugar Milling segment turned in a profit of US$104.8 million in FY2020 from a loss of US$41.3 million in FY2019, aided by firmer palm and sugar prices. Sugar performance improved despite a US$20.0 million impairment of sugar milling assets in India.

Contributions from the Group's associates and joint ventures improved, mainly due to better results from our investments in Africa and Asia. Our share of results increased by 32.2% to US$202.2 million (FY2019: US$153.0 million).

In FY2020, we bought back about S$190 million of Wilmar shares at an average price of S$4.25 as we felt our shares were undervalued.

2020 HIGHLIGHTS

Despite the challenging Covid-19 pandemic situation during the year, we continued to expand our operations, especially in China, Indonesia, Vietnam and India as we see tremendous growth potential in our businesses in these countries.

China IPO

The initial public offering (IPO) of our China subsidiary, Yihai Kerry Arawana Holdings Co., Ltd (YKA) raised about RMB13.93 billion, making it the largest in Shenzhen. YKA commenced trading on the Shenzhen Stock Exchange (SZSE) ChiNext Board on 15 October 2020 at RMB48.96 – almost double the IPO issue price of RMB25.70. Since its listing, YKA has been added to the following stock indices:

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

YKA was also included in the Shenzhen-Hong Kong Stock Connect with effect from 14 December 2020, thus enabling investors to trade in YKA shares through Hong Kong brokers. Market capitalisation of YKA as at 26 February 2021 was RMB485.23 billion, equivalent to approximately US$75.12 billion.

The successful listing of YKA reflects investors' confidence in the Group's products and business model. We are very optimistic about China's economic outlook because of its efficient government and very able and industrious people and will accelerate our investment in the country.

India

We raised our interest in Shree Renuka Sugars Limited (SRSL) to 62.48% in September 2020. SRSL is the largest sugar refiner and a leading miller in

The successful listing of Yihai Kerry Arawana on the Shenzhen Stock Exchange ChiNext Board is a major milestone in Wilmar's growth journey.

India, which is the second largest sugar producer in the world. SRSL's prospects have improved because of higher sugar prices and greater encouragement of the ethanol industry by the Indian government.

Our 50:50 joint venture, Adani Wilmar Limited (AWL), is the largest edible oils refiner and consumer pack producer in India. It has expanded into rice and flour milling in recent years and is accelerating its expansion in these sectors as they are complementary businesses to edible oils and have good growth potential. AWL aims to be a major player in the agri and food business in India.

Indonesia

We have been expanding our flour and rice milling capacities in Indonesia as they are complementary to our existing business. Our palm oil refining and biodiesel businesses will benefit from the Indonesian government's continued support of the biodiesel programme.

Malaysia

Our new refinery in Port Klang and expansion of the OPO (Oleic-Palmitic-Oleic) plant in Pasir Gudang will be completed this year.

Vietnam

The Vietnamese economy continued to grow in 2020 despite the pandemic and its near-term outlook looks bright. To maintain our leadership position in our core businesses, we are expanding capacities of our edible oils refining, flour milling, grains value-added processing and soybean crushing operations.

Myanmar

In 2020, we acquired one rice mill in Kyaiklat. We are also building a rice mill in our Thilawa manufacturing complex which, when completed, will be the largest in Myanmar.

SUSTAINABILITY

We remain committed to a sustainable and responsible approach to how our agricultural and food products are manufactured, distributed and consumed.

Guided by our No Deforestation, No Peat, No Exploitation (NDPE) policy, first launched in 2013 and updated in 2019, we strive to protect our environment, prioritise people and human rights, and fulfil our responsibility to consumers and the marketplace. The NDPE policy extends to our entire supply chain and accordingly, we have in 2020 expanded our reporting scope and coverage beyond the Oil Palm Plantation and Sugar Milling segments to include all our major business segments.

We are honoured that our efforts are acknowledged by our inclusion in the Dow Jones Sustainability Asia Pacific Index on 16 November 2020. Wilmar was also assessed to be among the top three companies globally by the Sustainability Policy Transparency Toolkit developed by the Zoological Society of London. At the same time, the Group was ranked number one for the agriculture sector in the 2020 Corporate Human Rights benchmark.

Amid the Covid-19 pandemic, we stepped up efforts to safeguard the health, safety and well-being of our employees and communities. Apart from implementing safe management measures at the workplace, we did our part to support local governments and communities. We modified some of our factories to manufacture hand sanitisers and disinfectants according to World Health Organisation guidelines for distribution to staff and local communities. We also donated essential food items, masks, face shields, gloves and medical equipment. In 2020, we donated a record amount of US$35.3 million to charitable purposes due to a greater need for help in the many countries in which we operate.

PROSPECTS

The Group's strategy of building an integrated agri and food business has proven its effectiveness in achieving long-term sustainable growth, despite fluctuations from time to time.

We are continuing to build more plants in existing and new complexes in new locations and to develop new high growth and complementary businesses like central kitchen, soy sauce, vinegar and yeast. This will widen our range of food products and improve our distribution network.

We see good prospects in all our business segments and the economic prospects of the major countries we operate in. We believe we will be able to build a very strong agri and food company.

DIVIDENDS

The Board has recommended a final dividend of S$0.09 per share and a special dividend of S$0.065 per share for FY2020 to commemorate the successful listing of YKA on the SZSE ChiNext Board. Including the interim dividend of S$0.04 per share paid in August 2020, the total dividend for FY2020 is S$0.195 per share (FY2019: S$0.125 per share), representing the highest cash dividend since the Group's listing on the Singapore Exchange in 2006.

APPRECIATION

Wilmar has grown from strength to strength since our inception in 1991. On behalf of the Group, I would like to express our gratitude to our customers, business partners and staff for their loyalty, hard work and dedication, and to our shareholders and directors for their trust, patience and guidance. We are confident that with your continued support, we will achieve even greater success in future.

Kuok Khoon Hong
Chairman & Chief Executive Officer
10 March 2021

ACCELERATING GROWTH IN CHINA

A LEADER IN THE WORLD'S LARGEST CONSUMER FOOD MARKET

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

With an established history in China of over 30 years, Yihai Kerry Arawana Holdings Co., Ltd. (YKA), Wilmar's Chinese subsidiary, is one of the largest processors of agri-commodities and food products in China. Its business activities include the processing and sales of agri-products, feed ingredients and oleochemicals in China. YKA has been contributing about 60% and 40% to Wilmar's annual turnover and net profit respectively since 2012.

We operate over 350 manufacturing plants in 66 strategic locations across 25 provinces, autonomous regions and municipalities in China, with another 16 new locations under construction or in planning. Many of our plants are integrated manufacturing complexes which allow cost efficiencies through shared utilities such as boilers, effluent treatment, storage tanks, offices and manpower. Logistic efficiency is also improved as the output from one plant is often the feedstock for another plant within the same manufacturing complex.

OVER 350 MANUFACTURING PLANTS IN 66 STRATEGIC LOCATIONS ACROSS CHINA

Shenzhen

Guangzhou

Taizhou

Rice mill in Wuhan

Flour mill in Kunshan

ACCELERATING GROWTH IN CHINA

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

A LEADING MANUFACTURER OF FOOD PRODUCTS FOR CONSUMERS AND BUSINESSES

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

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

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

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

Our diverse and complementary products cater to different market segments.

No.1

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

No.2

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

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

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

Integrated manufacturing complex under construction in Qiqihar

Oleochemical complex in Lianyungang

ACCELERATING GROWTH IN CHINA

A RESOUNDING IPO

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

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

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

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

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

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

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

A NEW GROWTH CHAPTER

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

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

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

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

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

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

The central kitchens will also house suppliers of raw materials and other food producers to create a food eco-system where direct access to food ingredients and sharing of common manufacturing facilities will improve production efficiency and product quality.

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

Integrated manufacturing plant in Fangchenggang

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

EDIBLE OILS

RICE

FLOUR

NOODLES

CONDIMENTS

CONSUMER PRODUCTS

FOOD PROCESSING INDUSTRY

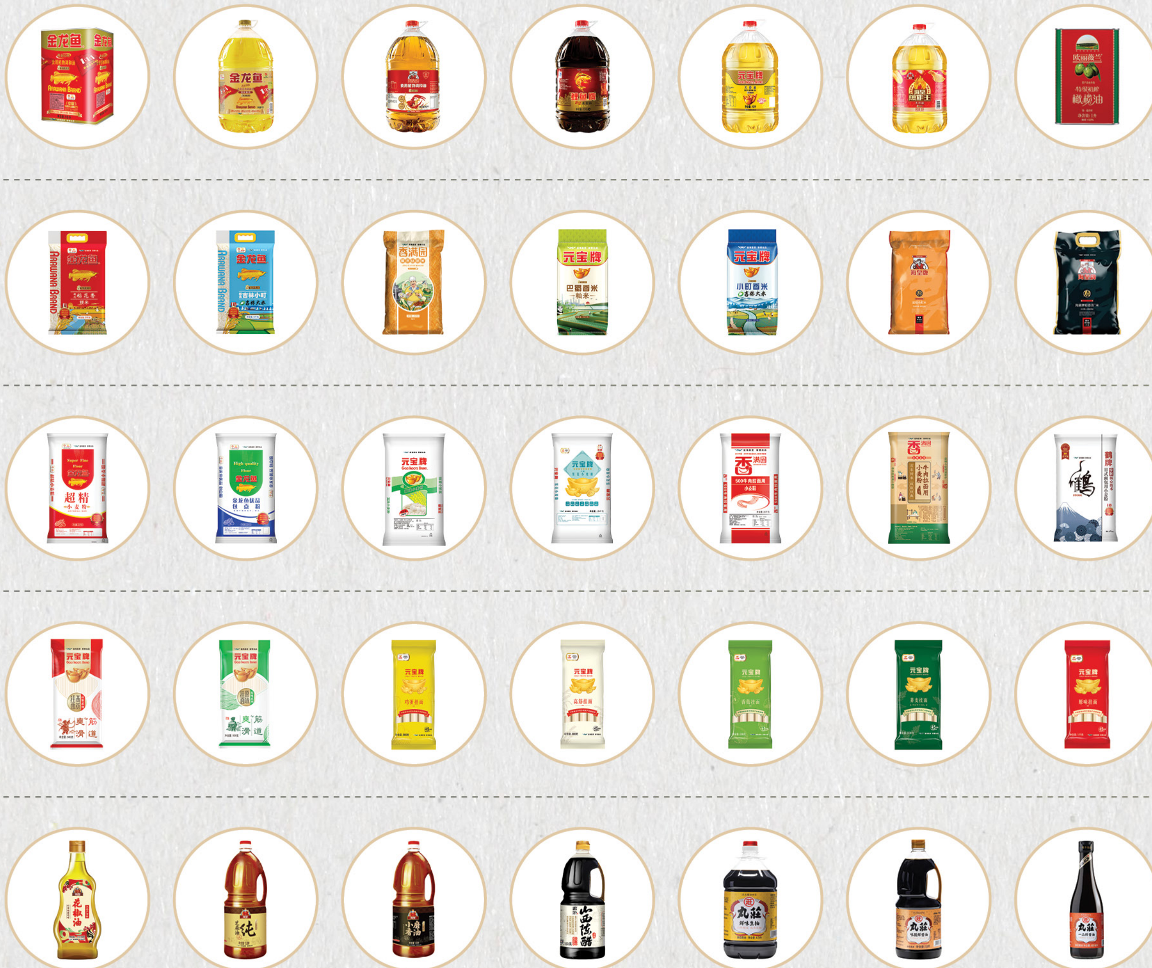
Soy protein | Soymilk powder | Corn starch | Corn fructose | Sugar | Wheat gluten

FEED INGREDIENTS

Soybean meal | Fermented soybean meal | Rice bran meal | Corn bran meal | Peanut meal | Soybean hull

OLEOCHEMICALS

Dishwashing liquid | Laundry soap and detergent | Skincare soap | Stearic acid | Glycerin | Soap noodle



HOTELS, RESTAURANTS AND CATERING (HORECA)

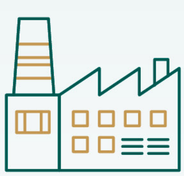
Wheat starch | Yeast | Chocolate and compounds | Specialty fat | Animal fat | Dextrose monohydrate

Soy protein concentrate | Full fat soy concentrate | Wheat bran | Corn gluten | Palm kernel expeller | Feed oil

Fatty alcohol | Epichlorohydrin | Alkyl ketene dimer | Sebacic acid | Vitamin E | Sodium hydroxide

OUR GLOBAL OPERATION

Wilmar is a global leader in processing and merchandising of palm and lauric oils, as well as production of oleochemicals, specialty fats, palm biodiesel and consumer pack oils. In oilseed crushing, flour milling and rice milling, we are a leading player especially in China. We are also amongst the top 10 global raw sugar producers.



Over
1,000
manufacturing plants in
33
countries and regions*

Extensive distribution network in **China, India, Indonesia** and some
50
countries and regions

Multinational workforce of about
100,000
staff globally

* Including plants owned or operated by subsidiaries, joint ventures and associates

PERFORMANCE OVERVIEW

NET PROFIT
US$1.53b

CORE NET PROFIT
US$1.49b

REVENUE
US$50.53b

EBITDA
US$3.61b

TOTAL ASSETS
US$51.02b

EARNING PER SHARE
24.1 US cents

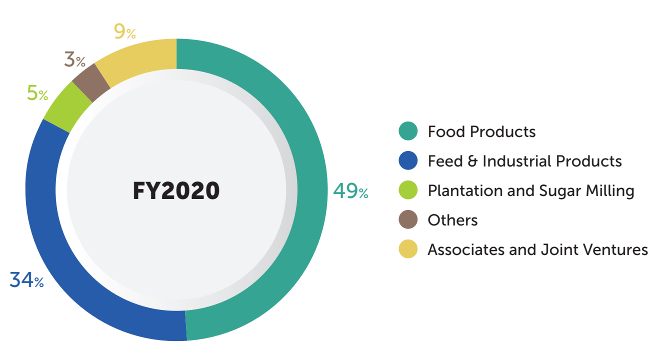
NET ASSET PER SHARE
US$2.99

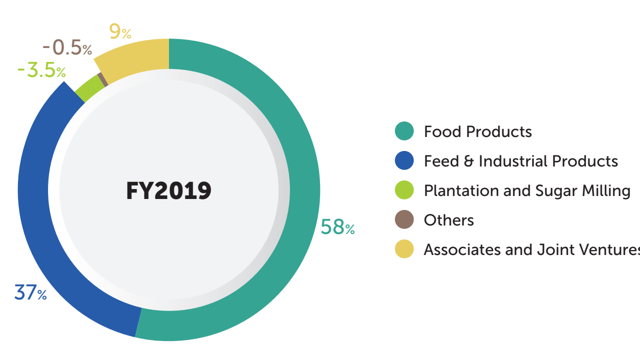
DIVIDEND PER SHARE
S$0.195

FINANCIAL HIGHLIGHTS

	FY2020	FY2019	FY2018	FY2017	FY2016
INCOME STATEMENT *(US$ MILLION)**					
Revenue	**50,527**	42,641	44,498	43,574	41,402
EBITDA	**3,609**	3,024	2,937	2,615	2,244
Profit before tax from continuing operations	**2,311**	1,698	1,612	1,563	1,300
Net profit – including discontinued operations	**1,534**	1,293	1,125	1,196	972
Earnings per share – fully diluted *(US cents)* – including discontinued operations	**24.1**	20.4	17.8	18.9	15.4
Dividend per share *(Singapore cents)*	**13.0**	12.5	10.5	10.0	6.5
Dividend payout ratio on net profit (%)#	**40**	44	43	39	31
Special dividend per share *(Singapore cents)*	**6.5**	-	-	-	-
CASH FLOW *(US$ MILLION)**					
Operating cash flows before working capital changes	**3,594**	2,894	1,956	2,513	2,020
Capital expenditure	**1,976**	1,813	1,325	938	777
Working capital changes	**(2,443)**	1,098	149	(1,728)	(523)
Investment in subsidiaries, joint ventures and associates	**317**	129	417	132	145
BALANCE SHEET *(US$ MILLION)+*					
Shareholders' funds	**18,882**	16,763	16,046	15,964	14,435
Total assets++	**51,020**	47,045	45,713	40,933	37,032
Total liabilities++	**29,637**	29,169	28,938	23,947	21,653
Net loans and borrowings	**13,605**	13,219	13,460	12,596	11,692
Net gearing (x)	**0.72**	0.79	0.84	0.79	0.81
Net asset value per share *(US cents)*	**298.9**	264.4	253.6	252.4	228.5
Net tangible assets per share *(US cents)++*	**212.7**	179.8	182.8	183.0	159.4

PROFIT BEFORE TAX BY BUSINESS SEGMENT





Note:
Segmental breakdown calculation excludes unallocated expenses, gains/loss from biological asset revaluation and impairment of goodwill and property, plant and equipment.

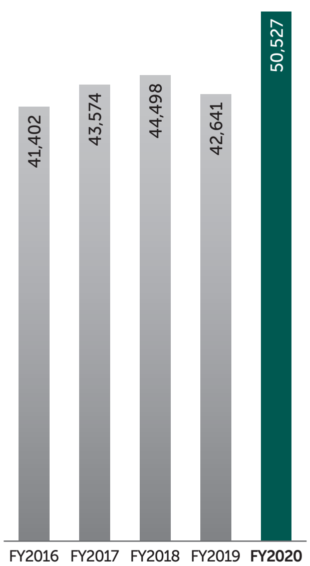
* FY2017 figures were restated upon adoption of SFRS (I) 9 Financial Instruments, SFRS (I) 15 Revenue from Contracts with Customers and IFRS Convergence. FY2018 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited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

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

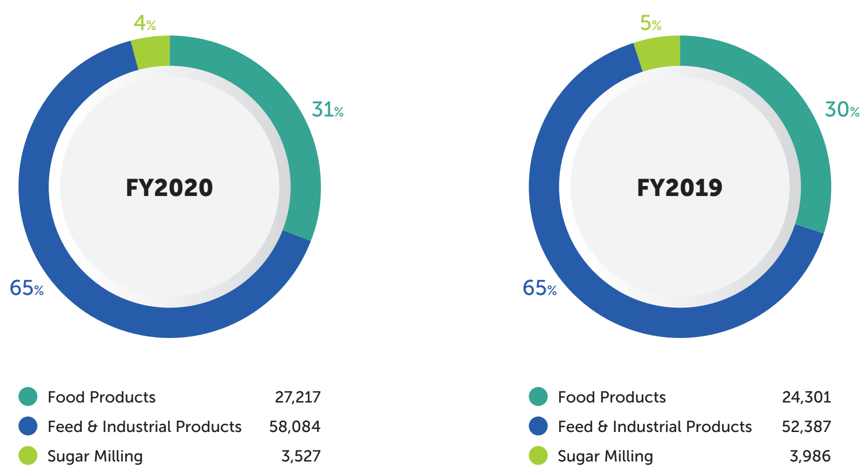
++ FY2019 figures have been restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries in accordance with SFRS(I) 3.

\# FY2020 dividend payout ratio on net profit is estimated based on number of shares outstanding as at 31 January 2021.

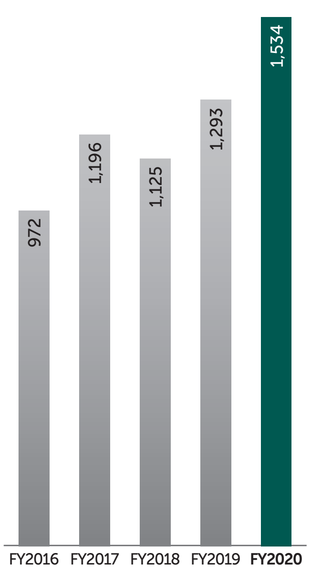
REVENUE*



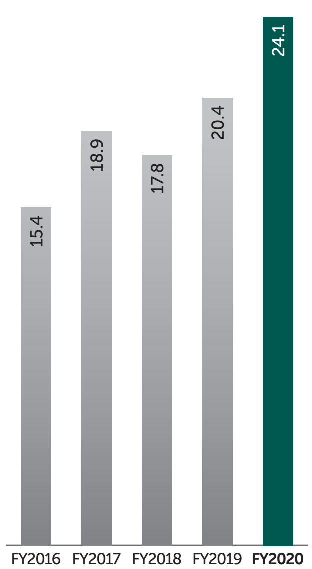
SALES VOLUME (MT'000)



NET PROFIT*

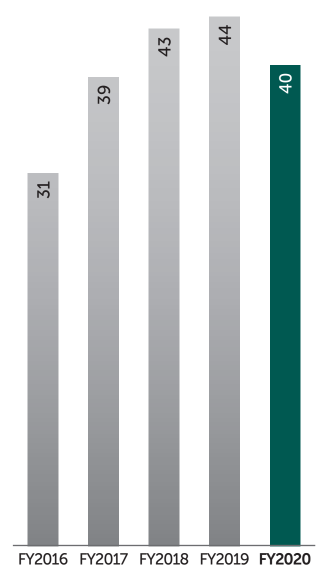


EARNINGS PER SHARE*



RETURN ON AVERAGE EQUITY (%)*

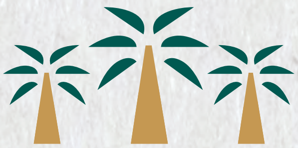
DIVIDEND PAYOUT RATIO ON NET PROFIT (%)#



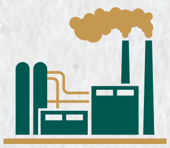
WHAT WE DO

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



PROCESSING

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
FFB 4.0m MT	Volume 3.5m MT

Revenue US$2.15b

RESULTS US$104.8m

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 22.1m MT	Volume 13.8m MT

Revenue US$28.93b

RESULTS US$795.9m

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 9.4m MT	Volume 17.8m MT

Revenue US$23.60b

RESULTS US$1.15b

LOGISTICS

42 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 found near the coastal areas of both origin and destination markets, which enable us to manage transport, logistic and operational costs effectively. We also own a fleet of liquid and dry bulk carriers to support our shipping requirements. As at 31 December 2020, the Group owned and controlled tankers / dry bulk vessels with a total tonnage of about 2.8 million MT.

GLOBAL MANUFACTURING CAPACITIES

As at 31 December 2020, the Group has plants located in the following countries/regions:

	EDIBLE OIL REFINING*	CRUSHING**	SPECIALTY FATS	SUGAR REFINING
SUBSIDIARIES				
China	55	62	6	0
Indonesia	27	0	4	2
Malaysia	16	1	1	0
Vietnam	4	3	2	0
Myanmar	0	0	0	0
Europe	0	0	0	0
Africa	3	2	2	0
Papua New Guinea	0	0	0	0
New Caledonia	0	0	0	0
Australia	0	0	0	2
New Zealand	0	0	0	1
India	0	0	0	2
Others	4	0	1	0
Total no. of plants	**109**	**68**	**16**	**7**
Total capacity (million MT p.a.)	**33**	**30**	**2**	**4**
ASSOCIATES				
India	49	19	6	0
China	6	16	3	0
Malaysia	3	0	0	0
Indonesia	0	0	0	0
Singapore	0	0	1	0
Bangladesh	2	0	0	0
Vietnam	0	1	0	0
Thailand	0	0	0	0
Russia	3	2	1	0
Ukraine	2	1	1	0
Europe	6	0	1	0
Africa	8	2	5	1
Total no. of plants	**79**	**41**	**18**	**1**
Total capacity (million MT p.a.)	**14**	**13**	**<1**	**1**

* Edible oil refining capacity includes palm oil and soft oils
** Crushing capacity includes oilseeds crushing and rice bran extraction

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

COMPANY DEVELOPMENTS

In 2020, we accelerated our investments especially in China and Indonesia, adding oil refinery, crushing plants, flour mills, rice mills, consumer edible oil, flour and rice packing plants and ships. A major project in China is the Central Kitchen project which we intend to implement in most of our manufacturing complexes. This is the Group's most important project and will contribute significantly to our development in China.

In our sugar business in India, we optimised our existing ethanol capacity and are planning new capacities. We also restarted our Haldia sugar refinery.

FLOUR MILLING	RICE MILLING	OLEOCHEMICALS	BIODIESEL	SUGAR MILLING
28	25	10	0	2
2	2	3	12	0
0	0	3	2	0
0	0	0	0	0
1	0	0	0	2
0	0	1	0	0
0	0	0	0	0
2	0	0	0	0
1	0	0	0	0
0	0	0	0	8
0	0	0	0	0
0	0	0	0	7
0	0	0	0	0
34	**27**	**17**	**14**	**19**
11	**6**	**2**	**4**	**28**

2	2	3	0	0
1	2	1	0	0
8	0	0	0	0
2	0	0	0	0
0	0	0	0	0
0	0	0	0	0
4	1	0	0	0
1	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	1	0	0
0	1	0	0	7
18	**6**	**5**	**0**	**7**
3	**<1**	**<1**	**0**	**4**

OPERATIONS REVIEW

FOOD PRODUCTS

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

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

Market Trends

The outbreak of Covid-19 and resulting lockdowns around the world saw a shift towards purchases of consumer packed food products for home consumption. The pandemic also led to consumers placing greater emphasis on food safety and quality, which benefited our consumer products business. Even as lockdown restrictions eased in many countries, demand for our consumer products remained steady. However, demand for medium pack and bulk products supplied to hotels, restaurants and catering (HORECA) businesses is still affected by the restrictions imposed in many countries and has yet to return to pre-pandemic levels.

Flour mill in Gresik, Indonesia

Our Performance

In 2020, the Food Products segment achieved a pre-tax profit of US$1.15 billion, an 18% increase from US$974.5 million in 2019, mainly boosted by better margins from the oil, flour and sugar businesses.

As China recovered from the Covid-19 outbreak in the second half of the year, the Group saw a sharp recovery in volume for medium pack and bulk products, as demand from the HORECA sector began to pick up. Consumer products sales volume grew 22% from 7.7 million MT to 9.4 million MT while medium pack and bulk sales increased 7% from 16.6 million MT to 17.8 million MT.

Outlook and Strategy

We will continue to leverage our existing distribution networks, brands and research and development capabilities to create new products to widen our range of food staples. We are also developing superior quality products with higher margin to improve our profitability.

With the gradual easing of Covid-19 restrictions, we anticipate a recovery in the demand of our medium pack and bulk products as HORECA businesses continue to pick up.

We produce a wide range of high-quality essential food products under a diverse brand portfolio.

FEED AND INDUSTRIAL PRODUCTS

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

We operate crushing plants in China, India, Vietnam, Malaysia, Russia, Ukraine, Zimbabwe, Zambia, Tanzania and South Africa. We crush a wide range of oilseeds including soybean, rapeseed, groundnut, sunflower seed, sesame seed, cotton seed, copra and palm kernels. With a growing demand for our downstream products, we continued to expand our soybean and palm kernel crushing capacities during the year.

Oilseeds and Grains - Crushing

Soybean meal demand increased significantly in China with the recovery of the hog population. Total volume of soybeans crushed in China increased 7% from 86.8 million MT in 2019 to 93.0 million MT in 2020. Demand for soybean meal is also growing in Vietnam and we are expanding our joint venture crushing capacity in the south of Vietnam and planning a new plant in the north.

Tropical Oils

In 2020, Indonesia expanded its biodiesel blending mandate from B20 to B30 with an initial allocation of 8.1 million MT. However, due to low crude oil prices and reduced diesel consumption resulting from Covid-19, Indonesia's biodiesel production declined 4% to 7.2 million MT in 2020 from 7.5 million MT in 2019. Nonetheless, the Indonesian government remains committed to the biodiesel programme and is maintaining its support for the biodiesel programme by increasing the crude palm oil export levy.

Our Performance

In 2020, the Feed and Industrial Products segment achieved a pre-tax profit of US$795.9 million, a 26% increase from US$630.3 million in 2019. Overall volume for the segment increased by 11% from 52.4 million MT to 58.1 million MT, mainly driven by improved sales in both oilseeds and grains and sugar businesses. Crushing margins and volume were healthy in 2020, supported by steady recovery in hog production in China. The tropical oils and sugar merchandising businesses performed well during the period. However, the segment was impacted by mark-to-market losses on hedging derivatives in the last quarter of 2020, which will reverse in the coming quarters.

Packing of soy protein concentrate.

Crushing plant in Vietnam

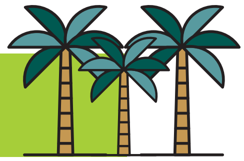
Outlook and Strategy

We expect meat consumption and hence demand for feed ingredients in China to continue to grow in 2021. Soybean imports into China are forecasted to grow to around 100 million MT for 2021.

For tropical oils, the Group's palm oil processing business is expected to benefit from the continued support of the Indonesian B30 biodiesel programme.

OPERATIONS REVIEW

PLANTATION AND SUGAR MILLING



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

As at 31 December 2020, our total planted area stands at 232,053 hectares (ha). Through joint ventures, we own plantations in Uganda and West Africa totalling approximately 46,000 ha. We also directly manage 35,276 ha under smallholder schemes in Indonesia and Africa, and another 157,515 ha under smallholders schemes through associates in Africa.

In recent years, we took the opportunity of the relatively low palm oil prices to step up our re-planting programme and thus maintaining the average age of our plantations at a relatively young 11 years. This will support the medium to long-term growth of our plantation operations. Around 56% of our plantations are at the prime production age of seven to 18 years and 28% are at age six years and below.

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

We own 62.5% of Shree Renuka Sugars Limited (SRSL), the leading sugar company in India. SRSL has a cane crushing capacity of 8.4 million MT and ethanol distillery capacity of 160 million litres per annum. In Myanmar, we have a sugar production capacity of 1.4 million MT and a bioethanol plant. In China, we process sugar beet in Inner Mongolia. In Morocco, our associate 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.

Sustainability

We remain steadfast in our commitment to make a positive impact and drive transformation across the industries we are in. With our No Deforestation, No Peat, No Exploitation (NDPE) Policy at the core, we adopt a holistic approach to sustainability which is integrated with our businesses and operations.

In our sugar business, we have started to develop our supplier programme which will initially focus on traceability. We have now expanded our sugar traceability data collection outside of Australia to cover the supplying mill information for our sugar refineries in New Zealand, Indonesia and India.

For more information on our sustainability endeavours, please refer to the Sustainability chapter.

Our Performance

In 2020, pre-tax profit for the Plantation and Sugar Milling segment turned around from a loss of US$41.3 million in 2019 to a profit of US$104.8 million, benefitting from firmer palm and sugar prices.

In Palm Plantations, production yield increased by 2% to 20.4 MT per ha in 2020 from 20.1 MT per ha in 2019, resulting in a 3% increase in total fresh fruit bunches production to 4,030,264 MT for the year.

While the recovery of sugar prices in the second half of 2020 improved performance of the sugar milling business, the results were partly offset by a US$20.0 million impairment of sugar milling assets in India in the first half of 2020. Excluding this non-cash impairment, the sugar milling business broke even for the full year. Sales volume for sugar milling operations decreased by 12% to 3.5 million MT in 2020 due to the timing of sales by our Australian milling operations.

Outlook and Strategy

The segment is expected to benefit from higher palm oil and sugar prices in 2021. Palm oil stocks are expected to remain low as production is expected to recover only in the second half of 2021.

Overall global supply for sugar is expected to be tight due to poorer crop outlook in Europe, Central America and Asia. Global stocks are reaching its lowest level in the past 10 years and should support demand along with imports expected from China, Indonesia and Pakistan. At the same time, corn tightness could become an important supporting factor with positive arbitrage in favour of sugar for corn ethanol and corn starch.

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 600 scientists and researchers in various locations worldwide, including Singapore, China, Indonesia, India, Malaysia, Russia, Australia and New Zealand. In line with the Group's integrated approach, our R&D teams engage in cross-border collaborations as well as with external organisations to share knowledge and resources to enhance the collective R&D effort.

In 2020, as consumers around the world turned to healthier and better quality food products, our R&D teams focused their efforts in the following areas:

Big Data Analysis and Detection Technology

- Significant progress was made in the application of big data analytics and artificial intelligence (AI) in the fields of quality assurance and quality control for identifying oil adulterants in peanut oil and for frying oil formulation.

- Advancement was also made on rapid non-invasive spectroscopy-based detection and quantification technology for relevant analytes in edible oil samples.

- In photonics-AI application, we attained patents and a scientific publication in *Nature Communication*.

Process Technology

- Increased the utilisation of rice by-products from the rice milling process by developing technology that produces food grade rice bran. The multipurpose hypoallergenic food grade rice bran has the benefit of being high in dietary fibre and protein.

- Developed an environmentally friendly fermented rice bran meal (FRBM) by screening of functional microbial strains and application of biotechnology. The functionality and digestibility of the FRBM are notably improved and this has helped to promote better animal gut health.

- Improved food safety control system by developing a fast analysis method which helps to control the risk of microbial contamination after vinegar fermentation. Also screened and improved the function of beneficial microbes in soy sauce fermentation to enhance flavour and stability in soy sauce.

Product Development

- Developed and launched a range of zero-trans fatty acid oils with high retention ratio for vitamin E and phytosterols using green precision minimal processing technology.

- Launched a range of nutritious and healthy wheat flour fortified with multigrain that maintains taste and aroma as well as flour functionality and dough workability.

- Developed low glycemic index multigrain noodles using highland barley, Tartary buckwheat and yam. Evaluation of these noodles on diabetic patients showed initial improvements over existing diabetes diet.

- Developed a series of non-hydrogenated fats for the manufacture of chocolates and non-dairy products.

OPERATIONS REVIEW

- Collaborated with JR Foods to develop ready-to-eat frozen meals, some of which have been launched, for clinical studies and high-performance meals for the ActiveSG platform in Singapore.

- Developed a ketogenic and gluten-free loaf with 21% protein and 3% carbohydrate compared to a normal gluten-free loaf which has 6% protein and 38% carbohydrate. Significant technical improvement has been made to create the loaf while still maintaining great texture and taste.

- Developed and launched a range of bread and wraps that are baked with a unique blend of seeds, grains and a functional ingredient that delivers twice the fibre content of traditional white bread to support gut health. Progressing more research and clinical trials to further develop ingredients and products in the digestive health and wellness space.

- Established a flavour analysis platform which focuses on examining flavour components and the mechanism for flavour formation in various oils. Using technologies which reduce processing time and flavour loss, a new high-end rapeseed oil product was successfully launched during the year. A production line for a new rice bran oil was established in December 2020.

- Launched 10 new flavoured mayonnaise and dressing products in the premium Praise range.

- Conducting extensive quality analysis on 20 high-protein wheat varieties, including modernisation of crop selection, breeding and planting practices which stabilises environmental factors. This combined with strict wheat blending and milling practices produces top-grade high-quality wheat flour.

- The microbiome team isolated beneficial bacteria from fermented foods and identified gut microbials associated with diet intervention that could contribute to product improvement.

Plant-Based Protein/Ingredients

- Developed eco-friendly and cutting-edge technology for soy protein production to reduce waste water while maintaining the functionality of soy protein ingredients.

- Improved the application performance of textured vegetable protein (TVP) to enhance flavour and texture as well as developed a variety of dishes in which meat is partially or completely replaced by TVP.

- Developed plant-based chicken analogues and fat tissue mimics.

- In collaboration with Wilmar Singapore, Greenfarm and JR Foods, our subsidiary Goodman Fielder launched a range of frozen, vegan, microwaveable meal solutions in Australia, packaged in recyclable fibre based trays.

Oleochemicals and Biodiesel

- Expanded production capacity of tertiary fatty amines to supply more disinfectants or their ingredients to combat Covid-19. Solutions were co-developed with China-based Yiling Pharmaceutical.

- Developed a process to transform the waste from epichlorohydrin production to hydrogen chloride.

- Identified several variants of lipases for biodiesel, ester hydrolysis and specialty fats application. A molecular platform was developed for high throughput screening and analysis of enzyme candidates.

Packaging Development

- In Australia and New Zealand, Goodman Fielder removed 100 tonnes per annum of polyvinyl chloride (PVC) from its supply chain, replacing it with recyclable polyethylene terephthalate (PET), including 30 tonnes of recycled PET.

- To vertically integrate the production and lamination of bread bags, trials have been successfully commissioned on bread bags, wraps, coverleaves and die cut dairy lids for staged implementation in April 2021.

Others

- Completed a clinical study that showed Wilmar's blended oils can lower blood cholesterol. The results of the study were published in *Journal of Nutrition*.

- The Wilmar Culinary Institute surveyed more than 18,000 students and parents in Jiangsu, Zhejiang and Shanghai and worked with nutrition experts to develop recipes for 60 sets of student meals to be supplied by Wilmar central kitchens in the future.

INFORMATION TECHNOLOGY

Being an integral part of the business, Wilmar's Information Technology (IT) team focuses on delivering IT services that align with the Group's overall strategy to jointly create more value for the business.

We continue to strengthen our global IT team by establishing trusted partnerships with all business stakeholders across front, middle and back office functions. We embrace Agile methodology, DevOps processes and Application Programming Interface (API) platform to deliver new digital capabilities and continuously improve our business operations using digital technology and data.

DEEPENING BUSINESS PARTNERSHIPS TO ACCELERATE GROWTH IN CHINA

In China, we partner with business units to form product centric teams and leverage our combined expertise to develop new business capabilities. We have piloted Intelligent Manufacturing at several plants to improve efficiency and control of distributed operations through automation and real-time monitoring of our production facilities. We have been able to lower indirect material cost by adopting a centralised sourcing and procurement platform, as well as increase our market share through a digital B2B ordering system.

SCALING DIGITAL BUSINESS CAPABILITIES GLOBALLY

To support the growth of Wilmar's integrated business in our existing markets and expansion into new markets, we leverage our global delivery team to deliver fit-for-purpose solutions at scale. We continue to expand our cloud-first infrastructure and streamline our technology landscape through a robust enterprise architecture and framework to lower our cost to serve and reduce the time to deliver.

IMPROVING OPERATIONAL EFFICIENCY

We continue to drive digitalisation of our business functions to achieve better efficiency, control and compliance through rapid deployment of common Enterprise Resource Planning (ERP) and enterprise business solutions, Robotic Process Automation (RPA), and digital workplace technology. We have also developed key management dashboards to derive insights from various data sources to facilitate decision making. This has enabled our business to respond to the rapidly changing market needs in an agile and timely manner.

MAXIMISING DATA VALUE

In 2020, the Covid-19 pandemic and its impact on the global food supply chain shone a light on the importance of being able to effectively predict and meet unprecedented demand spikes. With integrated data sources and supply chain visibility, we have been able to respond quickly and adjust production across our global supply chain to meet customer demand. Besides data integration and dashboards, we are also developing data platforms across the value chain to discover use cases and insights that could generate additional value to the business.

CYBER RESILIENCY AND BUSINESS CONTINUITY

Wilmar places cybersecurity at the core of our digital transformation journey, using a robust and risk-based framework to manage the ever-changing cyber threats and protect our assets proactively.

We constantly review our IT policies to ensure that they stay relevant and in compliance with data privacy laws and regulations in countries that we operate in. We are continuously enhancing our cybersecurity capabilities globally to better monitor, detect and respond to cyber threats to ensure cyber resiliency and business continuity.

INVESTOR RELATIONS

We are dedicated to fostering long-term relationships with our investors, analysts and media through consistent engagement across multiple channels. Wilmar's Investor Relations (IR) team ensures that stakeholders are equipped with timely and accurate information on the Group's financial performance, strategic direction and business developments to assist them in making informed investment decisions.


We held our inaugural virtual Annual General Meeting on 12 June 2020 amidst the Covid-19 pandemic.

ENGAGING WITH THE INVESTMENT COMMUNITY VIRTUALLY

Despite the challenges brought about by the outbreak of Covid-19, the IR team strived to maintain our level of engagement with our stakeholders, moving our meetings online. During the year, management and the IR team engaged with over 200 investors via one-on-one conference calls, group video and teleconferences, virtual investor conferences, analyst meetings and results briefings. These events provide a platform for existing and potential investors to interact and have meaningful discussions with Senior Management on the Group's strategic direction, industry trends, sustainability issues and financial performance. Investors who do not attend these conferences are also able to have their immediate concerns addressed via e-mails or phone calls in a prompt and accurate manner.

Amidst the pandemic, we held our inaugural virtual Annual General Meeting (AGM) on 12 June 2020. The Chief Financial Officer provided insights into the Group's business operations, progress and financial highlights in the past year. The Board of Directors as well as the Senior Management also joined the AGM as panelists to address any queries and concerns raised by shareholders.

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

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

IR RESOURCES

The IR website is a key resource for corporate and stock information, financial data, policies, financial results, annual reports and significant business developments. All disclosures submitted to the Singapore Exchange (SGX) are uploaded to the Investors & Media section of the Group's corporate website (http://ir-media.wilmar-international.com) in a timely and consistent manner. Members of the investment community can also subscribe to our e-mail alerts and request for information through the website.

FOCUS ON ESG INVESTING

We continue to see greater emphasis on environmental, social and governance (ESG) considerations amongst investors and in their decision-making process. The IR team works in tandem with the Group's Sustainability team to keep stakeholders up to date on our sustainability endeavours. Resource materials such as sustainability briefs on various programmes, the annual sustainability report as well as important updates on sustainability-related topics are made available on the Group's Sustainability Dashboard (http://www.wilmar-international.com/sustainability). We also regularly engage with proxy providers and ESG rating agencies to understand their voting requirements and ensure timeliness and accuracy of ESG data reported.

In November, we hosted a sustainability webinar during which we provided key updates on our sustainability initiatives during Covid-19, including updates on the ongoing implementation of our No Deforestation, No Peat, No Exploitation (NDPE) Policy; recovery plans and monitoring; progress on human right initiatives as well as social engagement efforts. The webinar concluded with an interactive question and answer session. It was warmly received by close to 100 bankers, analysts and portfolio managers based in Singapore, Malaysia, Hong Kong, the United Kingdom, Norway and the Netherlands.

Our commitment to driving transformation of our industry to be more sustainable was acknowledged

INVESTOR CALENDAR	
February	FY2019 Results Briefing (Singapore)
March	UOB Kay Hian Investor Update (Singapore - Virtual)
May	1QFY2020 Analyst Meeting (Singapore - Virtual)
	Citi Pan Asia Regional Investor Conference 2020 (Singapore - Virtual)
June	Annual General Meeting (Singapore - Virtual)
	Credit Suisse-SGX Corporate Day (Singapore - Virtual)
August	2QFY2020 Results Briefing (Singapore - Virtual)
	CGS-CIMB Investor Update (Singapore - Virtual)
September	CLSA 27th Annual Flagship Investors Forum (Singapore - Virtual)
October	Initial Public Offering of Yihai Kerry Arawana
	3QFY2020 Analyst Meeting (Singapore - Virtual)
November	UOB Kay Hian Investor Update (Singapore - Virtual)
	Sustainability Webinar

by our inclusion in the Dow Jones Sustainability Asia Pacific Index on 16 November 2020.

CHINA IPO

Our Chinese subsidiary, Yihai Kerry Arawana Holdings Co., Ltd (YKA) was successfully listed and commenced trading on the Shenzhen Stock Exchange (SZSE) ChiNext Board on 15 October 2020. Net proceeds amounting to US$2.02 billion were received from the new YKA shares issued in connection with its initial public offering of 10% of the enlarged share capital of YKA.

Having established a strong presence in China of over 30 years, the listing will allow YKA to accelerate its growth in its homeland which we believe will become the world's largest and most sophisticated food market.

With effect from 29 October 2020, YKA was added to the MSCI China All Share Index. YKA was also included in the Shenzhen-Hong Kong Stock Connect, SZSE Component Index, ChiNext Index and SZSE 100 Index with effect from 14 December 2020. As of the close of 26 February 2021, YKA was added to the MSCI Global Standard Index.

Our sustainability webinar held in November 2020 was warmly received by close to 100 bankers, analysts and portfolio managers based in Singapore, Malaysia, Hong Kong, the United Kingdom, Norway and the Netherlands.

Our investment in key growth areas such as 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. We believe our integrated business model will help to achieve long term sustainable growth.

In FY2020, we bought back about S$190 million of Wilmar shares, the second highest buyback consideration on the Singapore Exchange during the year. To commemorate the successful listing of YKA, we are proposing a special dividend of 6.5 Singapore cents per share. This is in addition to the dividend of 13 Singapore cents per share. In total, we are proposing a cash dividend of 19.5 Singapore cents per share for the year, the highest since the Group's listing.

HUMAN CAPITAL MANAGEMENT

With more than 100,000 employees globally, Wilmar believes that our people are a key foundation of our business success. Our Human Resource teams prioritise employee engagement and talent development to enable every employee to reach their full potential and grow in tandem with the Group.

We embrace the diversity of our workforce and value the unique perspectives offered by employees of different backgrounds. For instance, women constitute 23% of the entire workforce and 58% of the Group's headquarters with 23% in the senior management team.

NURTURING & MENTORING TALENTS

People are our most valuable asset and we recognise the need to identify and continuously nurture our existing talent pool. Our goal is to help employees develop skills for better performance, achieve career progression and eventually lead the Group to greater heights.

To support the rapid growth of the Group's business in China, our subsidiary Yihai Kerry Arawana (YKA) has implemented an enhanced Employee Training Module 2.0 that focuses on instilling a strong sense of culture and building functional expertise. It is a three-year programme designed to empower outstanding managers to mentor new hires through sharing of their managerial experiences and knowledge of best practices. They also provide guidance and feedback based on a performance management framework benchmarked to stringent assessment standards. Since its introduction three years ago, the programme now comprises more than 80 trainers and about 100 training modules.

Yihai Kerry Arawana implemented an enhanced Employee Training Module 2.0 to nurture and mentor new colleagues.

Apart from skills and knowledge, the programme aims to encourage new colleagues to embrace the Group's belief in giving back to the community through volunteering and contributing to the Arawana Charity Foundation.

ATTRACTING TALENT

Wilmar values diligent, agile and innovative individuals who seek to make a difference in a dynamic business environment. One of the ways we attract such talent is to continuously foster ties with technical institutes and universities in order to engage and share with students the various career opportunities available in the Group.

In South Africa, we recruited six Chemical Engineering Graduate interns for the upcoming Processing Business Unit. They will receive training at the Randfontein plant and subsequently be re-deployed as engineers when the unit commences operation in 2022.

As part of its recruitment programme, Wilmar Sugar Australia is a key sponsor of trade training awards at a local training college in Queensland. They also encourage youths from the milling regions to undertake apprenticeships to help kickstart a career in agribusiness.

To encourage and facilitate access to education, the Group awarded full tertiary level scholarship to 30 students and children of our plantation workers in Ghana for the 2019/2020 academic year.


Wilmar Sugar Australia is a key sponsor of trade training awards at a local training college in Queensland.

19 innovative projects were recognised at the inaugural management innovation awards ceremony held in Shanghai.

INNOVATION

Innovation is one of Wilmar's core values and it is critical to our ability to stay ahead of competition. New ideas and innovative efforts are strongly encouraged across all business operations.

In May 2020, our subsidiary Goodman Fielder upgraded factories with new front-end baking equipment, ingredient handling systems, robotic pan stores and a new production line for the Australian baking business. Through the creation of a world class manufacturing platform, our employees are able to upskill and leverage technology to ensure that our products are manufactured at the lowest cost but of the highest quality.

In China where the Group has a significant presence, YKA is constantly seeking improvements through innovation, be it a new product or a new process method. In 2020, it held its inaugural management innovation awards ceremony in Shanghai where a total of 19 innovative projects received commendation. At the same time, YKA launched its magazine on management innovation to further encourage employees to think outside the box.

COPING WITH COVID-19

Covid-19 has brought about constant uncertainty and impacted our lives including the way we work. The Group makes it our top priority to safeguard the safety and well-being of our employees globally. Amid the pandemic, we also believe that we have a responsibility to support our communities, especially those who are vulnerable.

In response to the onset of the pandemic in China, our factories modified their operations to manufacture essential supplies needed to cope with the pandemic. For example, a production line at our factory in Lianyungang was modified to produce 60 tonnes of disinfectant daily which was supplied across the country. To date, the Group has donated more than 290 tonnes of disinfectant across China.

During the lockdown in Wuhan, special welfare packages consisting of daily essentials such as rice, oil, flour and medical masks were distributed to employees and their families.


Factories in China were modified to manufacture disinfectant to help cope with the Covid-19 pandemic.

AWARDS & ACCOLADES

CORPORATE AWARDS

Wilmar International Limited

Fortune Global 500, ranked 285th
Fortune Magazine

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

Forbes Global 2000: The World's Largest Public Companies, ranked 372nd
Forbes

Top 100 Singapore Brands, ranked 9th
BrandFinance®

Singapore 1000 Award - Top Companies Ranked by Sales Turnover, Ranked 5th
Experian with Ernst & Young as Co-Producer, supported by ACRA, Enterprise Singapore, IDA and Singapore Business Federation

Ranked 126th out of 577 companies on the Singapore Governance and Transparency Index
The Business Times and the Centre for Governance, Institutions and Organisations

The Edge Billion Dollar Club 2020, Fastest-Growing Company in Food & Beverages sector
The Edge Singapore

CHINA

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

- **2020上海企业100强第12名**
  上海市企业联合会/上海市企业家协会/上海市经济团体联合会

- **2020上海制造业企业100强第4名**
  上海市企业联合会/上海市企业家协会/上海市经济团体联合会

- **企业标准"领跑者"证书**
  中国标准化研究院

- **中国百佳粮油企业、中国粮油领军企业**
  粮油市场报主办的第十届中国粮油榜

- **全国质量诚信标杆企业、全国质量检验稳定合格产品、全国粮油行业质量领先企业**
  中国质量检验协会

- **最佳领袖品牌奖**
  《国际金融报》主办的第二届中国品牌建设论坛

FIJI

Goodman Fielder International (Fiji) Pte Ltd

- **Supplier Innovation Award**
  Fiji (New World Supermarkets) Annual Awards Night

INDIA

Adani Wilmar Limited

- **Great Place to Work 2020**
  Great Place to Work® Institute India

INDONESIA

PT Wilmar Nabati Indonesia

- **Outstanding Exporter Award**
  Governor of East Java

NIGERIA

PZ Wilmar

- **Nigerian Business Leadership Awards 2020 - Food Processing Company of the Year**
  Business Day Media Limited

PAKISTAN

Unity Foods Ltd

- **Most Outstanding Company in Pakistan (Consumer Staples Category)**
  Asia Money

VIETNAM

Cai Lan Oils & Fats Industries Company Ltd

- **Vietnamese High-quality Goods Award**
  Business Research Centres and Business Support (BSA)

- **Top 10 Food Reputation Award**
  Vietnam Report in collaboration with Vietnamnet Newspaper

- **Top 500 Most Profitable Companies in Vietnam**
  Vietnam Report in collaboration with Vietnamnet Newspaper

Xay Lua Mi Viet Nam (VFM)

- **Vietnamese High-quality Goods Award**
  Business Research Centres and Business Support (BSA)

Vinh Phat Wilmar Rice Corporation

- **Vietnamese High-quality Goods Award**
  Business Research Centres and Business Support (BSA)

Nam Duong International Foodstuff Corporation

- **Vietnamese High-quality Goods Award**
  Business Research Centres and Business Support (BSA)

SUSTAINABILITY AWARDS

Wilmar International Limited

- **Inclusion to the Dow Jones Sustainability Index (DJSI) Asia Pacific**

- **Ranked 1st in East Asia and Pacific for the Agriculture Sector 2020**
  Corporate Human Rights Benchmark (CHRB)

- **Top 3 companies globally in 2020 Palm Oil Benchmark**
  Sustainability Policy Transparency Toolkit (SPOTT) / Zoological Society of London (ZSL)

- **Ranked 1st in Asia and 10th globally in the 2020 Benchmark Findings Report on the Food & Beverage sector**
  KnowTheChain

AUSTRALIA

Wilmar Sugar Australia Limited

- **Excellence in Safety Communications**
  Australian Sugar Milling Council 2020 Safety Awards

CHINA

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

- **中国粮油抗疫保供典范企业**
  粮油市场报主办的第十届中国粮油榜

- **2020年度社会责任贡献奖**
  《中国经营报》联合中经未来主办的中国企业社会责任高峰论坛

- **2020中国商业企业社会责任典范奖**
  《中国商报》主办的第八届中国商业创新大会

- **华夏公益财经大奖 2020年度精准扶贫贡献奖**
  《华夏时报》主办的"第十三届人民保险中国经济媒体高层峰会"

益海嘉里(武汉)粮油工业有限公司
Yihai Kerry (Wuhan) Oils and Grains Industries Co., Ltd.

- **全国粮食和物资储备系统抗击新冠肺炎疫情先进集体**
  国家粮食和物资储备局

GHANA
Wilmar Africa Limited

- **Best Covid-19 Corporate Response Initiative Award**
  Sustainability & Social Investment Awards 2020

INDIA
Adani Wilmar Limited

- **Gujarat Innovation Leadership Award**
  World CSR Day

INDONESIA
PT Wilmar Nabati Indonesia

- **Award for Response to COVID-19**
  Gresik District Government

PT Sinar Alam Permai

- **Zero Accident Award 2020**
  The Governor of Central Kalimantan

PT Duta Sugar International

- **Zero Accident Award 2020**
  Governor of Banten

VIETNAM
Cai Lan Oils & Fats Industries Company Ltd

- **Certificate of Commendation in Recognition of Donation to the COVID-19 Prevention and Fighting Fund**
  Central Committee, the Vietnam Fatherland Front in Quang Ninh

CONSUMER PRODUCT AWARDS

Brand	Award
Australia	
Helga Digestive Wellbeing Bread	• **Healthy Food Awards 2020 Best Sandwich Base Winner** *Healthy Food Guide Magazine*
China	
金龙鱼	• **中国粮油领军品牌** *粮油市场报主办的第十届中国粮油榜*
	• **中国品牌力指数(C-BPI)食用油行业榜首** *中国品牌评级与品牌顾问机构 Chnbrand*
金龙鱼原香稻	• **粳米组“2020十大好吃米饭”** *第三届中国·黑龙江国际大米节稻米品评品鉴活动*
金龙鱼虾甜香大米	• **籼米组“2020十大好吃米饭”** *第三届中国·黑龙江国际大米节稻米品评品鉴活动*
金龙鱼牌盘锦大米	• **金奖** *第十八届中国国际粮油产品及设备技术展示交易会*
金龙鱼速食豆腐花	• **中国食品工业协会科学技术一等奖** *中国食品工业协会*
金龙鱼阳光葵花籽油 金龙鱼金滴玉米油	• **比利时蒙特奖金奖** *Monde Selection International Quality Institute*
欧丽薇兰橄榄油	• **国际橄榄理事会马里奥索利纳斯质量奖一等奖** *International Olive Council*
Ethiopia	
Repi Soap and Detergent	• **No. 1 National Quality Award Winner 2020** *Ministry of Trade*
India	
Fortune	• **Top 100 Most Trusted Brands 2020** *Economic Times*
	• **SPOTT Awards 2020 Silver for “Ilish Utsav Campaign”** *The Economic Times, Brand Equity*

Brand	Award
Indonesia	
Sania (General)	• **Superbrand (Cooking Oil Category)** *Superbrands Indonesia*
	• **Marketing Award, Best Marketing Campaign (Cooking Oil and Flour)** *Majalah Marketing*
	• **WOW Brand 2020, Bronze Champion (Cooking Oil Category)** *MarkPlus, Inc.*
	• **Top Brand Award (Cooking Oil Category)** *Frontier Consulting Group and Majalah Marketing*
Ivory Coast	
Dinor Olein Oil	• **Product of the Year** *The Label of African Consumers*
Nigeria	
Devon King	• **Nigeria’s Best Premium Quality Cooking Oil** *The Institute of Brand Management of Nigeria*
Uganda	
White Star Bar	• **Best Laundry Soap** *People’s Choice Quality Awards*
Magic Detergent	• **Best Detergent** *People’s Choice Quality Awards*
Fortune Butto	• **Best Oil** *People’s Choice Quality Awards*
Vietnam	
Simply	• **Top 10 Most Chosen Brands (Food Category) in 4 main cities (HCMC, Hanoi, Da Nang, Can Tho) and rural provinces** *Brand Footprint Report by Kantar*
Zimbabwe	
Buttercup Margarine	• **Superbrand Winner (Spreads Category)** *Superbrand*
Pure Drop	• **Superbrand 1st Runner Up (Cooking Oil Category)** *Superbrand*

SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

As a leading agribusiness group engaged in the entire value chain of the agricultural commodity business, Wilmar believes that we are in a unique position to leverage our expertise and scale to lead and embrace a more sustainable and responsible approach to how agricultural and food products are manufactured, distributed, consumed and disposed of.

Globally, our operations are guided by a comprehensive array of sustainability-related guidelines including our No Deforestation, No Peat, No Exploitation (NDPE) policy to move the Group towards our sustainability commitments, which are focused on three priorities:

- Protecting our environment
- Prioritising people and human rights
- Responsibility to our consumers and the marketplace

The above priorities cover all our major business segments and take into account our material Environmental, Social and Governance (ESG) topics which were updated in 2020.

To help us fulfil our commitments, we adopt a three-pronged strategy:

- Constructive engagement with our stakeholders, which includes providing grievance mechanisms that allow concerns to be raised
- Participating in and obtaining relevant sustainability certification schemes
- Building capacity and transferring knowledge to our suppliers so that we can progress together on our journey to become more sustainable and responsible

Reporting and Communicating Progress

Meeting our sustainability commitments is incomplete without effective reporting of our progress in a manner that is transparent and accountable to our stakeholders. In addition to the Global Reporting Initiative (GRI) standards, we also report against the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

Starting 2020, our reporting scope and coverage have expanded beyond the Oil Palm Plantation and Sugar Milling segments to include all our major business segments.

PROTECTING OUR ENVIRONMENT

Wilmar is steadfast in our commitment to safeguard natural resources and to protect the environment including the fragile ecosystems in regions where we operate. We focus our efforts on protecting High Conservation Value (HCV) and High Carbon Stock (HCS) forests and peatlands while minimising our environmental footprint as well as developing sustainable packaging solutions. This is part of our ongoing endeavour to strike a balance between our commitment to protect the environment while also playing a key role in addressing food security for a growing global population.

We conserve, manage and rehabilitate High Conservation Value and High Carbon Stock forests and peatlands as well as areas identified for biodiversity conservation in our concessions.

Wilmar has 25 methane capture facilities at our crude palm oil mills to mitigate mill greenhouse gas emissions.

Biodiversity and Conservation

Wilmar recognises that tropical forests play an important role in maintaining healthy ecosystems and defending against climate change. We remain steadfast in our commitment to No Deforestation and No Peat across our entire supply chain. Our focus is to increase yields and extraction rates to meet production demand without any further land clearing.

Where there are HCV and HCS forests and peatlands in our operations, we work to conserve, manage and rehabilitate them as guided by the High Conservation Value Network (HCVN) and the High Carbon Stock Approach (HCSA) toolkit through integrated HCV-HCS assessments. Additionally, there are areas in our estates that we have identified for biodiversity conservation. We are meticulously and carefully implementing a range of programmes to monitor and manage these reserved areas.

Forest fires also pose a risk to the delicate ecosystems in Indonesia. We take a strong stand against the illegal use of fire and adhere strictly to a No Burn policy. We work with the Fire Free Alliance (FFA) programme for better prevention, early detection and rapid suppression of fire incidences. We also engage with communities surrounding our concessions to raise awareness and transfer knowledge on alternative land clearing methods to replace the traditional slash-and-burn practices.

In addition to our own concessions and a five-kilometre radius around them, our fire monitoring coverage extends to our third-party suppliers under our Supplier Group Compliance Programme (SGCP). The SGCP is part of Wilmar's three-pronged approach to proactive monitoring of our third-party suppliers, which also includes satellite imageries and our Grievance Procedure.

Wilmar has been an active member of the NDPE-Implementation Reporting Framework (IRF) since 2019. The IRF, which is led by Proforest, allows us to measure and communicate our NDPE progress to suppliers and stakeholders more effectively.

Climate Change

We recognise the dire consequences of climate change on humanity and the direct risks they pose to our operations. We are reducing our impacts on climate change through our conservation efforts, adopting best management practices in planted areas on peatland, developing methane capture facilities as well as using biomass to generate electricity at our mills.

We continue to identify risks and opportunities to strengthen the Group's business resilience while striving to adapt as the world transitions to a low-carbon economy. For instance, our research and development efforts include palm seedlings that are able to potentially withstand extreme weather events.

Environmental Footprint of Our Operations

Our business, like all others, is dependent on various resources such as water and energy. Thus, we have an important role in ensuring that we minimise our environmental footprint while continuing to support sustainable production. Staying committed to our Environmental Policy, energy and water efficiency measures are consistently implemented across all our operations, and where possible, we continue to adopt the 3R approach of Reuse, Recover and Recycle waste from our operations. We have also

We are increasingly adopting biological pest control and repurposing organic waste in order to minimise the use of chemicals for fertilisers and pesticides.

SUSTAINABILITY

been increasingly adopting biological pest control and repurposing organic waste in order to minimise the use of chemicals for fertilisers and pesticides.

Sustainable Packaging

Packaging is essential in maintaining food safety and quality, as well as reducing food wastage by extending shelf life. However, packaging waste and particularly plastic waste is a growing concern and we endeavour to improve our product packaging by:

- Reducing the overall amount of resources required and materials used
- Improving the quality of materials used to increase recyclability
- Ensuring materials are from sustainable sources by improving our sourcing requirements

Our businesses have also been working towards customised packaging to better meet local consumers' preferences and expectations.

PRIORITISING PEOPLE AND HUMAN RIGHTS

The welfare and close engagements with the communities that host our operations globally as well as our employees who form the backbone of our business remain a key priority to Wilmar. Furthermore, we focus our efforts and resources on improving and strengthening the rights of communities and our employees as well as ensuring the safety and well-being of our employees.

Human Rights and Labour Standards

Safeguarding human and labour rights is of utmost importance to the Group and we take responsibility to ensure they are also protected throughout our value chain which includes our subsidiaries, associates, suppliers and contractors.

The Group's commitments are set out in our Human Rights Policy, Human Rights Framework, and Child Protection Policy which guide the development and implementation of our due diligence mechanisms to identify, account, prevent, mitigate and remediate any adverse impacts on human rights.

Our Women's Charter outlines Wilmar's commitment to respecting women's rights and overseeing their welfare. It is implemented by local women committees, also known as Women's Working Groups (WoW), across our upstream palm oil operations. Key focus areas of the Women's Charter include:

- Women's health
- Maternity care
- Awareness of sexual harassment
- Children's safety and well-being
- Improving livelihoods

We continue to strictly adhere to the Free, Prior and Informed Consent (FPIC) process prior to any plantings or related activities to ensure that communities have clear and specific avenues to engage and deliberate the conditions with us.

Initiating and participating in collaborative efforts, partnerships and multi-stakeholder platforms are part of our efforts to implement and strengthen our commitments to human and labour rights. These include working closely with various technical partners and experts in Indonesia such as Business for Social Responsibility (BSR), Earthworm Foundation (EF) and Verité.

For example, in December 2020, we launched our Child Protection Policy Implementation Manual, which was developed jointly with BSR. The manual is part of a programme launched in 2019

In December 2020, we launched our Child Protection Policy Implementation Manual to strengthen and protect the rights of children living in oil palm plantations.

to strengthen and protect the rights of children living in oil palm plantations, in collaboration with industry leaders including Colgate-Palmolive, Nestlé, Procter & Gamble, PepsiCo and Neste, among others.

Developed in consultation with the Indonesian child protection authorities, non-governmental organisation (NGO) experts, unions, and international organisations such as the Roundtable on Sustainable Palm Oil (RSPO), the manual is designed to be comprehensive and pragmatic to facilitate implementation while incorporating pictorial field guidance for universal understanding. A series of workshops attended by 190 participants were also organised to build capacity and guide our suppliers towards a better understanding of child protection within their operations.

Employee Health, Safety and Well-being

Safety is one of the Group's core values and inculcating a culture of workplace safety across our operations globally is an ongoing priority. We have in place an integrated Environmental, Health and Safety Management System covering all our operations and our employees. Governed by our Workplace Health and Safety Policy, we conduct regular trainings and access to education materials to raise awareness and build knowledge among our employees on best practices and up-to-date requirements. These help us to identify work-related hazards, take measures to eliminate or minimise them and prevent accidents in the workplace.

Wilmar transitioned towards an online learning management system in 2020 and have since been developing online training materials that can be accessed and assessed by employees. We are also developing a five-year programme specialising in health and safety audits and trainings.

Wilmar's Equal Opportunity Policy is a commitment that every employee has the right to equal opportunities and treatment.

To further improve employee well-being, there are various initiatives designed to promote and support work-life balance and healthy lifestyles, both in the workplace and at home.

Diversity and Inclusion

Given Wilmar's international footprint, our workforce is diverse and brings to the business a unique benefit of different and new perspectives. The Group's Equal Opportunity Policy is a commitment to ensure every employee has the right to equal opportunities and treatment, regardless of ethnic origin, gender, national origin, age, social class, religion, sexual orientation, gender identity, union membership, political affiliation, or disability.

Talent Management

It is a constant race to acquire and retain good talent globally, hence we endeavour to offer attractive and competitive renumeration and benefits while creating an engaging environment for our employees to reach their full potential and pursue their career goals.

We also firmly believe in providing opportunities for our employees to grow and thrive within the Group. This is further complemented by our ongoing efforts to strengthen and upskill our current workforce through various initiatives including the setting up of training academies in Indonesia and China.

More information on our Talent Management efforts can be found in the Human Capital Management section on page 28.

Economic and Community Contribution

We recognise that the scale of our business and geographical presence put Wilmar in a unique position to contribute to the socioeconomic development of the communities we operate in. More importantly, we recognise the varying degrees of economic, social and environmental impacts, both positive and negative, that our business has on our communities.

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We continue to support our scheme and independent smallholder suppliers with the tools and knowledge to improve their livelihoods while guiding their efforts to fulfil our NDPE commitments.

The establishment of our oil palm estates have brought about infrastructure development such as roads, electricity and clean drinking water to remote rural areas. Our plantation workers live with their families in proper housing and have access to facilities such as clinics, schools and places of worship. All workers receive at least the applicable local minimum wage in line with legal regulations.

We continue to ensure that all our scheme and independent smallholder suppliers are supported by various and relevant smallholder programmes tailored to the context and specific needs of smallholders from different regions. These include providing them with the tools and platform to access expertise and to share best practices in order to improve their livelihoods while guiding and supporting their efforts to fulfil our NDPE commitments.

With our sugar cane outgrowers in India, we continue to focus on building capacity in a myriad of topics ranging from Super Cane Nursery technology, raising awareness on new varieties and arrangement of planting materials and bio-pesticides as well as Best Management Practices (BMP), health and safety and financial literacy. Our engagement was carried out through conference calls during the country's Covid-19 lockdown while in-person trainings and demonstrations resumed after restrictions were lifted.

Similar engagement programmes on capacity building and BMP were undertaken with sugar cane outgrowers in Myanmar. In addition, there is a fertiliser programme in place where we sell fertiliser to outgrowers at competitive market rates with an extended credit period as a means to further support them.

Despite having to suspend our regular face-to-face sessions and tours with sugar cane growers in Australia amid the pandemic, we conducted educational and information sharing sessions through video conferencing to provide expert market updates on pricing and pooling options. Our trials on applying mill and mud ash are still ongoing to help sugar cane growers reduce the potential loss of nutrients from farms while potentially increasing their profits.

We allocate about 1% of the Group's annual profit which is approximately US$10 million to support various philanthropic activities. 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 relief efforts.

Fighting against Covid-19

The Covid-19 pandemic is an unprecedented crisis that not only disrupts businesses but impacts the well-being and livelihoods of our employees and communities. Apart from implementing safe management measures at the workplace to ensure the safety and well-being of our employees, Wilmar is doing our part to support local governments and communities in a collective effort to mitigate the impact of Covid-19.

We modified factories, where possible and necessary, to manufacture hand sanitisers and disinfectants according to World Health Organisation (WHO) guidelines for distribution to staff, their families and our surrounding communities. Across our global operations, we donated masks, gloves, face shields, rapid test kits, medical equipment and essential food items such as rice, cooking oil, sugar, flour, bread and noodles to the vulnerable, on top of financial contributions. We will continue to support the ongoing global fight against Covid-19.

For the children of our oil palm plantation workers living in the estates, learning did not stop despite the closure of schools. Working closely with schools, we improvised and introduced tools to aid learning such as virtual classrooms and the use of messaging apps, social media and our estate audio system. Where internet access is a challenge, we distributed printed materials and homework.

RESPONSIBILITY TO OUR CONSUMERS

It is our commitment to customers that our products are manufactured to the highest quality at the most competitive cost. With consumers at the heart of everything we do, we will continue to prioritise their health, safety and well-being in the development of better quality and innovative products through research and development (R&D), as well as transparent product marketing and labelling.

Product Quality and Safety

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

Our food factories are required to be certified under the food safety certification scheme accredited by the Global Food Safety Initiative (GFSI) while a majority of our factories are also certified under the Food Safety System Certification (FSSC 22000) scheme, both of which are internationally-recognised food safety certifications. Where relevant, Wilmar also complies with the British Retail Consortium (BRC) Global Standard for Food Safety as well as the Safe Quality Food (SQF) programme for our operations in the United States of America.

We also adhere to the Good Manufacturing Practice (GMP) which ensures our products meet food safety, quality and legal requirements. To control food safety risks especially in retail products, we aim to implement the Hazard Analysis Critical Control Point (HACCP) system in 2021.

Responsible Marketing and Labelling

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

Innovating for the Future

The expansion of our R&D centres globally is a testament to our commitment to innovation. Our R&D work is carried out worldwide and focuses on developing new products, enhancing the quality of existing products and optimising operational processes.

More information on our R&D efforts can be found in the Research and Development section on page 23.

RESPONSIBILITY TO THE MARKETPLACE

Operating in a responsible and sustainable manner with the ability to continuously adapt, evolve and improve is the cornerstone of our success. At Wilmar, we foster an ethical culture that encourages business conduct with integrity to earn and maintain the trust and confidence of our stakeholders.

Business Ethics and Compliance

To ensure that ethical business practices are applied and the right values and culture are instilled across the Group, we have established a robust and appropriate governance structure with the relevant controls and oversight of the business.

All Wilmar employees receive training and specific guidance on our policies, either during on-boarding or refresher training sessions. These policies, which are reviewed and approved by our Board of Directors, include:

- Code of conduct
- Code of ethics
- Anti-fraud policy
- Whistleblowing policy

Data Security and Privacy

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

More information on our efforts can be found in the Information Technology section on page 25.

BOARD OF DIRECTORS

KUOK KHOON HONG, 71

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
24 April 2019

Length of service as Director
14 years 11 months

Board Committee(s) Membership
- Executive Committee - Chairman
- Share Purchase Committee - Chairman
- Nominating Committee - Member
- Risk Management Committee - Member

Present directorship(s) in other listed company(ies)
- Shree Renuka Sugars Limited - Director
- Watawala Plantations PLC - Director
- Yihai Kerry Arawana Holdings Co., Ltd

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

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

Past directorship(s) in listed company(ies) held over the preceding five years
- Perennial Real Estate Holdings Limited (Delisted) - Chairman

Working and professional experience(s)
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

Board of Directors' information is updated as of 26 February 2021

PUA SECK GUAN, 57

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
24 April 2019

Length of service as Director
5 years 1 month

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

Present principal commitment(s)
- Perennial Holdings Private Limited - Executive Director and Chief Executive Officer
- Wilmar International Limited - Chief Operating Officer (Part-Time)

Other commitment(s)
- Perennial Group Private Limited - Director
- Singapore-Guangdong Collaboration Council - Member
- Singapore-Sichuan Trade and Investment Committee - Member
- Singapore-China Business Council of Singapore Business Federation - Member
- Singapore-Tianjin Economic and Trade Council - Member

Past directorship(s) in listed company(ies) held over the preceding five years
- Perennial Real Estate Holdings Limited (Delisted) - Executive Director and Chief Executive Officer
- United Engineers Limited - Director

Working and professional experience(s)
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, 61

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

Date of first appointment as Director
21 February 2019

Date of last re-election as Director
24 April 2019

Length of service as Director
2 years

Present principal commitment(s)
- Wilmar International Limited - Group Legal Counsel and Company Secretary

Other commitment(s)
- Shangri-La Hotel Limited - Director
- Perennial Holdings Private Limited - Director
- Perennial Group Private Limited - Director
- Corporate Governance & Regulatory Interest Group of the Singapore International Chamber of Commerce - Member

Working and professional experience(s)
Extensive experience in legal and corporate secretarial matters

Academic and professional qualification(s)
Bachelor of Laws (Honours), National University of Singapore

KUOK KHOON EAN, 65

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
13 years 8 months

Present principal commitment(s)
- Kuok (Singapore) Limited - Chairman
- Kerry Group Limited - Vice Chairman
- Kuok Brothers Sdn Berhad - Vice Chairman
- Kerry Holdings Limited - Director

Past directorship(s) in listed company(ies) held over the preceding five years
- IHH Healthcare Bhd - Director
- The Bank of East Asia, Limited - Director
- PACC Offshore Services Holdings Ltd (Delisted) - Director

Working and professional experience(s)
Extensive experience in investment and shipping businesses

Academic and professional qualification(s)
Bachelor of Economics, Nottingham University, UK

KUOK KHOON HUA, 42

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
4 years 8 months

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

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

Working and professional experience(s)
Extensive experience in investment, logistics and property businesses

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

RAYMOND GUY YOUNG, 59

Non-Executive and Non-Independent Director

Date of first appointment as Director
28 December 2018

Date of last re-election as Director
24 April 2019

Length of service as Director
2 years 2 months

Present directorship(s) in other listed company(ies)
- International Paper Company - Director

Present principal commitment(s)
- Archer Daniels Midland Company - Executive Vice President and Chief Financial Officer and a member of Executive Council
- American Cancer Society Illinois Division - Director
- CFO Advisory Board of University of Chicago Booth School of Business - Member

Working and professional experience(s)
Extensive experience in Finance and Accounting

Academic and professional qualification(s)
- Bachelor of Business Administration, University of Western Ontario, Canada
- Master of Business Administration, University of Chicago, USA

BOARD OF DIRECTORS

LIM SIONG GUAN, 73

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
25 April 2018

Length of service as Director
3 years 2 months

Board Committee(s) Membership
- Risk Management Committee - Chairman
- Audit Committee - Member
- Nominating Committee - Member
- Remuneration Committee - Member

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

Working and professional experience(s)
Extensive experience in investment and public policies

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

TAY KAH CHYE, 74

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
14 years 7 months[1]

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 - Chairman
- Asiatravel.com Holdings Ltd - Lead Independent Director

Present principal commitment(s)
- CLMV Consult Net Private Limited - Executive Chairman
- PATA International Enterprise Private Limited - Chief Executive Officer
- PATA Consultancy Private Limited - Chief Executive Officer
- Academy of Water Safety and Swimming Pte. Ltd. - Director

Past directorship(s) in listed company(ies) held over the preceding five years
- Chemical Industries (Far East) Ltd - Director

Working and professional experience(s)
Extensive experience in Banking and Finance

Academic and professional qualification(s)
Bachelor of Social Sciences in Economics, University of Singapore

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

Board of Directors' information is updated as of 26 February 2021

KWAH THIAM HOCK, 74

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
14 years 7 months[2]

Board Committee(s) Membership
- Nominating Committee - Chairman
- Remuneration Committee - Chairman
- Audit Committee - Member

Present directorship(s) in other listed company(ies)
- Excelpoint Technology Ltd - Director
- Teho International Inc Ltd - Director

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

Past directorship(s) in listed company(ies) held over the preceding five years
- IFS Capital Limited - Director
- Select Group Limited - Director

Working and professional experience(s)
Extensive experience in Accounting and Finance

Academic and professional qualification(s)
- Bachelor of Accountancy, University of Singapore
- Fellow, Certified Public Accountants of Australia
- Fellow, Association of Chartered Certified Accountants, UK
- Fellow, Chartered Accountants of Singapore

KISHORE MAHBUBANI, 72

Non-Executive and Independent Director

Date of first appointment as Director
1 January 2016

Date of last re-election as Director
24 April 2019

Length of service as Director
5 years 2 months

Present directorship(s) in other listed company(ies)
- Zurich Insurance Group Ltd - Director

Present principal commitment(s)
- Zurich Insurance Company Ltd - Director
- Aggregate Asset Management Pte Ltd - Chairman

Working and professional experience(s)
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, Dahousie University, Canada
- Post Graduate Fellowship Programme in International Affairs, Harvard University, USA
- Distinguished Fellow, Asia Research Institute at National University of Singapore

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

BOARD OF DIRECTORS

WEIJIAN SHAN, 67

Non-Executive and Independent Director

Date of first appointment as Director
1 January 2018

Date of last re-election as Director
25 April 2018

Length of service as Director
3 years 2 months

Present principal commitment(s)
- PAG Group - Chairman and Chief Executive Officer

Past directorship(s) in listed company(ies) held over the preceding five years
- Bank of China (Hong Kong) Limited - Director
- TCC International Holdings Limited (Delisted) - Director

Working and professional experience(s)
Extensive experience in Banking and Finance

Academic and professional qualification(s)
- Graduated from Beijing Institute of Foreign Trade, China
- Doctor of Philosophy and Master of Arts, University of California, USA
- Master of Business Administration, University of San Francisco, USA

TEO SIONG SENG, 66

Non-Executive and Independent Director

Date of first appointment as Director
1 May 2019

Date of last re-election as Director
12 June 2020

Length of service as Director
1 year 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
- Cosco Shipping Energy Transportation Co Ltd - Director
- Keppel Corporation Limited - Director

Present principal commitment(s)
- Pacific International Lines (Private) Limited - Executive Chairman
- Business China - Director
- Enterprise Singapore - Director
- Singapore Business Federation - Immediate Past Chairman
- United Republic of Tanzania - Honorary Consul in Singapore
- Singapore Chinese Chamber of Commerce and Industry - Honorary President
- National University of Singapore - Pro-Chancellor

Working and professional experience(s)
Extensive experience in shipping, logistics container and manufacturing industries

Academic and professional qualification(s)
Bachelor of Science in Naval Architecture and Ocean Engineering (First Class Honours), Glasgow University, UK

Board of Directors' information is updated as of 26 February 2021

SOH GIM TEIK, 66

Non-Executive and Independent Director

Date of first appointment as Director
1 December 2019

Date of last re-election as Director
12 June 2020

Length of service as Director
1 year 3 months

Present directorship(s) in other listed company(ies)
- BBR Holdings (S) Ltd - Director

Present principal commitment(s)
- Finix Corporate Advisory LLP - Partner
- The Farrer Park Company Pte Ltd - Director
- Farrer Park Hospital Pte Ltd - Chairman
- EDBI Pte Ltd - Director
- Singapore Science Centre - Deputy Chairman
- Consortium for Clinical Research and Innovative Singapore Pte Ltd - Director
- Digiassets Exchange (Singapore) Pte Ltd - Director
- Agency for Science, Technology and Research (A*Star) - Director
- Advisory Committee on Accounting Standards of Statutory Boards with the Accountant-General's Office - Member
- Audit and Risk Committee of MOH Holdings Pte Ltd - Chairman

Past directorship(s) in listed company(ies) held over the preceding five years
- QAF Limited - Director
- UMS Holdings Limited - Director
- KS Energy Limited - Director

Working and professional experience(s)
Extensive experience in corporate advisory

Academic and professional qualification(s)
Bachelor of Accountancy, University of Singapore

JUAN RICARDO LUCIANO, 59

Alternate Director to Raymond Guy Young

Date of first appointment as Alternate Director
28 December 2018

Length of service as Alternate Director
1 year 2 months

Present directorship(s) in other listed company(ies)
- Archer Daniels Midland Company - Chairman, President and Chief Executive Officer
- Eli Lilly and Company - Lead Director

Present principal commitment(s)
- Intersect Illinois - Director
- The US-China Business Council - Director
- Economic Club of Chicago and the Commercial Club of Chicago - Member
- Business Roundtable - Member
- Global Advisory Board of Kellogg School of Management at Northwestern University - Member

Working and professional experience(s)
Extensive experience in agricultural processors and food ingredients

Academic and professional qualification(s)
Bachelor of Science in Industrial Engineering, Buenos Aires Institute of Technology, Argentina

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of Directors of Wilmar International Limited ("Wilmar") seeking re-election at the Annual General Meeting on 15 April 2021 is set out below.

NAME OF DIRECTOR	MR LIM SIONG GUAN	MR KUOK KHOON HONG
Date of Appointment	1 January 2018	24 March 2006
Date of last re-appointment (if applicable)	25 April 2018	24 April 2019
Age	73	71
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	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 Kuok's skills, knowledge, experience and commitment in the discharge of his duties as Chairman and Chief Executive Officer ("CEO") of Wilmar, and is satisfied that he will continue to contribute to and guide the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Mr Kuok is overall in charge of the management of the Wilmar Group with particular focus on new business development.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Lead Independent Director • Risk Management Committee Chairman • Audit Committee member • Nominating Committee member • Remuneration Committee member	• Chairman and CEO • Executive Committee Chairman • Share Purchase Committee Chairman • Nominating Committee member • Risk Management Committee member
Professional qualifications	• Bachelor of Engineering in Mechanical Engineering (First Class Honours), University of Adelaide, Australia • Post Graduate Diploma in Business Administration, National University of Singapore	Bachelor of Business Administration, University of Singapore
Working experience and occupation(s) during the past 10 years	Group President of GIC Pte. Ltd.	Chairman and CEO of Wilmar
Shareholding interest in the listed issuer and its subsidiaries	Can be found in the "Directors' Statement" section of the Annual Report 2020.	
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	NIL	• Cousin of Mr Kuok Khoon Ean and Mr Kuok Khoon Hua, Non-Executive and Non-Independent Directors of Wilmar • Cousin of Ms Teo La-Mei, Executive Director of Wilmar
Conflict of interest (including any competing business)	NIL	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships **• Past (for the last 5 years)** **• Present**	Can be found in the "Board of Directors" section of the Annual Report 2020.	
Information required under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	The responses under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST issued previously for appointment as a new Director ie. "No" remain unchanged.	

Information as at 26 February 2021

MR PUA SECK GUAN	MR KISHORE MAHBUBANI
1 January 2016	1 January 2016
24 April 2019	24 April 2019
57	72
Singapore	Singapore
The Board considered the Nominating Committee's recommendation and assessment of Mr Pua's skills, knowledge, experience and commitment in the discharge of his duties as Executive Director and Chief Operating Officer ("COO") (part-time) 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.
Executive Mr Pua oversees and manages the business and Information Technology divisions of the Wilmar Group and assists CEO Mr Kuok Khoon Hong in the development of new businesses.	Non-Executive
• Executive Director and COO (Part-time) • Executive Committee member • Share Purchase Committee member	• Non-Executive and Independent Director
• Bachelor of Science in Building (First Class Honours), National University of Singapore • Master of Science in Civil Engineering, Massachusetts Institute of Technology, USA	• Bachelor of Arts in Philosophy (First Class Honours), University of Singapore • Master of Arts in Political Philosophy & Honorary Doctorate, Dahousie University, Canada • Post Graduate Fellowship Programme in International Affairs, Harvard University, USA • Distinguished Fellow, Asia Research Institute at National University of Singapore
• Executive Director and COO of Wilmar (Part-time) • Executive Director and CEO of Perennial Holdings Private Limited (formerly known as Perennial Real Estate Holdings Limited) (delisted)	Long distinguished career in diplomacy and academia.
Can be found in the "Directors' Statement" section of the Annual Report 2020.	
NIL	NIL
NIL	NIL
Yes	Yes
Can be found in the "Board of Directors" section of the Annual Report 2020.	

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

KEY MANAGEMENT TEAM

MR KUOK KHOON HONG
Chairman & Chief Executive Officer

MR PUA SECK GUAN
Chief Operating Officer & Executive Director

MS TEO LA-MEI
Executive Director, Group Legal Counsel and Company Secretary

MR MU YANKUI
Executive Vice Chairman, China

MR NIU YU XIN
General Manager, China

MR YEE CHEK TOONG
Country Head, Malaysia

MR DARWIN INDIGO
Country Head, Indonesia

MR MATTHEW JOHN MORGENROTH
Group Technical Head

CAPTAIN KENNY BEH HANG CHWEE
Group Head, Shipping

MR THOMAS LIM KIM GUAN
Group Head, Edible Oils

MR JEAN-LUC ROBERT BOHBOT
Group Head, Sugar

MR RAHUL KALE
Group Head, Oleochemicals & Biofuels

MR HOR KOK CHING
General Manager, Oilseeds & Grains

PROFESSOR CHUA NAM-HAI
Chief Scientific Advisor

MR CHARLES LOO CHEAU LEONG
Chief Financial Officer

MS SNG MIOW CHING
Group Financial Controller

MR JEREMY GOON
Chief Sustainability Officer

MR PATRICK TAN SOO CHAY
Group Head, Internal Audit

MR JEREMY TAN KOK LIANN
Group Head, Human Resources

MR TAN KAH CHAI
Chief Information Officer

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
Raymond Guy YOUNG*
LIM Siong Guan
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
Weijian SHAN
TEO Siong Seng
SOH Gim Teik

* Juan Ricardo LUCIANO is alternate to Raymond Guy YOUNG

EXECUTIVE COMMITTEE
KUOK Khoon Hong *(Chairman)*
PUA Seck Guan

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

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

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

SHARE PURCHASE COMMITTEE
KUOK Khoon Hong *(Chairman)*
PUA Seck 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

REGISTERED OFFICE
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Facsimile: (65) 6536 2192
info@wilmar.com.sg
www.wilmar-international.com

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

AUDITOR
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-Charge: LIM Tze Yuen
(With effect from financial year ended 31 December 2019)

Information as at 26 February 2021

RISK MANAGEMENT

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

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

OPERATING UNITS
- Monitors respective risks
- Ensures compliance to trading policies and 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

Our reporting currency is U.S. Dollars (USD). The Group operates in both developed and emerging markets and is exposed to foreign exchange risk in our normal course of business. In our larger markets, exports from Indonesia and Malaysia are mostly denominated in USD while imports into China are denominated in either USD or Renminbi. The majority of our expenses and sales elsewhere are denominated in the respective local currency. We manage our foreign currency risk through executing hedges in the over-the-counter foreign exchange market, product pricing and structuring natural hedges in our business where possible. These strategies mitigate the adverse impact of foreign exchange volatility on our financial position.

INTEREST RATE RISK

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

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 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")

Chairman & CEO

Board/Group Secretary

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 including sustainability issues • 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 Management • 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 Senior Management • Study market trends relating to incentives in remunerating employees and determine performance measures criteria • Administer the Company's share options 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)

● Independent Directors ○ Executive Directors/Key Management

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 2020, with specific reference to the express disclosure requirements in the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "Code"). The Company has complied with the Code's principles of corporate governance and also substantially with the provisions underlying the principles of the Code. In so far as any provision has not been complied with, the rationale for varying from the provision is set out in this report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The primary role of the Board is to provide entrepreneurial leadership and set the overall business direction of the Group. The Board constantly seeks to protect long term shareholder value and enhance the returns to the Company. The Board is committed to continually sustain value creation and broaden 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 Management 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; 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 the Director faces a conflict of interest, he or she should disclose this and recuse himself or herself from meetings, deliberations and decisions involving the issue that is the subject of conflict.

Delegation of Duties by the Board

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

Executive Committee

The Exco comprises two Executive Directors ("EDs") namely, Mr Kuok Khoon Hong (Chairman and Chief Executive Officer ("CEO")) 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 key management personnel ("KMP") to manage engagements with key stakeholder groups and recognise and mitigate adverse perceptions which would affect the Company's business and reputation;
6. general management and operational matters; and
7. monitor Group performance.

Share Purchase Committee

The Share Purchase Committee ("SPC") comprises two EDs namely, Mr Kuok Khoon Hong (Chairman and CEO) and Mr Pua Seck Guan (COO). 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).

Other than the Exco and SPC, the following Board Committees, which are made up of Independent Directors or a majority of Independent Directors, provide further safeguards to prevent an uneven concentration of power, authority and decision in a single individual:

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

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

Key Features of Board Processes

The Board aims to conduct 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's approval, are circulated to all Directors for their consideration and decision. As provided for in the Company's Constitution, Directors may also participate in Board meetings by tele-conferencing and/or video-conferencing.

Three Board meetings were held in the financial year ended 31 December 2020 (FY2020) to review and to approve, *inter alia*, the Company's and the Group's financial results for the third quarter, half and full years. Due to constraints posed by the Covid-19 pandemic, the financial results for the first quarter of 2020 were approved by way of circular Board resolution taking into consideration comments made by Board members. The deliberations and discussions taken at the Board and Board Committee meetings are minuted. The Company Secretary attends all Board meetings and minutes the proceedings. The agenda for Board and Board Committee meetings are prepared in consultation with the Chairman and the respective Board Committees' Chairs.

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

As part of good corporate governance, all Directors are invited to attend meetings held by the AC and the RMC. For the RC and NC meetings, these are attended only by Independent Directors but with the Chairman and CEO participating by invitation for 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, including all appropriate recommendations for approval by the Board.

Attendance at Board and Board Committee Meetings

The attendance of Directors at the Board and Board Committee meetings held in FY2020 is as follows:

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

Notes:

(1) Three meetings were held in FY2020 to review and to approve, *inter alia*, the Company's and the Group's financial results for the third quarter, half and full year. Due to constraints posed by the Covid-19 pandemic, the financial results for the first quarter of 2020 were approved by way of circular board resolutions, taking into consideration comments made by Board members.

(2) Mr Weijian Shan did not attend one of the Board meetings due to a prior engagement.

CORPORATE GOVERNANCE

Board Orientation and Training

All newly appointed Directors receive a formal letter from the Company setting out the roles and responsibilities of a Director of the Company and a set of guidance notes which explain the duties and obligations of a Director under the Singapore Companies Act (the "Act"), the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Securities & Futures Act. Arrangements are made for new Directors who have no prior experience as a Director of a listed company to undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST. Newly appointed Directors are also 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.

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. Such programmes are funded by the Company. The professional development programmes attended by some Directors in the course of FY2020, as well as in-house briefings organised for Board members, include the following:

1. AC Seminar 2020 jointly organised by the Accounting and Corporate Regulatory Authority ("ACRA"), Singapore Exchange ("SGX") and Singapore Institute of Directors ("SID");
2. update on IT Risk and Security Issues Faced by Wilmar Group by Wilmar's Chief Information Officer ("CIO"); and
3. Directors' Virtual Conference 2020 organised by SID.

The Board is 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 auditors, Management and the Company Secretary. The Company also organises on-site visits to the Group's key operating facilities overseas for Directors from time to time 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, ACRA, the Company's external auditors and professional advisors, which are relevant to Directors, are also circulated to the Board. The Chairman and the NC Chairman may jointly and regularly review and agree with each Director his or her training and professional development needs.

Access to Complete, Adequate and Timely Information

The Board receives complete and adequate reports and discussion papers about a week before scheduled Board and Board Committee meetings, enabling them to make timely and informed decisions to discharge their duties and responsibilities effectively. Amongst other reports, the Board is also provided with reports from the internal and external auditors and the Risk Management teams. These reports include 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.

In addition to members of the Board being briefed by the CEO at every Board meeting, 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.

The Board has direct, independent and unrestricted access to the Key Management Team ("KMT") of the Group, including the Chief Financial Officer ("CFO"), Group Financial Controller, Group Treasurer, Chief Sustainability Officer, Group Head, Human Resources ("HR Head"), CIO and Company Secretary at all times. The Board is kept updated on changes to the Management organisation structure and contact details of all KMP are furnished to the Directors to ensure direct access to Management to promote and facilitate good information flow between the Board and Management. Requests for information from the Board are dealt with promptly by Management. To enable Directors to discharge their duties effectively, they are free to seek independent professional advice, if necessary, at the Group's expense.

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 of the Company in ensuring good information flows within the Board and its Board Committees and between Management 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

Board Size and Board Composition

The Board, through regular reviews by the NC, seeks to ensure an appropriate balance of experience, competencies and knowledge among the Directors to provide effective entrepreneurial leadership to the Company.

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

As at the date of this report, the Board comprises 13 Directors – one female and 12 male Directors and a male Alternate Director. Taking into account the complex nature and wide scope of the Group's business and operations, the Board considers a Board size of 13 members as appropriate.

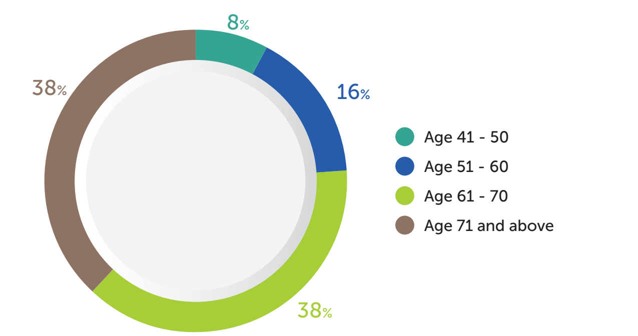
The Board is made up of Directors of different nationalities and races, with a wide range in age and skills, experience and qualifications, ranging from banking, finance, insurance, corporate restructuring, strategy and analytics, accounting, legal, IT and risk management expertise to industry knowledge,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

Key information on Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2020.

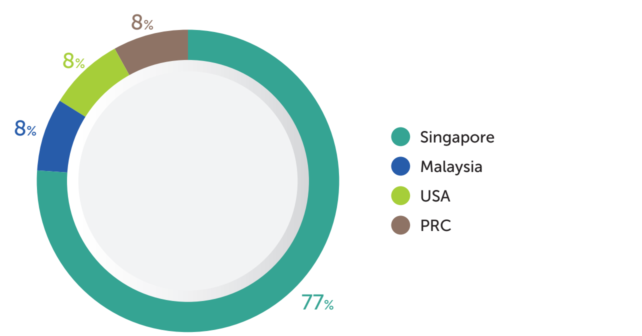
CORPORATE GOVERNANCE

The following charts set out the diversity and balance in the composition of the Wilmar Board as at the end of FY2020:

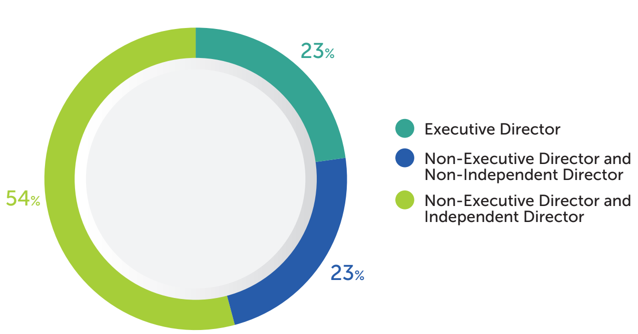
AGE SPREAD



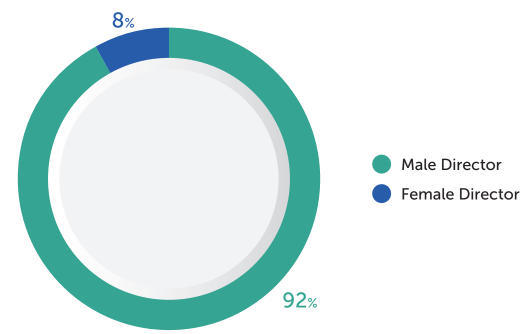
NATIONALITY SPREAD



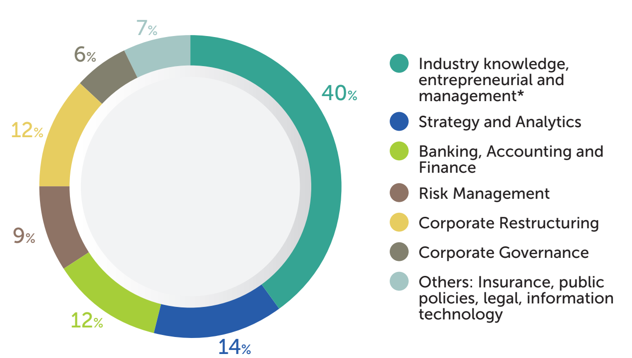
BOARD INDEPENDENCE



GENDER DIVERSITY

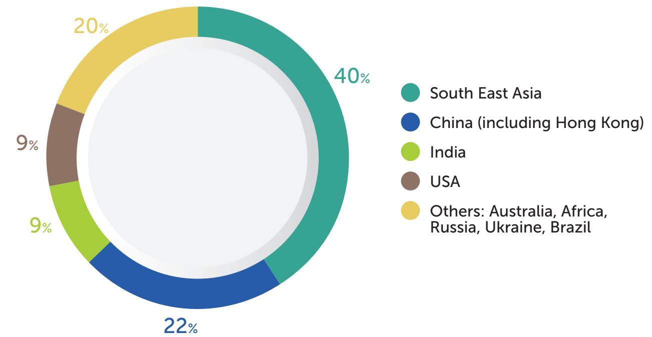


EXPERTISE AND EXPERIENCE MATRIX



* Includes shipping, commerce, investment

EXPERTISE AND EXPERIENCE BY GEOGRAPHY



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

Non-Executive Directors make up a majority of the Board. With their knowledge and competency in their respective fields, Non-Executive Directors provided constructive advice and good governance guidance for the Board to discharge its principal functions effectively. Non-Executive and Independent Directors provided independent and constructive check on Management. EDs provided insights on the Company's day-to-day operations, as appropriate, and also provided Management's views without undermining management accountability to the Board and collaborate closely with Non-Executive Directors for the long term success of the Company. The Independent Directors led by the Lead Independent Director (the "Lead ID") are free to discuss company matters without Management being present. The Lead ID may provide feedback to the Board Chairman after such discussions.

Board Independence

The NC evaluates the independence of all Independent Directors annually based on 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 2018 ("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 interests of the Company.

For the year under review, all seven Independent Directors, namely Mr Lim Siong Guan, Mr Tay Kah Chye, Mr Kwah Thiam Hock, Mr Kishore Mahbubani, Mr Weijian Shan, Mr Teo Siong Seng and Mr Soh Gim Teik completed a declaration of independence form ("Declaration Form"), whereby they were required to assess their independence and submit it to the NC for review. The Independent Directors are required to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into consideration the views of the NC, determines that such Directors are still independent, notwithstanding the existence of such relationships, it will disclose the reasons for maintaining its view.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022, the continued appointment as an Independent Director in respect of the two long serving Independent Directors, namely Mr Kwah Thiam Hock and Mr Tay Kah Chye, who have served on the Board since 14 July 2006 was approved in separate resolutions by shareholders at the Company's annual general meeting ("AGM") held on 12 June 2020. Their re-appointment will be until their retirement or resignation, or the conclusion of the third AGM following the passing of the resolution, whichever is the earliest. Based on the assessment of their performance for FY2020, 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 over the years in the discharge of their duties and responsibilities as Independent Directors of the Company.

In the case of Mr Teo Siong Seng who is the Executive Chairman and Managing Director of Pacific International Lines (Private) Limited ("PIL"), a container shipping company offering container liner service, Mr Teo together with his immediate family members held a controlling stake in PIL during FY2020. In his annual Declaration Form, he declared that PIL had offered shipping services to Raffles Shipping International Pte. Ltd. ("RSI"), an indirect wholly-owned subsidiary of Wilmar and that all contracts were negotiated independently. For FY2019 and FY2020, PIL received freight charges amounting to US$4.2 million and US$675,000 respectively from RSI.

In assessing Mr Teo's independence, the NC took into account the fact 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 PIL) are transacted on arm's length terms and at market price; and
2. Mr Teo was not involved in any way in the decisions by RSI or Wilmar to use PIL or for that matter, any container liner company for the shipping of the Wilmar Group's products.

CORPORATE GOVERNANCE

The NC is of the view that Mr Teo should be considered independent, notwithstanding that the value of the transactions between RSI and PIL exceeds the S$200,000 threshold for any financial year 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 existing 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 Weijian Shan and Mr Soh Gim Teik do not have any relationships identified in the Listing Manual of the SGX-ST, the Code and CGPG which may affect their independent judgement. The NC is satisfied that the abovementioned Directors have continued to maintain independence in their oversight role. They have demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in their conduct in the discharge of their duties and responsibilities as Independent Directors of the Company.

Taking into account the above, the Board concurred with the NC that Mr Lim Siong Guan, Mr Tay Kah Chye, Mr Kwah Thiam Hock, Mr Kishore Mahbubani, Mr Weijian Shan, Mr Teo Siong Seng and Mr Soh Gim Teik are considered as Independent Directors. Each of the Directors has recused himself in the assessment of his own independence in this review.

As the number of Independent Directors of the Company made up more than half of the Board composition, this provides a strong and independent element on the Board which facilitates the exercise of independent and objective judgement on its corporate affairs. This is in line with the Code which prescribes that, where the Chairman of the Board is also the CEO, the Independent Directors should make up a majority of the Board.

The Board is also satisfied that in FY2020, all Directors exercised independent judgement and made decisions objectively in the best interests of the Group.

Principle 3: Chairman and Chief Executive Officer

Wilmar's Chairman and CEO positions are filled by the same person, Mr Kuok Khoon Hong. In Wilmar's case, combining the roles of Chairman and CEO brings about exceptional leadership and clear accountability and unequalled depth of knowledge to deal with the Group's strategic challenges and growth opportunities.

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 Mr Pua Seck Guan, the COO to oversee and manage the business divisions of the Group and in the development of new businesses. Mr Kuok and Mr Pua are not related to each other.

In his dual role, 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 the maximum potential for the Group and grow the business more effectively. The effectiveness of this arrangement is proven by the fact that Wilmar became a Fortune 500 company in 2009 and is one of Asia's largest agribusiness groups, less than 20 years after its inception and has continued to grow its operations with consistent profit, even during difficult times.

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

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

The role of the Chairman and CEO is not separate as there is adequate accountability and transparency reflected by internal controls established within the Group as well as the fact that the majority of the Board and full or majority of the Board Committees comprise Independent Directors, which add a greater element of independence to Board and Board Committees decisions to prevent an uneven concentration of power and authority in a single individual.

Mr Lim Siong Guan, the Lead ID plays an additional facilitative role within the Board, and where necessary, he may also 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 also acts as a counter-balance on management issues in the decision-making process. The role of Mr Lim as the Lead ID may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest, as and when necessary. In addition, Mr Lim may also 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 ID.

The NC met once in 2020. 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 its 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 KMP; 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 carry 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.

CORPORATE GOVERNANCE

While 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, no limit has been set as 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 FY2020, each of the Directors was able to give sufficient time and attention to the affairs of the Company and has diligently discharged his or her duties as a Director of the Company.

Succession Planning

The Board embraces the philosophy that a good Board needs the support of a strong and effective KMT. As part of the process of succession planning, the Company, which is supportive of gender and workforce diversity, 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.

Process for Selection and Nomination of New Directors

In line with the NC's guiding principle of selecting the most suitable persons for Director appointments, the NC taps on its network of contacts and recommendations from Directors and/or may engage external professionals to assist with identifying and short-listing the most competent individuals who are capable of contributing to the success of the Group. In the selection process for the appointment of new Directors, the NC also takes into consideration, the diversity in skills, experience, gender, age and industry knowledge as well as the desired competencies of the potential candidate. 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 submits its recommendations to the Board for approval.

Rotation and Re-election of Directors

The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM taking into consideration the composition and the need for progressive renewal of the Board. 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. 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.

The NC has, in its deliberations on the re-election of existing Directors, taken into consideration the relevant Director's contribution and performance. The assessment parameters include attendance record and degree of participation at meetings of the Board and Board Committees as well as the quality of participation and contributions. The Directors who are retiring and wish to be re-elected, have provided their consent to seek re-election at the AGM.

Principle 5: Board Performance

The NC conducts formal assessments of the effectiveness of the Board, Board Committees and the contributions of Directors on an annual basis. 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.

Board assessment is done on a collective basis by requiring each Director to complete an electronic evaluation form which covers areas such as Board processes, Board accountability, Board knowledge of key risk management and internal control issues as well as guidance to Management. The assessment of the effectiveness of Board Committees is done by the respective Board Committee members. As for the appraisal of the contributions of Directors, the evaluation is done collectively based on several factors including Directors' effective contributions and their knowledge of the Group's business operations and regulatory requirements. The reason for adopting a collective evaluation instead of peer evaluation by each Director is to maintain and promote unity amongst Board members through constructive communication within the Board. The assessment of the Board Chairman is done through assessment of him in his concurrent role as CEO. 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. The responses to the assessment factors are discussed at the NC and Board meetings and the summarised results are presented to the NC and the Board for review and decision to implement appropriate actions to enhance key areas (if any) that have been identified for improvement.

The NC, having assessed the performance of the Board and Board Committees and the contributions of Directors for FY2020, is pleased to report that there were no significant issues that warrant the Board's attention. The results of the assessments were satisfactory and accepted by the Board.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") assists the Board to ensure competitive compensation policies and packages are put in place. The scope of the RC covers review of all aspects of remuneration packages for individual Directors and KMP (including Directors' fees, salaries, allowances, bonuses, share options, benefit in kind and termination payments) which aim to be fair. 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 Non-Executive and Independent Directors and no Director is involved in deciding his own remuneration.

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

1. review and recommend to the Board, a framework of remuneration for the Board and KMP. 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 KMP;
3. implement and administer the Company's share options plan;
4. review the Group's obligations arising in the event of termination of the EDs and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and
5. review the development of senior staff and assess their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

RC members are assisted by the Company's HR Head, who provides useful inputs on surveys conducted by independent HR consultants on market expectation of salary increments and bonuses for senior executives. The HR Head also provides benchmarks of remuneration packages paid by comparable companies in various industries so as to ensure that Wilmar's remuneration packages remain competitive and are in line with market rates.

Principle 7: Level and Mix of Remuneration

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

CORPORATE GOVERNANCE

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 linkage to performance and value creation are satisfied when determining the executives' remuneration packages.

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. With greater stabilisation in the Group's business, the RC will consider in future some tweaking of the ratio between fixed and variable components of the remuneration package.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 and long term success for the Company and to strengthen the ownership culture among its Senior Management and Key Executives in times of rapid globalisation.

Non-Executive 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. The RC seeks to ensure that the Directors' fees of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities, and to attract, retain and motivate the Non-Executive Directors to provide good stewardship of the Company. To align the interests of Non-Executive Directors with the interests of shareholders, they also participate in the Company's share option scheme. The RC ensures that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

The structure of Directors' fees for FY2020 is as follows:

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

Chairman's Fee

NAME OF BOARD COMMITTEES	FY2020 S$
Audit Committee	40,000
Risk Management Committee	40,000
Remuneration Committee	20,000
Nominating Committee	20,000

Member's Fee

NAME OF BOARD COMMITTEES	FY2020 S$
Audit Committee	20,000
Risk Management Committee	20,000
Remuneration Committee	10,000
Nominating Committee	10,000

To drive management behaviour and performance as well as to reflect the Company's commitment to protecting shareholder value and to ensure accountability for actions, the remuneration of the KMT and selected senior executives is subject to a clawback scheme which was implemented in May 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 from time to time.

Principle 8: Disclosure on Remuneration

The breakdown of the remuneration of the Directors and the top five Key Executives of the Company for FY2020 is as follows:

Name of Directors	Proposed Directors' Fee	Salary inclusive of employer's CPF[1]	Benefits	Amortisation of Share Option Expenses[2]	Variable Bonus	Total
Executive Directors	S$	S$	S$	S$	S$	S$
Kuok Khoon Hong	Nil	1,087,650	46,270	211,485	8,000,000	9,345,405
Pua Seck Guan (part-time)	Nil	565,260	38,460	140,990	1,850,000	2,594,710
Teo La-Mei	Nil	657,180	600	105,743	1,150,000	1,913,523
Non-Executive Directors						
Kuok Khoon Ean	80,000	-	-	37,000	-	117,000
Kuok Khoon Hua	80,000	-	-	37,000	-	117,000
Raymond Guy Young[3] (Alternate Director: Juan Ricardo Luciano)	80,000	-	-	37,000	-	117,000
Lim Siong Guan (Lead ID)	180,000	-	-	37,000	-	217,000
Tay Kah Chye	160,000	-	-	37,000	-	197,000
Kwah Thiam Hock	140,000	-	-	37,000	-	177,000
Kishore Mahbubani	80,000	-	-	37,000	-	117,000
Weijian Shan	80,000	-	-	37,000	-	117,000
Teo Siong Seng	80,000	-	-	37,000	-	117,000
Soh Gim Teik	80,000	-	-	22,200	-	102,200
Total	1,040,000	2,310,090	85,330	813,418	11,000,000	15,248,838

Top 5 Key Executives

Name	Salary inclusive of employer's CPF[1]	Bonus and other benefits	Amortisation of Share Option Expenses[2]	Total
Jean-Luc Bohbot				
Thomas Lim Kim Guan				
Mu Yankui	23%	74%	3%	100%
Rahul Kale				
Matthew John Morgenroth				

The aggregate remuneration of the top five Key Executives is S$16,016,072. 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 the remuneration of its top five Key Executives due to the competitiveness of the industry for key talent.

Notes:
(1) The remuneration reported includes all forms of remuneration from the Group. Save as disclosed, they do not receive any other remuneration from the Group.
(2) The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Executive Option Valuation Module and binomial options pricing model respectively.
(3) Fee is payable to Archer Daniels Midland Company.

Remuneration of Immediate Family Member(s) of Director(s)

Ms Kuok Yit Li, a 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, a son of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is employed as an Executive in the Trading Department. Both of their remuneration for FY2020 are in the range of S$50,000 to S$100,000.

Save as disclosed, there were no other immediate family members of the Directors employed by the Company.

CORPORATE GOVERNANCE

C. ACCOUNTABILITY & AUDIT

Principle 9: Risk Management and Internal Controls

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

The RMC is chaired by Mr Lim Siong Guan, the Lead ID. It comprises two other Board members, namely Mr Kuok Khoon Hong (Chairman and CEO) and Mr Tay Kah Chye (Non-Executive and Independent Director). The RMC met three times during FY2020.

The RMC assists the Board in overseeing the market, credit and operational risk governance in the Company 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 Wilmar Group's risk governance processes are set out in the Risk Management Report on Page 48 of the Company's Annual Report 2020.

The objectives of the RMC include the following:

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

In carrying out its duties, the RMC is currently assisted by the Executive Risk Committee ("ERC"). The ERC 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 as follows:

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 the 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 Company) 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. None of the AC members were former partners or Directors of Ernst & Young LLP ("EY"), the Company's external auditing firm and they do not hold any financial interest in EY.

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

During FY2020, 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 has the co-operation of Management, as well as reasonable resources to enable it to discharge its duties properly. It also 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 FY2020 are summarised below.

Financial Reporting

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

The AC met three times during FY2020 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 third quarter's 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. Due to constraints posed by the Covid-19 pandemic, the Executive Financial Summary for the first quarter of 2020 were approved by way of circular board resolutions, taking into consideration comments made by the AC members. 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.

CORPORATE GOVERNANCE

In the review of the financial statements for FY2020, 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 FY2020. Details can be found on page 89 of the Company's Annual Report 2020.
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 FY2020. Details can be found on page 90 of the Company's Annual Report 2020.

Following the review and discussions on the financial statements, the AC recommended to the Board to approve the full year financial statements for FY2020.

During FY2020, the AC had one meeting with the external auditor and internal auditor separately, without the presence of Management. Such meetings enable the external auditor and Group Head, Internal Audit ("IA Head") to raise issues encountered in the course of their work directly with the AC, in a free and frank manner.

Assurance from the CEO and CFO in respect of FY2020 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 AC 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 FY2020 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 auditors, 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 2020 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 FY2020, 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 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 122 of the Company's Annual Report 2020.

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 Wilmar Group and oversees the work being carried out in the respective key operational jurisdictions by the local IA department. The IA is an independent function within the Group. The IA Head reports directly to the AC functionally.

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

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 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, 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 Management members.

CORPORATE GOVERNANCE

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 has appropriate standing within the Company.

The AC reviewed and is satisfied that the IA function is independent, effective and adequately resourced.

Interested Person Transactions

The AC reviewed the Group's IPTs for FY2020 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 quarterly basis, Management reports to the AC, 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 2020 AGM, at which the IPT Mandate was last renewed.

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

The aggregate value of transactions entered into by the Group with interested persons as defined in the Listing Manual of the SGX-ST for FY2020 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$100,000)
		FY2020 US$'000	FY2020 US$'000
Archer Daniels Midland Group	Controlling shareholder and its associates	NIL	1,139,220
Associates of Kuok Khoon Ean & Kuok Khoon Hua#	Associates of Directors	38,380	24,436
Kuok Khoon Hong's Associates	Associates of Director	44,205	23,939
PPB Group Berhad and its associates	Controlling shareholder and its associates	130,823	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 that may cause financial or non-financial loss to the Group, with the assurance that they will be protected from reprisals or victimisation for whistleblowing in good faith. 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 were objectively assessed and investigation and appropriate remedial measures were taken where warranted, and if substantiated, they were reported to the AC in accordance with the guidelines set out in the Company's Whistleblowing Policy.

The implementation of the Whistleblowing Policy has been communicated to employees of the Group. The Whistleblowing Policy is also posted on the Company's website. 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 to advise on the prohibition of dealings in securities by the Company and 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 approved by the shareholders during the abovementioned trade blackout periods.
3. To further prevent insider trading of Wilmar securities, the trade blackout periods will be extended by two weeks for certain Management 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 Management staff are 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.
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 any 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 portal 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 portal. 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 including Code of Conduct, Code of Ethics 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 Company deals with fraud incidents. These compliance-related policies also cover the Anti-Bribery and Anti-Corruption policies of the Company.

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

CORPORATE GOVERNANCE

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Shareholder Rights

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

The Company's annual report which gives shareholders a balanced and understandable assessment of its performance, position and prospects, is available on Wilmar's corporate website. Printed copies of the annual report will be sent to shareholders only upon request, which is in line with Wilmar's commitment to environmental conservation. Notice of AGM and notice(s) of extraordinary general meeting(s) ("EGMs") (where applicable) are made available on Wilmar's corporate website within the prescribed notice periods set out in the Company's Constitution and the prevailing laws and regulations together with their respective circular(s) and letter(s) to sharheolders. 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 also communicate their views on any matters relating to the Company and the Group.

Conduct of General Meetings

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

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

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

The Company's 2021 AGM will also be held by electronic means pursuant to the Order. Attendance at the 2021 AGM will be via electronic means accessed via live audio-visual webcast or live audio-only stream. Questions are to be submitted to the Chairman of the Meeting ahead of the 2021 AGM. The Company will endeavour to address substantial and relevant questions at the 2021 AGM. Voting will be conducted by appointing the Chairman of the Meeting as proxy at the 2021 AGM. The results of the proxy voting will be published at the meeting and announced via the SGXNet after the conclusion of the 2021 AGM. Minutes of the 2021 AGM which will include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Senior Management, will also be available on the websites of the Company and SGX. However, to improve interaction with shareholders during the 2021 AGM, the Company will make available a "chat function" for shareholders to type and submit their questions during the AGM. The Chairman of the Meeting will endeavour to address those questions which are related to the resolutions to be tabled for approval at the 2021 AGM, live during the 2021 AGM. Details of the arrangements will be provided in the Notice of 2021 AGM which will be disseminated by electronic means via publication on the websites of the Company and SGX.

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 FY2020, the Board has recommended a final dividend of S$0.09 per ordinary share and a special dividend of S$0.065 per ordinary share. Including the interim dividend of S$0.04 per ordinary share paid in August 2020, the total dividend for the year of S$0.195 per ordinary share, represents a dividend payout of around 60% of the Group's net profits. The special dividend was recommended in commemoration of the successful listing of Yihai Kerry Arawana Holdings Co., Ltd, a 89.99%-owned subsidiary of the Company, on the Shenzhen Stock Exchange ChiNext Board on 15 October 2020.

Principle 12: Engagement with Shareholders

Disclosure of Information on a Timely Basis

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

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

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

Interaction with Shareholders

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

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

During FY2020, the IR team, together with Senior Management, engaged with over 200 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

E. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board has adopted an inclusive approach by balancing the needs and interests of material stakeholders, beyond shareholders. This is done through 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 is undertaken and executed is described in the following summary table during FY2020. Please also refer to https://www.wilmar-international.com/sustainability/policies/stakeholder-engagement for specific stakeholder engagement with regards 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 in Intranet • Company and Department wide social and team-building activities • Announcements and memos from HR and Management where appropriate
	• Women empowerment & equitable employment • Health and safety • 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 • 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 • 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. For the plantation operations, Wimar partnered with Roundtable on Sustainable Palm Oil ("RSPO") to pilot "Ulula" in 2019, a phone based system for workers to raise grievances directly to Management	• 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
Shareholders and the Investing Public	• Accurate and timely updates on the Company's strategy, business and financial performance • Business outlook	• Practise good corporate governance, transparency and disclosure • Provide accurate and timely updates via SGXNet, the Company's website and regular meetings with the investing community	• AGM • Quarterly updates on financial results • 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	Regular direct engagement between Group Commercial and Sustainability teams and customers
	Supply chain management	Ensure smooth and timely supply of products	Integrated supply chain planning
Suppliers	No Deforestation, No Peat, No Exploitation ("NDPE") policy	Suppliers to comply with NDPE policy	• Proactive engagement through local offices and in collaboration with Non-Government 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 in built into the process of supplier monitoring for NDPE policy compliance and has been in place since 2014 • Wilmar's updated NDPE policy contains elements of how smallholders and local communities can be engaged in various respects to meet Wilmar's sustainability requirements. In addition, we continue to engage with NGOs to discuss cases that are linked to community and smallholder development	• 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

CORPORATE GOVERNANCE

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Government/ Regulators/ Associations	• Social responsibility • Require company to comply with local regulations	All business is done according to local laws	Comply with existing laws through implementing policies, guidelines and procedures to ensure adherence and continuous sustainability of business
Civil society	**Environmental NGOs** • Deforestation • Loss of wildlife and their habitat • Contribution of agriculture to climate change • Transparency of concession maps **Social NGOs** • Livelihood of smallholders and local communities • Respect of customary lands & restitution • Human Rights for communities and employees • Women's empowerment & equitable employment • Protecting Childrens' 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 ("FPIC"), 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 meets with NGOs several times a year to discuss updates on Wilmar's sustainability commitments • Wilmar consults across civil society in the development of key policies and procedures linked to sustainability • As members of the RSPO, European Palm Oil Alliance, Roundtable on Responsible Soy, Bonsucro (the global sugarcane platform) and Tropical Forest Alliance, Wilmar interfaces with many NGOs and other civil society in dialogue • Wilmar respects the right to collective bargaining and as a result, it has local chapters of unions in its operations. Wilmar maintains open and constructive dialogue with various trade and workers unions, as well as union confederations

MATERIAL CONTRACTS

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

Save as mentioned above, there are no other material contracts entered into by the Company or any of its subsidiaries involving the interest of the Director or controlling shareholder, which are either subsisting at the end of FY2020 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2019.

26 February 2021

FINANCIAL STATEMENTS

FINANCIAL REVIEW

CAPITAL STRUCTURE

Our efficient capital structure continues to support our business operations and maximise returns to shareholders while preserving the strength of our balance sheet. As at 31 December 2020, shareholders' funds improved by US$2.12 billion to US$18.88 billion while net loans and borrowings (net of cash, bank deposits and other deposits with financial institutions) increased by US$386.8 million to US$13.61 billion. The strong results in FY2020 brought net debt to equity ratio to 0.72x as at 31 December 2020 (31 December 2019: 0.79x).

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 predominantly funded through loans and borrowings. Higher capital expenditures (including advances paid) of US$1.98 billion was spent for the year as we continue to focus on our business expansion plans and develop complementary businesses as part of our integrated business model. The listing of our China subsidiary, Yihai Kerry Arawana Holdings Co., Ltd ("YKA"), also provides the Group with additional source of funds for these expansions.

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 net debt to equity ratio would be much lower at 0.27x after adjusting net debt level for liquid working capital.

As at 31 December	**2020** **US$ million**	2019* US$ million
Shareholders' funds	**18,882.4**	16,762.5
Net loans and borrowings	**13,605.5**	13,218.7
Net debt to equity	**0.72x**	0.79x
Liquid working capital:		
Inventories (excluding consumables)	**8,976.8**	7,565.5
Trade receivables	**5,277.9**	4,251.6
Less: Current liabilities (excluding loans and borrowings)	**(5,687.2)**	(4,700.8)
	8,567.5	7,116.3
Net loans and borrowings (excluding liquid working capital)	**5,038.0**	6,102.4
Adjusted net debt to equity	**0.27x**	0.36x

* 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 in accordance with SFRS(I) 3.

FINANCIAL REVIEW

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

Our total net debt of US$13.61 billion comprised:

As at 31 December	2020 US$ million	2019 US$ million
Short term loans and borrowings	**17,145.9**	18,288.1
Long term loans and borrowings	**6,003.6**	5,419.3
	23,149.5	23,707.4
Cash and bank balances	**5,928.2**	4,045.9
Other deposits with financial institutions - current	**3,615.8**	6,442.8
	9,544.0	10,488.7
Net loans and borrowings	**13,605.5**	13,218.7

Our net debt increased by US$386.8 million to US$13.61 billion due to higher working capital requirements, in line with the higher commodity prices and sales activities during the year. More than 87% of 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 2022 onwards. Our loans and borrowings were predominantly on floating rates.

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

Financial risk management

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

- **Credit risk.** Majority of our export sales require documentary credits from customers. Our domestic sales are executed on cash terms or where appropriate, credit terms are granted. We conduct thorough credit assessments before granting credit terms and limits to our customers, who are then monitored closely for adherence. The terms and limits are reviewed periodically and revised where necessary, taking into account customers' credit worthiness and market conditions.

- **Liquidity risk.** We maintain sufficient liquidity by monitoring our cash flow closely and maintaining sufficient credit facilities, including the use of trade financing for our raw material purchases. We also aim to maintain flexibility in funding by having available credit facilities with different banks in various countries.

- **Interest rate risk.** We have minimal exposure to interest rate risk as most of our loans and borrowings are short-term and trade related, with interest cost typically priced into our products and passed on to customers. For long-term borrowings, we may use financial instruments such as interest rate swaps to hedge or minimise the interest rate risk.

- **Foreign currency risk.** Currency risk arises as entities in the Group regularly transact or borrow in currencies other than their respective functional currencies, including US$, RMB, IDR, MYR, INR and AUD. We seek to manage our currency risk by constructing natural hedges where sales and purchases matches in the same currency or through financial instruments, such as foreign currency forward contracts. We are also exposed to currency translation risk arising from our net investments in foreign operations, which are not hedged as these currency positions are considered long-term in nature and the cost of hedging is higher than its benefits.

- **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

Net cash flows generated from operating activities in FY2020 was lower due to higher working capital requirements, as a result of high commodity prices and increased sales activities during the year. Nevertheless, the Group was still able to maintain a higher and robust cash and cash equivalents balance of US$2.58 billion as at the end of the year.

	FY2020 US$ million	FY2019 US$ million
Total cash and bank balances	**5,928.2**	4,045.9
Less: Fixed deposits pledged for bank facilities	**(1,136.1)**	(957.6)
Less: Other deposits with more than 3 months maturity	**(2,085.9)**	(975.2)
Less: Bank overdrafts	**(122.7)**	(64.2)
Cash and cash equivalents	**2,583.5**	2,048.9
Net cash flows generated from operating activities	**552.8**	3,337.6
Net cash flows used in investing activities	**(1,806.9)**	(1,686.7)
Net cash flows generated from/(used in) financing activities	**1,788.7**	(1,197.5)
Net increase in cash held	**534.6**	453.4
Turnover days:		
Inventories	**63**	71
Trade receivables	**32**	34
Trade payables	**14**	14

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

Other major applications and source of funds in FY2020 were as follows:

- US$1.98 billion was used to fund our capital expenditure for plantations development, property, plant and equipment (FY2019: US$1.81 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.

- US$1.79 billion was generated from financing activities, mainly from the proceeds received from listing YKA's shares in Shenzhen Stock Exchange ChiNext Board.

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 2020, total short-term debt stood at US$17.15 billion. Our liquid assets consisting cash, bank and structured deposits, marketable securities, receivables and inventories amounted to US$18.40 billion, which included cash and bank balances of US$2.71 billion. In addition, we have committed undrawn credit facilities of US$1.39 billion and approximately US$19.64 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 FY2021 is expected to be met mainly by internal resources and proceeds raised from the listing of YKA.

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

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

SHAREHOLDERS' RETURNS AND SHARE BUY-BACKS

For FY2020, our Board of Directors has proposed a final dividend of 9.0 Singapore cents per share. Together with the interim dividend of 4.0 Singapore cents per share paid on 27 August 2020, total dividend for FY2020 will amount to 13.0 Singapore cents per share (FY2019: 12.5 Singapore cents per share). This will result in a dividend payout ratio of approximately 40% of net profit (FY2019: 44% of net profit).

In addition, a special dividend of 6.5 Singapore cents per share is being proposed for FY2020 to commemorate the successful listing of YKA.

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 total dividends declared in FY2020 will be our highest dividend declared since listing.

During the year, the company re-purchased 44.7 million of its ordinary shares for a consideration of US$141.0 million as part of its share buyback programme. Currently, we have a share buy-back mandate which will be expiring on 15 April 2021, 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 20.1 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 2020.

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 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

KUOK Khoon Hong
PUA Seck Guan
TEO La-Mei
KUOK Khoon Ean
KUOK Khoon Hua
Raymond Guy YOUNG
LIM Siong Guan
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
Weijian SHAN
TEO Siong Seng
SOH Gim Teik
Juan Ricardo LUCIANO is alternate to Raymond Guy YOUNG

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (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 1.1.2020**	**As at 31.12.2020**	**As at 21.01.2021**	**As at 1.1.2020**	**As at 31.12.2020**	**As at 21.01.2021**
The Company						
(Ordinary Shares)						
Kuok Khoon Hong	2,495,000	1,990,000	1,990,000	793,431,935	807,307,435	807,307,435
Pua Seck Guan	–	–	–	200,000	860,000	860,000
Teo La-Mei	702,000	1,197,000	1,197,000	–	–	–
Kuok Khoon Ean	–	400,000	400,000	53,467,479	55,667,479	55,667,479
Kuok Khoon Hua	680,000	680,000	680,000	52,970,221	54,946,021	54,946,021
Tay Kah Chye	100,000	200,000	200,000	100,000	200,000	200,000
Kwah Thiam Hock	100,000	300,000	300,000	100,000	200,000	200,000
Kishore Mahbubani	–	–	–	10,000	10,000	10,000
Teo Siong Seng	20,000	20,000	20,000	–	–	–
(Share options exercisable at S$3.05 per share)						
Kuok Khoon Ean	400,000	–	–	–	–	–
Tay Kah Chye	300,000	–	–	–	–	–
Kwah Thiam Hock	300,000	–	–	–	–	–
(Share options exercisable at S$3.04 per share)						
Kuok Khoon Hong	1,005,000	510,000	510,000	–	–	–
Pua Seck Guan	1,000,000	340,000	340,000	–	–	–
Teo La-Mei	750,000	255,000	255,000	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	500,000	500,000	500,000	–	–	–
Tay Kah Chye	500,000	500,000	500,000	–	–	–
Kwah Thiam Hock	500,000	500,000	500,000	–	–	–
Kishore Mahbubani	500,000	500,000	500,000	–	–	–
(Share options exercisable at S$3.94 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	–	–	–
Raymond Guy Young	–	500,000	500,000	–	–	–
Lim Siong Guan	–	500,000	500,000	–	–	–
Tay Kah Chye	–	500,000	500,000	–	–	–
Kwah Thiam Hock	–	500,000	500,000	–	–	–
Kishore Mahbubani	–	500,000	500,000	–	–	–
Weijian Shan	–	500,000	500,000	–	–	–
Teo Siong Seng	–	500,000	500,000	–	–	–
Soh Gim Teik	–	300,000	300,000	–	–	–

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, at the beginning of the financial year 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 approved by shareholders at the Company's extraordinary general meeting ("EGM") held on 29 April 2009. It was adopted to replace the Wilmar Executives Share Option Scheme 2000 ("Wilmar ESOS 2000") which expired on 29 April 2009.

No options were granted in 2020 under the Wilmar ESOS 2009 which 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 2020, options for a total of 47,458,400 ordinary shares were exercised, a total of 153,015,700 ordinary shares had lapsed/expired and a total of 21,080,900 ordinary shares remain valid until their respective expiry dates.

2015 Grant

On 18 June 2015, the Company granted options to subscribe for a total of 52,400,000 ordinary shares of the Company at S$3.05 per share (at a 7.63% 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. Outstanding options which were not exercised have expired on 19 June 2020.

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) 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 2020, the number of outstanding ordinary shares that were not exercised under this option grant was 21,080,900 (including the retention of the outstanding option to subscribe for 600,000 ordinary shares granted to Mr Yeo Teng Yang, the former Lead Independent Director of the Company who retired on 24 April 2019. This option continues to be valid till its expiry date).

All options granted under the 2015 Grant and 2017 Grant are valid for a period of five years from the dates of their respective grants 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")

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. 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

SHARE OPTIONS EXERCISED

Options for a total of 20,075,500 ordinary shares of the Company were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009.

UNISSUED SHARES UNDER OPTION

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

Date of Grant	As at 1.1.2020	No. of options granted	No. of options lapsed/ expired	No. of options exercised	As at 31.12.2020	Exercise Price	Exercise Period
Wilmar ESOS 2009							
18.06.2015	4,709,964	–	(883,964)	(3,826,000)	–	S$3.05	19.06.2017 to 18.06.2020
18.06.2015	3,283,564	–	(62,914)	(3,220,650)	–	S$3.05	19.06.2018 to 18.06.2020
18.06.2015	4,693,472	–	(93,622)	(4,599,850)	–	S$3.05	19.06.2019 to 18.06.2020
Sub-total	12,687,000	–	(1,040,500)	(11,646,500)	–		
08.09.2017	12,175,450	–	(906,000)	(4,684,050)	6,585,400	S$3.04	09.09.2019 to 08.09.2022
08.09.2017	9,370,350	–	(376,200)	(3,744,950)	5,249,200	S$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,654,300	–	(408,000)	–	9,246,300	S$3.04	09.09.2021 to 08.09.2022
Sub-total	31,200,100	–	(1,690,200)	(8,429,000)	21,080,900		
Wilmar ESOS 2019							
29.09.2020	–	16,541,400	–	–	16,541,400	S$3.94	30.09.2022 to 29.09.2025
29.09.2020	–	11,741,400	–	–	11,741,400	S$3.94	30.09.2023 to 29.09.2025
29.09.2020	–	12,097,200	–	–	12,097,200	S$3.94	30.09.2024 to 29.09.2025
Sub-total	–	40,380,000	–	–	40,380,000		
Grand Total	43,887,100	40,380,000	(2,730,700)	(20,075,500)	61,460,900		

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 31.12.2020	Aggregate options exercised since commencement of the option scheme to 31.12.2020	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2020	Aggregate options outstanding as at 31.12.2020
Kuok Khoon Hong	–	6,500,000	2,990,000	3,000,000	510,000
Pua Seck Guan	–	1,000,000	660,000	–	340,000
Teo La-Mei	–	1,400,000	1,145,000	–	255,000
Kuok Khoon Ean	–	1,900,000	400,000	1,000,000	500,000
Kuok Khoon Hua	–	500,000	–	–	500,000
Tay Kah Chye	–	1,900,000	500,000	900,000	500,000
Kwah Thiam Hock	–	1,900,000	500,000	900,000	500,000
Kishore Mahbubani	–	500,000	–	–	500,000
Total	–	15,600,000	6,195,000	5,800,000	3,605,000

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 31.12.2020	Aggregate options exercised since commencement of the option scheme to 31.12.2020	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2020	Aggregate options outstanding as at 31.12.2020
Kuok Khoon Hong	1,500,000	1,500,000	–	–	1,500,000
Pua Seck Guan	1,000,000	1,000,000	–	–	1,000,000
Teo La-Mei	750,000	750,000	–	–	750,000
Kuok Khoon Ean	500,000	500,000	–	–	500,000
Kuok Khoon Hua	500,000	500,000	–	–	500,000
Raymond Guy Young	500,000	500,000	–	–	500,000
Lim Siong Guan	500,000	500,000	–	–	500,000
Tay Kah Chye	500,000	500,000	–	–	500,000
Kwah Thiam Hock	500,000	500,000	–	–	500,000
Kishore Mahbubani	500,000	500,000	–	–	500,000
Weijian Shan	500,000	500,000	–	–	500,000
Teo Siong Seng	500,000	500,000	–	–	500,000
Soh Gim Teik	300,000	300,000	–	–	300,000
Total	8,050,000	8,050,000	–	–	8,050,000

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, 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, the 2017 Grant and the 2020 Grant.

AUDIT COMMITTEE

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

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

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

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

During the year, the AC met three 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 2020.

DIRECTORS' STATEMENT

AUDITOR

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

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Pua Seck Guan
Director

10 March 2021

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 2020, 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, Chapter 50 (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 2020 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 2020, the Group recorded goodwill and brands of US$5.4 billion, which represents approximately 25% of the Group's net assets. We considered the audit of management's annual goodwill and brands impairment assessment to be a key audit matter because the assessment process involves management exercising significant judgement and making assumptions of future market and economic conditions.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

Accounting for derivative transactions

(Refer to Note 20 and Note 34(a) to the financial statements)
The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rates swaps and various commodity futures, options and swap contracts to hedge its risks associated with interest rates, foreign currency and commodity price fluctuations.

At 31 December 2020, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US$702.4 million (current: US$641.2 million) and US$943.6 million (current: US$893.7 million) respectively.

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

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

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Ernst & Young LLP
Public Accountants and Chartered Accountants

Singapore
10 March 2021

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Revenue	4	**50,526,794**	42,640,519
Cost of sales	5	**(44,929,244)**	(38,154,443)
Gross profit		**5,597,550**	4,486,076
Other items of income			
Net gain arising from changes in fair value of biological assets		**6,107**	18,126
Finance income	6	**419,826**	475,820
Other operating income	7	**334,886**	259,473
Other items of expense			
Selling and distribution expenses		**(2,517,636)**	(1,899,891)
Administrative expenses		**(955,519)**	(774,218)
Other operating expenses	7	**(176,760)**	(142,493)
Finance costs	8	**(651,110)**	(892,423)
Non-operating items	9	**51,533**	15,013
Share of results of joint ventures		**71,123**	76,642
Share of results of associates		**131,062**	76,354
Profit before tax from continuing operations	10	**2,311,062**	1,698,479
Income tax expense	11	**(620,088)**	(371,533)
Profit from continuing operations, net of tax		**1,690,974**	1,326,946
Profit from discontinued operations, net of tax		**–**	43,545
Profit for the year		**1,690,974**	1,370,491
Attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax		**1,534,110**	1,267,992
Profit from discontinued operations, net of tax		**–**	25,404
		1,534,110	1,293,396
Non-controlling interests			
Profit from continuing operations, net of tax		**156,864**	58,954
Profit from discontinued operations, net of tax		**–**	18,141
		156,864	77,095
Earnings per share from continuing operations attributable to owners of the Company (US cents per share)			
– Basic	12	**24.2**	20.0
– Diluted	12	**24.1**	20.0
Earnings per share attributable to owners of the Company (US cents per share)			
– Basic	12	**24.2**	20.4
– Diluted	12	**24.1**	20.4

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 2020

	2020 US$'000	2019 US$'000
Profit after tax	**1,690,974**	1,370,491
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	**(77,187)**	(23,845)
(Loss)/gain on disposal of investment securities at fair value through other comprehensive income	**(19,147)**	1,400
Gain/(loss) on remeasurements of defined benefit plan	**25,417**	(10,906)
	(70,917)	(33,351)
Items that may be reclassified subsequently to income statement		
Foreign currency translation	**810,410**	(75,672)
Fair value adjustment on cash flow hedges	**(20,427)**	(73,434)
Fair value adjustment on forward elements of forward contracts	**8,006**	30,684
	797,989	(118,422)
Other comprehensive income from continuing operations, net of tax	**727,072**	(151,773)
Other comprehensive income from discontinued operations, net of tax	**–**	474
Total comprehensive income for the year	**2,418,046**	1,219,192
Attributable to:		
Owners of the Company	**2,164,511**	1,142,816
Non-controlling interests	**253,535**	76,376
	2,418,046	1,219,192
Attributable to:		
Owners of the Company		
Total comprehensive income from continuing operations, net of tax	**2,164,511**	1,117,135
Total comprehensive income from discontinued operations, net of tax	**–**	25,681
	2,164,511	1,142,816

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

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 US$'000	2019 US$'000 Restated*	**2020 US$'000**	2019 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**12,773,714**	11,254,843	**97,627**	63,599
Investment properties	13	**32,475**	33,181	**–**	–
Bearer plants	14	**666,133**	690,640	**–**	–
Intangible assets	15	**5,445,692**	5,362,893	**–**	–
Investment in subsidiaries	16	**–**	–	**10,141,987**	10,033,212
Investment in joint ventures	17	**624,159**	552,001	**3,800**	21,508
Investment in associates	17	**2,726,322**	2,551,179	**13,677**	13,677
Investment securities	18	**370,808**	566,654	**–**	–
Deferred tax assets	19	**203,494**	242,831	**–**	–
Derivative financial instruments	20	**61,188**	16,585	**–**	–
Other financial receivables	21	**127,642**	132,017	**303,137**	284,673
Other non-financial assets	21	**64,779**	58,619	**–**	–
		23,096,406	21,461,443	**10,560,228**	10,416,669
Current assets					
Inventories	22	**9,436,151**	7,970,167	**–**	–
Trade receivables	23	**5,277,871**	4,251,589	**–**	–
Other financial receivables	21	**4,548,468**	7,278,153	**5,913,550**	5,476,380
Other non-financial assets	21	**1,804,917**	1,383,400	**6,337**	7,102
Derivative financial instruments	20	**641,249**	338,981	**–**	–
Investment securities	18	**286,706**	315,518	**–**	–
Other bank deposits	24	**3,222,044**	1,932,754	**–**	–
Cash and bank balances	24	**2,706,164**	2,113,139	**6,371**	344,605
		27,923,570	25,583,701	**5,926,258**	5,828,087
TOTAL ASSETS		**51,019,976**	47,045,144	**16,486,486**	16,244,756
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	**1,613,448**	1,690,698	**–**	–
Other financial payables	26	**2,084,097**	1,852,172	**5,566,865**	5,613,964
Other non-financial liabilities	26	**764,248**	590,872	**–**	–
Derivative financial instruments	20	**893,729**	370,753	**–**	–
Loans and borrowings	27	**17,145,894**	18,288,112	**163,593**	–
Tax payables		**331,740**	196,301	**–**	–
		22,833,156	22,988,908	**5,730,458**	5,613,964
NET CURRENT ASSETS		**5,090,414**	2,594,793	**195,800**	214,123

* In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries.

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

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 US$'000	2019 US$'000 Restated*	**2020 US$'000**	2019 US$'000
Non-current liabilities					
Other financial payables	26	**268,604**	258,288	**589,708**	–
Other non-financial liabilities	26	**182,678**	178,082	**–**	–
Derivative financial instruments	20	**49,836**	32,552	**–**	–
Loans and borrowings	27	**6,003,578**	5,419,323	**323,180**	242,628
Deferred tax liabilities	19	**298,817**	291,873	**–**	–
		6,803,513	6,180,118	**912,888**	242,628
TOTAL LIABILITIES		**29,636,669**	29,169,026	**6,643,346**	5,856,592
NET ASSETS		**21,383,307**	17,876,118	**9,843,140**	10,388,164
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	**(222,039)**	(122,579)	**(222,039)**	(122,579)
Retained earnings		**10,953,237**	10,113,650	**972,709**	1,381,856
Other reserves	29	**(307,838)**	(1,687,557)	**197,336**	233,753
		18,882,355	16,762,509	**9,843,140**	10,388,164
Non-controlling interests		**2,500,952**	1,113,609	**–**	–
TOTAL EQUITY		**21,383,307**	17,876,118	**9,843,140**	10,388,164
TOTAL EQUITY AND LIABILITIES		**51,019,976**	47,045,144	**16,486,486**	16,244,756

* In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries.

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 2020

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

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 2020

	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
2019							
GROUP							
Opening balance at 1 January 2019	8,458,995	(153,315)	9,303,827	(1,563,731)	16,045,776	729,240	16,775,016
Profit for the year	–	–	1,293,396	–	1,293,396	77,095	1,370,491
Other comprehensive income	–	–	1,400	(151,980)	(150,580)	(719)	(151,299)
Total comprehensive income for the year	–	–	1,294,796	(151,980)	1,142,816	76,376	1,219,192
Grant of equity-settled share options	–	–	–	10,535	10,535	–	10,535
Share capital contributed by non-controlling shareholders	–	–	–	–	–	29,088	29,088
Reissuance of treasury shares pursuant to exercise of share options	–	30,736	–	348	31,084	–	31,084
Dividends on ordinary shares	–	–	(461,833)	–	(461,833)	–	(461,833)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(92,900)	(92,900)
Net transfer to other reserves	–	–	(23,140)	23,140	–	–	–
Total contributions by and distributions to owners	–	30,736	(484,973)	34,023	(420,214)	(63,812)	(484,026)
Acquisition of subsidiaries	–	–	–	–	–	68,065	68,065
Acquisition of additional interest in subsidiaries	–	–	–	(5,872)	(5,872)	(10,694)	(16,566)
Disposal of subsidiaries	–	–	–	–	–	314,437	314,437
Dilution of interest in a subsidiary	–	–	–	3	3	(3)	–
Total changes in ownership interests in subsidiaries	–	–	–	(5,869)	(5,869)	371,805	365,936
Closing balance at 31 December 2019	8,458,995	(122,579)	10,113,650	(1,687,557)	16,762,509	1,113,609	17,876,118

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	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
2020					
COMPANY					
Opening balance at 1 January 2020	8,895,134	(122,579)	1,381,856	233,753	10,388,164
Profit for the year	–	–	167,208	–	167,208
Total comprehensive income for the year	–	–	167,208	–	167,208
Grant of equity-settled share options	–	–	–	3,467	3,467
Acquisition of treasury shares	–	(141,009)	–	–	(141,009)
Reissuance of treasury shares pursuant to exercise of share options	–	41,549	–	2,339	43,888
Dividends on ordinary shares	–	–	(618,578)	–	(618,578)
Transfer to retained earnings	–	–	42,223	(42,223)	–
Total transactions with owners in their capacity as owners	–	(99,460)	(576,355)	(36,417)	(712,232)
Closing balance at 31 December 2020	8,895,134	(222,039)	972,709	197,336	9,843,140
2019					
COMPANY					
Opening balance at 1 January 2019	8,895,134	(153,315)	1,161,712	222,870	10,126,401
Profit for the year	–	–	681,977	–	681,977
Total comprehensive income for the year	–	–	681,977	–	681,977
Grant of equity-settled share options	–	–	–	10,535	10,535
Reissuance of treasury shares pursuant to exercise of share options	–	30,736	–	348	31,084
Dividends on ordinary shares	–	–	(461,833)	–	(461,833)
Total transactions with owners in their capacity as owners	–	30,736	(461,833)	10,883	(420,214)
Closing balance at 31 December 2019	8,895,134	(122,579)	1,381,856	233,753	10,388,164

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 2020

	2020 US$'000	2019 US$'000
Cash flows from operating activities		
Profit before tax from continuing operations	**2,311,062**	1,698,479
Profit before tax from discontinued operations	**–**	43,545
Profit before tax, total	**2,311,062**	1,742,024
Adjustments for:		
Net gain arising from changes in fair value of biological assets	**(6,107)**	(18,126)
Depreciation of bearer plants	**72,483**	58,853
Depreciation of property, plant and equipment	**982,958**	816,935
Decrease/(increase) in fair value of investment properties	**2,834**	(2,782)
Loss on disposal of investment in joint ventures	**998**	–
Gain on disposal of investment in associates	**(2,275)**	(2,232)
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**(1,010)**	(66)
Fair value gain arising from changes of interest in an associate resulting in change of control	**–**	(907)
Amortisation of intangible assets	**2,554**	2,635
Loss on disposal of property, plant and equipment	**12,694**	11,689
(Gain)/loss on disposal of biological assets	**(168)**	34
Loss/(gain) on disposal/liquidation of subsidiaries	**59**	(96,302)
Gain on disposal of investment securities at fair value through profit or loss	**(2,271)**	(2,408)
Grant of share options to employees	**3,467**	10,535
Net fair value loss on derivative financial instruments	**126,986**	178,956
Net fair value loss on investment securities at fair value through profit or loss	**44,472**	6,610
Foreign exchange differences arising from translation	**117,980**	(59,795)
Investment income from investment securities	**(110,527)**	(45,437)
Interest expense	**660,216**	922,669
Interest income	**(419,826)**	(475,820)
Share of results of joint ventures	**(71,123)**	(76,642)
Share of results of associates	**(131,062)**	(76,354)
Operating cash flows before working capital changes	**3,594,394**	2,894,069
Changes in working capital:		
(Increase)/decrease in inventories	**(1,306,492)**	241,221
(Increase)/decrease in receivables and other assets	**(1,378,586)**	496,566
Increase in payables	**242,187**	360,345
Cash flows generated from operations	**1,151,503**	3,992,201
Interest paid	**(645,177)**	(861,011)
Interest received	**452,963**	453,515
Income taxes paid	**(406,502)**	(247,154)
Net cash flows generated from operating activities	**552,787**	3,337,551

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 2020

	2020 US$'000	2019 US$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	**(83,360)**	(86,995)
Increase in plasma investments	**(2,481)**	(1,858)
(Increase)/decrease in investment securities at fair value through profit or loss	**(13,328)**	6,750
Payments for property, plant and equipment	**(1,921,835)**	(1,741,488)
Payments for bearer plants	**(54,146)**	(71,415)
Decrease/(increase) in investment securities at fair value through other comprehensive income	**54,244**	(16,300)
Investment income from investment securities	**110,527**	45,437
Payments for investment in joint ventures	**(51,079)**	(13,929)
Payments for investment in associates	**(17,868)**	(11,728)
Payments for intangible assets	**(1,145)**	(312)
Dividends received from joint ventures	**27,766**	46,456
Dividends received from associates	**55,700**	91,932
Proceeds from disposal of property, plant and equipment	**53,747**	52,312
Proceeds from disposal/liquidation of joint ventures	**260**	–
Proceeds from disposal of interest in associates	**24,472**	14,057
Net cash flow from disposal/liquidation of subsidiaries	**11,613**	422
Net cash flows used in investing activities	**(1,806,913)**	(1,686,659)
Cash flows from financing activities		
Decrease/(increase) in net amount due from related parties	**4,672**	(26,924)
Increase in net amount due from joint ventures	**(14,148)**	(104,254)
Increase in net amount due from associates	**(23,836)**	(39,846)
(Decrease)/increase in advances from non-controlling shareholders	**(37,999)**	14,676
Proceeds from loans and borrowings	**685,065**	793,955
Increase in fixed deposits pledged with financial institutions for bank facilities	**(1,646,742)**	(658,786)
Decrease/(increase) in other financial receivables	**2,869,677**	(102,724)
Increase in other deposits with maturity more than 3 months	**(1,110,750)**	(520,183)
Interest paid	**(20,621)**	(42,295)
Net cash flow from acquisition of additional interest in subsidiaries	**(164,354)**	(16,566)
Shares buy-back held as treasury shares	**(141,009)**	–
Dividends paid by the Company	**(618,578)**	(461,833)
Dividends paid to non-controlling shareholders by subsidiaries	**(80,130)**	(92,900)
Proceeds from dilution of interest in subsidiaries	**2,021,071**	–
Proceeds from reissuance of treasury shares by the Company	**43,888**	31,084
Proceeds from issue of ordinary shares by subsidiaries to non-controlling shareholders	**22,538**	29,088
Net cash flows generated from/(used in) financing activities	**1,788,744**	(1,197,508)
Net increase in cash and cash equivalents	**534,618**	453,384
Cash and cash equivalents at the beginning of the financial year	**2,048,878**	1,595,494
Cash and cash equivalents at the end of the financial year	**2,583,496**	2,048,878

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 2020

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 56 Neil Road, Singapore 088830.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Changes in accounting policies

Adoption of new and revised SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
Amendment to SFRS(I) 16 Covid-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 3 Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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

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

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

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

(b) Business combinations

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Transactions with non-controlling interests

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

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity as equity transaction reserve and attributed to owners of the Company.

2.6 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statement of the Group on disposal of the foreign operation.

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their income statements are translated at the weighted average exchange rates for the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the income statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the income statement.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

(a) Joint operations

The Group recognises in relation to its interest in a joint operation:

(a) Its assets, including its share of any assets held jointly;
(b) Its liabilities, including its share of any liabilities incurred jointly;
(c) Its revenue from the sale of its share of the output arising from the joint operation;
(d) Its share of the revenue from the sale of the output by the joint operation; and
(e) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.9.

2.9 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's or joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate or joint venture in the period in which the investment is acquired.

Under the equity method, the investments in associates and joint ventures are measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The Group's profit or loss reflects its share of the associates' or joint ventures' profit or loss after tax and non-controlling interests in the subsidiaries of associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investments. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses once its interest in the associate or joint venture is reduced to zero, unless it has incurred obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Associates and joint ventures (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the income statement.

The most recent available audited financial statements of the associated companies or joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the income statement.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to the income statement the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the income statement on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates and joint ventures are carried at cost less accumulated impairment loss.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs. Such costs include the cost of replacing parts of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	–	10 to 40 years
Plant and machineries	–	2 to 40 years
Furniture, fittings and office equipment	–	2 to 20 years
Vessels	–	5 to 30 years
Motor vehicles, trucks and aircraft	–	4 to 15 years

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (continued)

Interest on borrowings to finance the construction of property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.11 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement upon derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the property is remeasured to fair value. Any gain arising on remeasurement is recognised in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the asset revaluation reserve in equity. Any loss is immediately recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Bearer plants and biological assets

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 20-25 years, upon commencement of commercial production.

In general, oil palms are considered mature 30 to 36 months after field planting.

Interest on borrowings to finance the acquisition and construction of bearer plants is capitalised during the period of time that is required to complete and prepare the bearer plants for its intended use. All other borrowing costs are expensed.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

2.13 Plasma investments

Costs incurred during the development phase up to the conversion of the plasma plantation are capitalised as plasma investments. The development of the plasma oil palm plantations is financed by plasma loans, which was received by the plasma farmers (represented by "Cooperatives"), plus additional funding by the Group, should bank financing not be adequate to finance the development costs. Accumulated development costs are presented net of the plasma loans and are presented as "Plasma investments".

When the carrying amount of the plasma investments is higher than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the accumulated development costs of plasma plantations and their conversion value is charged to the income statement.

2.14 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets (continued)

(a) Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit (or group of cash-generating units) retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development assets, are not capitalised and expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable, if not the change in useful lives from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(i) Brands

The brands were acquired in business combinations. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

(ii) Trademarks & licenses and others

Trademarks & licenses and others acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 20 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income statement when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment when the financial asset is de-recognised.

(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 instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in the income statement when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (continued)

Subsequent measurement (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the income statement.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the income statement.

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Impairment of non-financial asset

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired. These also include bank overdrafts that form an integral part of the Group's cash management. The accounting policy for this category of financial assets is stated in Note 2.15, under amortised cost.

2.19 Inventories

(a) Physical inventories, futures and other forward contracts

Physical inventories of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities are valued at the lower of cost and spot prices prevailing at the end of the reporting period. Cost is determined using the weighted average method.

The Group has committed purchases and sales contracts for palm oil and other agricultural commodities that are entered into as part of its merchandising and processing activities. The prices and physical delivery of the sales and purchases are fixed in the contracts. For committed purchases and sales contracts that are entered into for own use, the contracts are not recognised in the financial statements until physical deliveries take place. For committed purchases and sales contracts that are entered into as part of the merchandising activities, the fair value arising from the contracts are recognised in the financial statements until physical deliveries take place.

The Group also enters into non-physical delivery forward contracts and commodity derivatives to manage the price risk of its physical inventory and to hedge against fluctuations in commodity prices. Commodity derivatives include futures, options and swap contracts on palm oil and palm based products, soybeans and other non-palm products.

Gains or losses arising from matched forward and derivative contracts are recognised immediately in the income statement. Any difference arising from the fair value assessment will be recognised in the financial statements. Unrealised losses arising from the valuations are set off against unrealised gains on an aggregated basis.

The outstanding forward and derivative contracts are valued at their fair value at the end of the reporting period against quoted market prices. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar. The notional principal amounts of the outstanding forward and futures contracts are off-balance sheet items.

(b) Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price less the costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in income statement.

2.21 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.22 Borrowing costs

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(c) Provision for employee service entitlements

For certain companies in Indonesia, the Group recognises a provision for employee service entitlements in accordance with Labour Law No. 13/2003 dated 25 March 2003. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method".

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and land rights	–	3 to 90 years
Buildings	–	2 to 20 years
Plant and machineries	–	2 to 30 years
Furniture, fittings and office equipment	–	2 to 5 years
Vessels	–	2 to 9 years
Motor vehicles, trucks and aircraft	–	2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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 2020

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.

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 2020

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.

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).

2.34 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(a) Impairment of goodwill and brands

The Group determines whether goodwill and brands are impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill and brands are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill and brands as at 31 December 2020 were approximately US$3,868,037,000 (2019: US$3,791,519,000) and US$1,552,654,000 (2019: US$1,544,267,000) 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 2020 were approximately US$331,740,000 (2019: US$196,301,000), US$203,494,000 (2019: US$242,831,000) and US$298,817,000 (2019: US$291,873,000) respectively.

4. REVENUE

	Group	
	2020	2019
	US$'000	US$'000
Sales of agricultural commodities and consumable products	**50,029,155**	42,150,173
Ship charter income	**261,505**	298,807
Others	**236,134**	191,539
	50,526,794	42,640,519

5. COST OF SALES

	Group	
	2020	2019
	US$'000	US$'000
Cost of inventories recognised as expense – physical deliveries	**38,665,012**	32,892,494
Labour and other overhead expenses	**5,648,605**	5,459,043
Net loss/(gain) on fair value of derivative financial instruments	**615,627**	(197,094)
	44,929,244	38,154,443

6. FINANCE INCOME

	Group	
	2020	2019
	US$'000	US$'000
Finance income:		
– From associates	**8,828**	10,390
– From bank balances	**35,497**	27,897
– From fixed deposits	**120,067**	104,022
– From joint ventures	**4,092**	4,191
– From other deposits with financial institutions	**237,261**	315,191
– From other sources	**5,547**	8,161
– From related parties	**4,451**	988
– Late interest charges pertaining to trade receivables	**4,083**	4,980
	419,826	475,820

7. OTHER OPERATING INCOME
OTHER OPERATING EXPENSES

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

	Group	
	2020	2019
	US$'000	US$'000
Amortisation of intangible assets	**(2,554)**	(2,635)
Bad debts recovered	**14**	18
Bad debts written off (non-trade)	**(1,452)**	(278)
Compensation/penalty expenses	**(6,534)**	(147)
Energy/power/steam income	**39,474**	57,404
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**1,010**	66
Fair value gain arising from changes of interest in an associate resulting in change of control	**–**	907
Fair value (loss)/gain of derivative financial instruments	**(3,854)**	7,560
Foreign exchange gain/(loss), excluding net foreign exchange gain/(loss) on shareholders' loans to subsidiaries	**80,077**	(24,176)
Loss on disposal of investment in joint ventures	**(998)**	–
Gain on disposal of investment in associates	**2,275**	2,232
(Loss)/gain on disposal/liquidation of subsidiaries	**(59)**	96,302
Government grants/incentive income	**51,140**	34,690
Grant of share options to employees	**(3,467)**	(10,535)
Income from sales cancellation	**1,333**	1,236
Inventories written off	**(115)**	(1,195)
Loss on disposal of property, plant and equipment	**(12,694)**	(11,689)
Pre-operating expenses	**(51)**	(6,984)
Processing fee income/tolling income	**727**	480
Project expenses	**(1,848)**	(976)
Rental and storage income	**17,117**	18,108
Scrap sales	**16,985**	14,567
Service fees/management fees/commission income	**24,973**	16,701
Write back of allowance for expected credit losses	**2,657**	996
Impairment on property, plant and equipment	**(43,736)**	(1,299)

The Group has received government grants of different nature during the reporting periods, among them are grants in relation to the investment and development of plants and machineries, technical skill transformation and value added tax/business tax/corporate income tax subsidy for quality enterprise.

Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the Balance Sheet. There are no unfulfilled conditions or contingencies relating to these grants.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. FINANCE COSTS

	Group	
	2020	2019
	US$'000	US$'000
Interest expense:		
– Loans and borrowings	**545,548**	784,417
– Loans from associates	**198**	163
– Loans from joint ventures	**1,903**	1,508
– Loans from related parties	**180**	213
– Interest rate swaps	**27,075**	16,350
– Amortisation of forward elements of forward currency contracts	**56,710**	64,005
– Interest on lease liabilities	**11,228**	5,544
– Others	**19,784**	32,272
	662,626	904,472
Less: Amount capitalised		
– Bearer plants	**(767)**	(995)
– Property, plant and equipment	**(10,749)**	(11,054)
	651,110	892,423

9. NON-OPERATING ITEMS

	Group	
	2020	2019
	US$'000	US$'000
Net foreign exchange (loss)/gain on shareholders' loans to subsidiaries	**(4,853)**	1,242
Finance costs on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries	**(9,106)**	(30,246)
Gain on disposal of investment securities at FVPL	**2,271**	2,408
Investment income from investment securities	**110,527**	45,437
Net fair value loss on investment securities at FVPL	**(44,472)**	(6,610)
Net (loss)/gain from fair value adjustment of investment properties	**(2,834)**	2,782
	51,533	15,013

10. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group	
	2020	2019
	US$'000	US$'000
Audit fees paid to:		
– Auditor of the Company	**594**	614
– Other auditors	**4,651**	4,798
Non-audit fees paid to:		
– Auditor of the Company	**39**	34
– Other auditors	**926**	1,985
Depreciation of property, plant and equipment	**939,222**	815,636
Depreciation of bearer plants	**74,784**	61,326
Less: Amount capitalised as part of costs of bearer plants	**(2,301)**	(2,473)
Add: Impairment loss	**43,736**	1,299
Depreciation and impairment loss of property, plant and equipment and bearer plants – net	**1,055,441**	875,788
Employee benefits expense	**1,782,650**	1,432,886

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 2020 and 31 December 2019 are:

	Group	
	2020	2019
	US$'000	US$'000
Consolidated Income Statement		
Current income tax - continuing operations		
Current year	**567,875**	369,833
Over provision in respect of previous years	**(1,894)**	(3,365)
	565,981	366,468
Deferred income tax - continuing operations		
Origination and reversal of temporary differences	**32,848**	6,867
Under/(over) provision in respect of previous years	**21,259**	(1,802)
Income tax expense recognised in the income statement	**620,088**	371,533
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	**(2,865)**	18,866

(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 2020 and 31 December 2019 are as follows:

	Group	
	2020	2019
	US$'000	US$'000
Profit before tax from continuing operations	**2,311,062**	1,698,479
Profit before tax from discontinued operations	**–**	43,545
Accounting profit before income tax	**2,311,062**	1,742,024
Tax calculated at tax rate of 17% (2019: 17%)	**392,881**	296,144
Adjustments:		
Effect of different tax rates in other countries	**156,591**	73,877
Effect of tax incentives	**34,792**	(44,287)
Effect of changes in tax rates for deferred tax recognised previously	**20,793**	–
Income not subject to taxation	**(46,922)**	(13,619)
Non-deductible expenses	**46,969**	82,978
Deferred tax assets not recognised	**31,141**	28,690
Under/(over) provision in respect of previous years	**19,365**	(5,167)
Share of results of joint ventures and associates	**(34,469)**	(31,209)
Utilisation of previously unrecognised tax losses/capital allowances	**(4,102)**	(16,379)
Others	**3,049**	505
Income tax expense recognised in the consolidated income statement	**620,088**	371,533

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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	
	2020	2019
Profit for the year attributable to owners of the Company (US$'000)	**1,534,110**	1,293,396
Less: Profit from discontinued operations, net of tax, attributable to owners of the Company (US$'000)	–	(25,404)
Profit from continuing operations, net of tax, attributable to owners of the Company (US$'000)	**1,534,110**	1,267,992
Weighted average number of ordinary shares ('000)	**6,346,997**	6,330,102
Basic earnings per share (US cents per share)	**24.2**	20.4
Basic earnings per share from continuing operations (US cents per share)	**24.2**	20.0

(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	
	2020	2019
Profit for the year attributable to owners of the Company (US$'000)	**1,534,110**	1,293,396
Less: Profit from discontinued operations, net of tax, attributable to owners of the Company (US$'000)	–	(25,404)
Profit from continuing operations, net of tax, attributable to owners of the Company (US$'000)	**1,534,110**	1,267,992
Weighted average number of ordinary shares ('000)	**6,346,997**	6,330,102
Effects of dilution		
– Grant of equity-settled share options ('000)	**9,287**	9,025
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,356,284**	6,339,127
Diluted earnings per share (US cents per share)	**24.1**	20.4
Diluted earnings per share from continuing operations (US cents per share)	**24.1**	20.0

There are 40,380,000 share options (2019: 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.

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

Property, plant and equipment

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Construction in-progress US$'000	Total US$'000
Group								
Costs								
At 1 January 2019	179,356	3,327,003	7,597,502	244,704	832,921	332,345	902,080	13,415,911
Finalisation of purchase price allocation*	–	–	9,845	–	–	–	–	9,845
Acquisition of subsidiaries	83	298,962	528,128	1,893	–	1,168	41,962	872,196
Disposal of subsidiaries	–	(3,576)	(5,655)	(391)	–	(29)	–	(9,651)
Additions	88	19,057	69,317	19,052	59,013	20,308	1,366,559	1,553,394
Disposals	–	(8,758)	(57,132)	(7,217)	(27,804)	(58,772)	(421)	(160,104)
Transfers	200	328,811	588,945	15,056	17,318	3,623	(953,953)	–
Transfer to investment properties	–	(9,606)	–	–	–	–	–	(9,606)
Reclassifications	(42,002)	161,977	(165,405)	38,424	–	2,079	4,927	–
Currency translation differences	(1,923)	(30,707)	(61,720)	(3,291)	–	(5,566)	(8,961)	(112,168)
At 31 December 2019, as restated and 1 January 2020	**135,802**	**4,083,163**	**8,503,825**	**308,230**	**881,448**	**295,156**	**1,352,193**	**15,559,817**
Acquisition of subsidiaries	**6,852**	**19,437**	**45,112**	**808**	**–**	**376**	**252**	**72,837**
Disposal of subsidiaries	**–**	**(2,031)**	**(855)**	**(46)**	**–**	**(82)**	**(1,950)**	**(4,964)**
Additions	**1,710**	**20,617**	**125,057**	**20,871**	**24,780**	**16,392**	**1,664,845**	**1,874,272**
Disposals	**(1,591)**	**(35,984)**	**(81,670)**	**(8,335)**	**(22,598)**	**(14,432)**	**(47)**	**(164,657)**
Transfers	**27**	**375,849**	**712,847**	**15,890**	**7,303**	**4,043**	**(1,115,959)**	**–**
Reclassifications	**–**	**2,130**	**(3,097)**	**(190)**	**–**	**1,228**	**(71)**	**–**
Currency translation differences	**9,069**	**196,892**	**450,994**	**17,057**	**(114)**	**(467)**	**104,504**	**777,935**
At 31 December 2020	**151,869**	**4,660,073**	**9,752,213**	**354,285**	**890,819**	**302,214**	**2,003,767**	**18,115,240**

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Property, plant and equipment (continued)

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Construction in-progress US$'000	Total US$'000
Group								
Accumulated depreciation and impairment loss								
At 1 January 2019	–	1,023,255	3,423,420	185,043	196,095	178,603	–	5,006,416
Disposal of subsidiaries	–	(1,151)	(3,535)	(346)	–	(29)	–	(5,061)
Depreciation charge for the year	–	141,945	496,145	27,252	62,591	22,148	–	750,081
Disposals	–	(4,250)	(39,100)	(7,151)	(16,084)	(31,951)	–	(98,536)
Impairment loss	–	(75)	1,374	–	–	–	–	1,299
Transfer to investment properties	–	(722)	–	–	–	–	–	(722)
Reclassifications	–	(4,718)	(21,303)	25,385	2	634	–	–
Currency translation differences	–	(8,957)	(23,558)	(2,882)	–	(4,087)	–	(39,484)
At 31 December 2019 and 1 January 2020	**–**	**1,145,327**	**3,833,443**	**227,301**	**242,604**	**165,318**	**–**	**5,613,993**
Disposal of subsidiaries	**–**	**(814)**	**(619)**	**(45)**	**–**	**(82)**	**–**	**(1,560)**
Depreciation charge for the year	**–**	**167,994**	**546,600**	**31,199**	**71,846**	**23,316**	**–**	**840,955**
Disposals	**–**	**(10,395)**	**(60,552)**	**(7,807)**	**(10,929)**	**(13,527)**	**–**	**(103,210)**
Impairment loss	**11,666**	**13,746**	**17,886**	**–**	**–**	**–**	**–**	**43,298**
Reclassifications	**–**	**(97)**	**(454)**	**(288)**	**–**	**839**	**–**	**–**
Currency translation differences	**–**	**63,026**	**277,281**	**11,317**	**(116)**	**(868)**	**–**	**350,640**
At 31 December 2020	**11,666**	**1,378,787**	**4,613,585**	**261,677**	**303,405**	**174,996**	**–**	**6,744,116**
Net carrying amount								
At 31 December 2019	135,802	2,937,836	4,670,382	80,929	638,844	129,838	1,352,193	9,945,824
At 31 December 2020	**140,203**	**3,281,286**	**5,138,628**	**92,608**	**587,414**	**127,218**	**2,003,767**	**11,371,124**

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

Property, plant and equipment (continued)

	Furniture, fittings and office equipment US$'000	Motor vehicles US$'000	Construction in-progress US$'000	Total US$'000
Company				
Costs				
At 1 January 2019	9,642	658	39,600	49,900
Additions	2,122	203	19,633	21,958
Disposals	(1,245)	(183)	–	(1,428)
At 31 December 2019 and 1 January 2020	**10,519**	**678**	**59,233**	**70,430**
Additions	**794**	**–**	**35,300**	**36,094**
Disposals	**(46)**	**(203)**	**–**	**(249)**
At 31 December 2020	**11,267**	**475**	**94,533**	**106,275**
Accumulated depreciation				
At 1 January 2019	6,125	232	–	6,357
Depreciation charge for the year	1,783	67	–	1,850
Disposals	(1,236)	(140)	–	(1,376)
At 31 December 2019 and 1 January 2020	**6,672**	**159**	**–**	**6,831**
Depreciation charge for the year	**1,823**	**53**	**–**	**1,876**
Disposals	**(45)**	**(14)**	**–**	**(59)**
At 31 December 2020	**8,450**	**198**	**–**	**8,648**
Net carrying amount				
At 31 December 2019	3,847	519	59,233	63,599
At 31 December 2020	**2,817**	**277**	**94,533**	**97,627**

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$10,749,000 (2019: US$11,054,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US$218,082,000 (2019: US$382,723,000) are pledged as security for bank borrowings.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Investment properties

	Group	
	2020	2019
	US$'000	US$'000
Balance sheet		
At 1 January	**33,181**	21,782
Transfer from property, plant and equipment	**–**	8,884
Net (loss)/gain from fair value adjustment recognised in profit or loss	**(2,834)**	2,782
Currency translation differences	**2,128**	(267)
At 31 December	**32,475**	33,181
Income statement		
Rental income from investment properties		
– Minimum lease payments	**1,453**	1,155
	1,453	1,155
Direct operating expenses arising from:		
– Rental generating properties	**477**	174
– Non-rental generating properties	**–**	55
	477	229

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 2020. 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 2020 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
8/25/26/33 Hua Neng Union Tower, Shanghai, China	Office	Leasehold	23 years
Floor 1-3, C 118 Gaodong Road, Shanghai, China	Industrial Plant	Leasehold	33 years
8 Yihai Avenue, Zhangpu Town, Kunshan, Jiangsu, China	Industrial Plant	Leasehold	39 years

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

Right-of-use assets

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Total US$'000
Group							
Costs							
At 1 January 2019	964,024	29,445	20,695	13,242	51,928	6,027	1,085,361
Acquisition of subsidiaries	43,678	53,349	5	373	–	2,310	99,715
Disposal of a subsidiary	(476)	–	–	–	–	–	(476)
Additions	149,835	21,133	493	4,547	16,633	5,894	198,535
Disposals	(3,916)	–	–	–	(66)	–	(3,982)
Currency translation differences	(5,719)	197	(366)	(107)	–	82	(5,913)
At 31 December 2019 and 1 January 2020	**1,147,426**	**104,124**	**20,827**	**18,055**	**68,495**	**14,313**	**1,373,240**
Acquisition of subsidiaries	**–**	**21,877**	**4,676**	**11**	**–**	**–**	**26,564**
Disposal of subsidiaries	**(2,452)**	**–**	**–**	**–**	**–**	**–**	**(2,452)**
Additions	**46,547**	**35,971**	**11,675**	**196**	**18,145**	**6,041**	**118,575**
Disposals	**(5,312)**	**(8,741)**	**(11)**	**(49)**	**(767)**	**(1,288)**	**(16,168)**
Currency translation differences	**48,776**	**6,067**	**265**	**1,859**	**–**	**755**	**57,722**
At 31 December 2020	**1,234,985**	**159,298**	**37,432**	**20,072**	**85,873**	**19,821**	**1,557,481**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Right-of-use assets (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	Total US$'000
Group							
Accumulated depreciation and impairment loss							
At 1 January 2019	–	–	–	–	–	–	–
Disposal of a subsidiary	(97)	–	–	–	–	–	(97)
Depreciation charge for the year	35,069	12,551	1,477	1,156	11,967	3,335	65,555
Disposals	(1,483)	–	–	–	(66)	–	(1,549)
Currency translation differences	(172)	472	(56)	19	–	49	312
At 31 December 2019 and 1 January 2020	**33,317**	**13,023**	**1,421**	**1,175**	**11,901**	**3,384**	**64,221**
Disposal of subsidiaries	**(418)**	**–**	**–**	**–**	**–**	**–**	**(418)**
Depreciation charge for the year	**33,723**	**32,972**	**5,809**	**1,331**	**18,461**	**5,971**	**98,267**
Disposals	**(1,851)**	**(7,800)**	**(2)**	**(18)**	**(258)**	**(1,245)**	**(11,174)**
Impairment loss	**438**	**–**	**–**	**–**	**–**	**–**	**438**
Currency translation differences	**29**	**2,808**	**241**	**241**	**–**	**238**	**3,557**
At 31 December 2020	**65,238**	**41,003**	**7,469**	**2,729**	**30,104**	**8,348**	**154,891**
Net carrying amount							
At 31 December 2019	1,114,109	91,101	19,406	16,880	56,594	10,929	1,309,019
At 31 December 2020	**1,169,747**	**118,295**	**29,963**	**17,343**	**55,769**	**11,473**	**1,402,590**

14. BEARER PLANTS BIOLOGICAL ASSETS

	Group	
	2020	2019
Bearer plants	**US$'000**	US$'000
Group		
Costs		
At 1 January	**1,217,006**	1,156,989
Additions	**44,569**	70,132
Disposals	**(547)**	(290)
Capitalisation of interest	**767**	995
Capitalisation of depreciation	**2,301**	2,473
Capitalisation of employee benefits	**9,577**	1,283
Written off	**(23,540)**	(19,967)
Currency translation differences	**384**	5,391
At 31 December	**1,250,517**	1,217,006
Accumulated depreciation and impairment loss		
At 1 January	**526,366**	480,419
Depreciation charge for the year	**74,784**	61,326
Disposals	**(172)**	(70)
Written off	**(18,622)**	(17,222)
Currency translation differences	**2,028**	1,913
At 31 December	**584,384**	526,366
Net carrying amount		
At 31 December	**666,133**	690,640

	Group	
	2020	2019
Biological assets (Note 21)	**US$'000**	US$'000
At 1 January	**38,641**	20,631
Fair value gain of biological assets	**6,107**	18,126
Currency translation differences	**(24)**	(116)
At 31 December	**44,724**	38,641

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,030,000 metric tonnes (2019: 3,915,000 metric tonnes) of FFB, which had a fair value less estimated point-of-sale costs of approximately US$482,251,000 (2019: US$382,531,000). The fair value of FFB was determined with reference to their monthly average market prices during the year.

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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	
	2020	2019
Area	**Hectares**	Hectares
Planted area:		
– Mature	**205,229** [(1)]	199,980 [(1)]
– Immature	**34,748**	38,228
	239,977	238,208

	Group	
	2020	2019
Value	**US$'000**	US$'000
Planted area:		
– Mature	**528,452** [(1)]	541,789 [(1)]
– Immature	**137,681**	148,851
	666,133	690,640

(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$108 to US$179 (2019: US$83 to US$134) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield (annual) is 20.4 (2019: 20.1) metric tonne per hectare	The estimated fair value increases as the estimated average yield increases.

15. INTANGIBLE ASSETS

	Goodwill US$'000	Trademarks & licenses and others US$'000	Brands US$'000	Total US$'000
Group				
Cost				
At 1 January 2019	3,465,848	15,022	1,113,154	4,594,024
Additions	–	3,312	–	3,312
Acquisition of subsidiaries	598,061	15,921	293,955	907,937
Finalisation of purchase price allocation*	(158,742)	–	137,230	(21,512)
Disposal of subsidiaries	(6,609)	–	–	(6,609)
Currency translation differences	(1,153)	334	(72)	(891)
At 31 December 2019, as restated and 1 January 2020	**3,897,405**	**34,589**	**1,544,267**	**5,476,261**
Additions	**–**	**1,145**	**–**	**1,145**
Acquisition of subsidiaries	**23,966**	**140**	**3,584**	**27,690**
Currency translation differences	**63,293**	**(2,254)**	**4,803**	**65,842**
At 31 December 2020	**3,984,664**	**33,620**	**1,552,654**	**5,570,938**
Accumulated amortisation and impairment loss				
At 1 January 2019	106,749	4,826	–	111,575
Amortisation during the year	–	2,635	–	2,635
Currency translation differences	(863)	21	–	(842)
At 31 December 2019 and 1 January 2020	**105,886**	**7,482**	**–**	**113,368**
Amortisation during the year	**–**	**2,554**	**–**	**2,554**
Impairment charge	**272**	**–**	**–**	**272**
Currency translation differences	**10,469**	**(1,417)**	**–**	**9,052**
At 31 December 2020	**116,627**	**8,619**	**–**	**125,246**
Net carrying amount				
At 31 December 2019	3,791,519	27,107	1,544,267	5,362,893
At 31 December 2020	**3,868,037**	**25,001**	**1,552,654**	**5,445,692**

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries during the financial year. The adjustments arising from the finalisation of the purchase price allocation resulted mainly in changes to property, plant and equipment, brands, inventory, deferred tax and goodwill. These changes have been disclosed in the respective notes to accounts.

Amortisation expense

The amortisation of trademarks & licenses and others is included in other operating expenses in the consolidated income statement.

Brands

Brands includes '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.

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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
2020					
Goodwill	**952,832**	**1,107,111**	**1,792,021**	**16,073**	**3,868,037**
Brands	**1,549,070**	**3,584**	**–**	**–**	**1,552,654**
2019, as restated*					
Goodwill	903,536	1,092,941	1,781,442	13,600	3,791,519
Brands	1,544,267	–	–	–	1,544,267

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries.

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 or 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 or ten-year period are as follows:-

	Food Products		Feed and Industrial Products		Plantation and Sugar Milling	
	%	%	%	%	%	%
	2020	2019	**2020**	2019	**2020**	2019
Terminal growth rates	**1.9 - 3.4**	2.0 - 3.0	**2.0 - 3.0**	2.0 - 3.0	**1.0**	1.0
Pre-tax discount rates	**6.2 - 19.2**	9.3 - 18.8	**7.0 - 14.4**	11.0 - 14.0	**9.6 - 12.0**	10.2 - 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.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	US$'000	US$'000
Unquoted equity shares, at cost	**10,141,987**	10,033,212

Details of the list of significant subsidiaries are included in Note 39.

Acquisition of subsidiaries

The list of major acquisition of subsidiaries during the financial year:

Name of subsidiaries acquired	**Equity interest acquired %**	**Consideration US$'000**	**Month of acquisition**
Wilmar Trading (Australia) Pty Ltd (formerly known as Wilmar Gavilon Pty Ltd)	50	39,424	Feb 2020
Shenzhen Delion Food Co., Ltd	70 +	10,323	Mar 2020
Josovina Commodities Pte Ltd	50	31,207	Jun 2020
International Nutritionals Limited	50	19,327	Nov 2020

\+ Rounded to the nearest whole % as indicated.

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

	Fair value recognised on acquisition US$'000
Property, plant and equipment	99,401
Intangible assets	3,724
Investment in associates	54,046
Inventories	93,034
Deferred tax assets	2,441
Trade receivables and other assets	200,739
Cash and cash equivalents	16,921
	470,306
Trade and other payables (including provision for employee gratuity)	201,699
Loans and borrowings	100,708
	302,407
Net identifiable assets	167,899
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(3,312)
Identifiable net assets acquired	164,587
Less: Transfer from investment in joint ventures	(49,433)
Less: Transfer from investment in associates	(37,829)
	77,325
Positive goodwill arising from acquisition recognised as part of intangible assets	23,966
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(1,010)
Total consideration for acquisition	**100,281**

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16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Total cost of business combination

The total cost of the business combination is as follows:

	Cashflow on acquisition US$'000
The effects of acquisition on cash flow are as follows:	
Consideration settled in cash	100,281
Less: Cash and cash equivalents of subsidiaries acquired	(16,921)
Net cash outflow on acquisition	**83,360**

Impact of acquisitions on consolidated income statement

From the respective dates of acquisition, the acquirees have contributed additional revenue and net profit of approximately US$983,808,000 and US$5,411,000 respectively for the financial year ended 31 December 2020. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US$51,012,817,000 and net profit would have been approximately US$1,530,044,000.

Acquisition of non-controlling interests

During the year, the Group acquired additional interests in certain subsidiaries. The list of major acquisition of non-controlling interests:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition %	Consideration US$'000	Book value US$'000	Premium/ (discount) arising from acquisition US$'000	Month of acquisition
Yihai Kerry Arawana Holdings Co., Ltd	Shanxi Liangfen Arawana Vinegar Co., Ltd	37 +	76 +	15,182	11,442	3,740	Apr 2020
Yihai Kerry Arawana Holdings Co., Ltd	Kerry Oils & Grains (Qingdao) Ltd	30	100	128,825	3,033	125,792	May 2020
Yihai Kerry Arawana Holdings Co., Ltd	Qingdao Kerry Peanut Oil Co., Ltd	30	100	9,307	2,036	7,271	May 2020
Wilmar Sugar Holdings Pte. Ltd.	Shree Renuka Sugars Limited	4 +	62 +	–	(13,459)	13,459	Sep 2020
Yihai Kerry Arawana Holdings Co., Ltd	Inner Mongolia Hol-Wilmar Agriculture Co., Ltd	26 +	77 +	1,971	5,490	(3,519)	Dec 2020

\+ Rounded to the nearest whole % as indicated.

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	Shanxi Liangfen Arawana Vinegar Co., Ltd	3	73 +	1,222	920	302	Apr 2020
Bathos Company Limited	Yihai Kerry Arawana Holdings Co., Ltd	10	90 +	2,019,714	1,196,470	823,244	Oct 2020

\+ Rounded to the nearest whole % as indicated.

On 15 October 2020, Yihai Kerry Arawana Holdings Co., Ltd, ("YKA"), was officially listed on the Shenzhen Stock Exchange ChiNext Board. Net proceeds amounting to US$2.02 billion were received from the allotment of 10% of YKA's issued share capital on an enlarged basis, to investors pursuant to the initial public offering ("IPO"). Accordingly, YKA has become an 89.99%-owned subsidiary of the Group. Consequent to the Group's disposal of its interest (without loss of control) in YKA, a gain on dilution of US$823,244,000 has been recognised in the equity transaction reserve. Market capitalisation of YKA as at 31 December 2020 was RMB587.27 billion, equivalent to approximately US$89.77 billion.

Disposal of subsidiaries

During the year, the interests in the following subsidiaries were disposed:

Name of subsidiaries disposed	Equity interest disposed %	Proceeds US$'000	Month of disposal
Wilmar Regenerative Resources Development (Qinhuangdao) Co., Ltd	100	3,131	Apr 2020
AB Mauri Yihai Kerry (Fu Yu) Yeast Technology Co., Ltd	100	14,893	Sep 2020
Hengyang Yihai Oils and Grains Co., Ltd	100	5,146	Oct 2020

The carrying amounts of assets and liabilities of the subsidiaries disposed and the effect thereof as at date of disposal were as follows:

	Cashflow on disposal US$'000
Property, plant and equipment	5,438
Trade receivables and other assets	8,275
Cash and cash equivalents	11,557
	25,270
Trade and other payables	1,214
	1,214
Net carrying amounts of assets disposed	24,056
Net assets disposed	24,056
Less: Equity transaction reserve realised upon disposal of subsidiaries	(1,062)
Add: Foreign currency translation reserve realised upon disposal of subsidiaries	235
Loss on disposal	(59)
Sales proceeds, net	23,170
Less: Cash and cash equivalents of subsidiaries disposed	(11,557)
Net cash inflow on disposal of subsidiaries	**11,613**

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17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES

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

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Adani Wilmar Limited	**226,727**	176,467	**–**	–
Other joint ventures	**397,432**	375,534	**3,800**	21,508
Investment in joint ventures	**624,159**	552,001	**3,800**	21,508

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

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

	Adani Wilmar Limited	
	2020	2019
	US$'000	US$'000
Assets and liabilities:		
Current assets	**1,251,944**	1,022,918
Non-current assets	**608,529**	588,966
Total assets	**1,860,473**	1,611,884
Current liabilities	**1,238,227**	1,065,482
Non-current liabilities	**233,615**	225,631
Total liabilities	**1,471,842**	1,291,113
Shareholders' equity	**419,598**	319,078
Proportion of the Group's ownership interest	**50%**	50%
Group's share	**209,799**	159,539
Goodwill on acquisition	**16,928**	16,928
Carrying amount of the investment	**226,727**	176,467
Revenue	**4,570,316**	4,214,021
Profit for the year	**93,266**	64,971
Other comprehensive income	**(189)**	(193)
Total comprehensive income	**93,077**	64,778
Cash and cash equivalents	**6,682**	9,440
Current financial liabilities (excluding trade and other payables and provisions)	**205,332**	211,387
Non-current financial liabilities (excluding other payables and provisions)	**203,883**	179,684
Depreciation and amortisation	**36,019**	32,658
Finance income	**11,182**	13,036
Finance expense	**68,831**	70,539
Income tax expense	**36,172**	28,068

The activities of Adani Wilmar Limited is strategic to the Group's activities. No dividends were received during the financial year ended 31 December 2020 (2019: Nil).

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

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

	Group	
	2020	2019
	US$'000	US$'000
Share of the joint ventures' profit for the year	**24,490**	44,156
Share of the joint ventures' total comprehensive income	**24,490**	44,156

The Group's investment in associates are summarised below:

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	**587,941**	563,289	**–**	–
Cosumar S.A.	**338,727**	328,230	**–**	–
Other associates	**1,799,654**	1,659,660	**13,677**	13,677
Investment in associates	**2,726,322**	2,551,179	**13,677**	13,677
Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)	**705,180**	823,199	**16,113**	13,857

Details of the list of significant associates are included in Note 40.

The summarised financial information of material associates are as follows:

	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd		Cosumar S.A.	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Assets and liabilities:				
Current assets	**519,965**	557,785	**869,820**	630,634
Non-current assets	**263,346**	235,311	**613,664**	564,380
Total assets	**783,311**	793,096	**1,483,484**	1,195,014
Current liabilities	**146,107**	213,155	**800,756**	569,920
Non-current liabilities	**1,634**	1,574	**121,355**	118,772
Total liabilities	**147,741**	214,729	**922,111**	688,692
Shareholders' equity	**620,787**	564,760	**563,764**	505,634
Proportion of the Group's ownership interest	**44%**	44%	**30%** +	30% +
Group's share	**273,146**	248,494	**166,615**	153,687
Goodwill on acquisition	**314,795**	314,795	**172,112**	174,543
Carrying amount of the investment	**587,941**	563,289	**338,727**	328,230
Revenue	**2,620,866**	2,222,426	**895,059**	834,785
Profit/(loss) for the year	**19,994**	(21,748)	**89,566**	78,086
Total comprehensive income	**19,994**	(21,748)	**89,566**	78,086

\+ The effective interest of the Group has been rounded to the nearest whole % as indicated

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17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The activities of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd and Cosumar S.A. are strategic to the Group's activities. No dividends were received from COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd during the financial year ended 31 December 2020 (2019: US$34,125,000). Dividend of approximately US$21,516,000 (2019: US$29,992,000) was received from Cosumar S.A. during the financial year ended 31 December 2020.

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

	Group	
	2020	2019
	US$'000	US$'000
Share of the associates' profit for the year	**94,939**	62,189
Share of the associates' total comprehensive income	**94,939**	62,189

18. INVESTMENT SECURITIES

	Group	
	2020	2019
	US$'000	US$'000
At fair value through other comprehensive income		
Non-current:		
Quoted equity instruments *	**216,552**	256,185
Unquoted equity instruments	**33,697**	152,522
Investment funds	**120,559**	157,947
	370,808	566,654
At fair value through profit or loss		
Current:		
Quoted equity instruments	**286,706**	315,518
	286,706	315,518

* 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.

<u>Investments in equity instruments designated at fair value through other comprehensive income</u>

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 is as follows:

	Group	
	2020	2019
	US$'000	US$'000
At fair value through other comprehensive income		
Preference shares issued by financial institutions in China	**132,428**	210,737
Unity Foods Limited	**46,693**	3,871
Primavera Capital (Cayman) Fund I L.P.	**39,651**	81,187
Sugar Terminals Limited	**37,415**	33,993
Others	**114,621**	236,866
	370,808	566,654

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$110,527,000 (2019: US$45,437,000) from its investment securities at FVOCI.

19. DEFERRED TAX

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2020 US$'000	2019 US$'000 Restated *	**2020 US$'000**	2019 US$'000
Deferred tax assets:				
Provisions	**107,507**	87,221	**(20,384)**	2,012
Unutilised tax losses	**139,179**	125,665	**(16,161)**	4,179
Timing differences for tax purposes	**179,506**	144,846	**(16,457)**	(78,442)
Fair value adjustments on derivatives classified as cash flow hedges	**26,799**	4,463	**–**	–
Other items	**1,260**	425	**286**	28,601
	454,251	362,620		
Less: Deferred tax liabilities:				
Timing differences for tax purposes	**409,556**	277,199	**107,021**	55,854
Fair value adjustments on acquisition of subsidiaries	**31,275**	32,061	**(1,011)**	(7,217)
Fair value adjustments on derivatives classified as cash flow hedges	**28,328**	9,113	**–**	–
Fair value adjustments on biological assets	**9,163**	8,192	**(111)**	4,467
Undistributed earnings	**69,386**	68,963	**423**	(5,800)
Other items	**1,866**	16,134	**501**	1,411
	549,574	411,662		
	(95,323)	(49,042)		
Deferred income tax charge			**54,107**	5,065

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	
	2020 US$'000	2019 US$'000 Restated*
Deferred tax assets	**203,494**	242,831
Deferred tax liabilities	**(298,817)**	(291,873)
	(95,323)	(49,042)

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US$902,882,000 (2019: US$930,799,000) 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 (2019: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to approximately US$6,110,457,000 (2019: US$5,769,774,000). The deferred tax liability is estimated to be approximately US$468,445,000 (2019: US$440,438,000).

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20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2020			2019		
	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	**10,576,276**	**185,348**	**254,837**	14,905,072	139,720	136,558
Futures, options and swap contracts	**17,311,361**	**341,894**	**596,679**	8,870,689	172,571	235,098
Interest rate swap	**1,113,978**	**–**	**10,972**	4,427,580	1,304	13,805
Fair value of firm commitment contracts	**6,952,962**	**175,195**	**81,077**	3,520,943	41,971	17,844
Total derivative financial instruments		**702,437**	**943,565**		355,566	403,305
Less: Current portion		**(641,249)**	**(893,729)**		(338,981)	(370,753)
Non-current portion		**61,188**	**49,836**		16,585	32,552

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. The Group does not apply hedge accounting, except for those designated as hedges of commodity products, Medium Term Notes and foreign exchange risk.

Certain derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements and Long Form Confirmations. In general, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Cash flow hedges

The Group enters into various commodities futures, options, swap and forward currency contracts in order to hedge the financial risks related to the purchases and sales of commodity products. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value loss of approximately US$73,501,000 (2019: loss of US$50,789,000), with related deferred tax charge of approximately US$1,529,000 (2019: tax charge of US$645,000), is included in the hedging reserve in respect of these contracts.

The cash flows arising from these derivatives are expected to occur and enter into the determination of profit or loss during the next two financial years as follows: (US$73,504,000) and US$3,000 (2019: (US$50,839,000) and US$50,000).

Fair value changes to the forward elements of forward currency contracts not designated as hedging instruments are accounted for as cost of hedging. A net fair value gain of approximately US$2,981,000 (2019: loss of approximately US$4,174,000), with related deferred tax charge of approximately US$1,416,000 (2019: tax credit of approximately US$1,391,000), 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 loss of approximately US$72,179,000 (2019: loss of US$6,194,000) is recognised in the income statement and offset with a similar gain on the inventory.

The Group also enters into cross currency interest rate swaps to hedge the financial risk related to Medium Term Notes issued by the Company. A net fair value gain of approximately US$1,071,000 (2019: gain of US$36,000) is recognised in the income statement and offset with a similar decrease in the loans and borrowings.

21. OTHER FINANCIAL RECEIVABLES OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Non-current:				
Other non-trade receivables	**19,400**	22,722	**19**	19
Other deposits with financial institutions	**12,991**	–	**–**	–
Amounts due from subsidiaries - non-trade	**–**	–	**247,045**	229,560
Amounts due from joint ventures - non-trade	**19,871**	21,904	**–**	–
Amounts due from associates - non-trade	**54,780**	65,100	**56,073**	55,094
Amounts due from related parties - non-trade	**20,600**	22,291	**–**	–
Other financial receivables	**127,642**	132,017	**303,137**	284,673
Current:				
Deposits	**150,027**	68,681	**56**	290
Loans to non-controlling shareholders of subsidiaries	**4,923**	1,214	**–**	–
Other non-trade receivables	**353,317**	298,783	**30,169**	13,915
Other deposits with financial institutions	**3,615,798**	6,442,865	**–**	–
Amounts due from subsidiaries – non-trade	**–**	–	**5,879,227**	5,450,276
Amounts due from joint ventures – non-trade	**121,871**	125,246	**1,215**	1,487
Amounts due from associates – non-trade	**216,531**	248,788	**2,883**	10,412
Amounts due from related parties – non-trade	**86,001**	92,576	**–**	–
Other financial receivables	**4,548,468**	7,278,153	**5,913,550**	5,476,380
Non-current:				
Prepayments	**45,356**	42,961	**–**	–
Plasma investments	**19,423**	15,658	**–**	–
Other non-financial assets	**64,779**	58,619	**–**	–
Current:				
Prepayments and other non-financial assets	**192,338**	178,612	**6,337**	7,102
Biological assets (Note 14)	**44,724**	38,641	**–**	–
Tax recoverables	**119,994**	157,268	**–**	–
Advances for property, plant and equipment	**452,142**	403,879	**–**	–
Advances to suppliers	**995,719**	605,000	**–**	–
Other non-financial assets	**1,804,917**	1,383,400	**6,337**	7,102

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 7.7% (2019: 2.5% to 7.7%) per annum, the remaining amounts are interest-free, unsecured and have no fixed terms of repayment. These balances are not expected to be repaid within the next twelve months and are expected to be settled in cash.

As at 31 December 2020, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$6,914,000 (2019: US$32,526,000).

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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$124,326,000 (2019: US$51,219,000) and US$68,891,000 (2019: US$139,469,000) respectively, which bear interest ranging from 1.5% to 9.5% (2019: 1.5% to 9.5%) per annum. These balances are expected to be settled in cash.

As at 31 December 2020, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$81,959,000 (2019: US$77,439,000).

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 loan amounting to US$4,082,000 (2019: US$Nil), which bear interest ranging from 3.0% to 8.9% per annum and are expected to be settled in cash.

Other deposits with financial institutions

Other deposits with financial institutions are deposits placed with banks with high credit ratings and no history of default. The interest rates range from 2.6% to 4.1% (2019: 3.3% to 4.5%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US$1,021,510,000 (2019: US$2,809,422,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2020	2019
	US$'000	US$'000
		Restated*
Balance Sheet		
At cost:		
Raw materials	**3,742,935**	2,676,678
Consumables	**453,565**	398,670
Finished goods	**3,635,725**	3,220,375
Stock in transit	**705,705**	694,795
	8,537,930	6,990,518
At net realisable value:		
Raw materials	**479,092**	430,079
Consumables	**5,742**	6,043
Finished goods	**413,387**	543,527
	898,221	979,649
	9,436,151	7,970,167
Income Statement		
Inventories recognised as an expense in cost of sales	**38,665,012**	32,892,494
Inclusive of the following charge:		
– Write back for net realisable value	**(38,271)**	(35,849)

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

23. TRADE RECEIVABLES

	Group	
	2020	2019
	US$'000	US$'000
Trade receivables	**3,907,400**	2,903,339
Notes receivables	**147,189**	204,085
Value added tax recoverable	**855,310**	875,987
Amounts due from joint ventures – trade	**238,111**	206,261
Amounts due from associates – trade	**116,401**	115,531
Amounts due from related parties – trade	**64,355**	2,562
	5,328,766	4,307,765
Less: Allowance for expected credit losses	**(50,895)**	(56,176)
	5,277,871	4,251,589

Trade receivables, including amounts due from joint ventures, associates and related parties, are non-interest bearing and the average turnover is 32 days (2019: 34 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 2020 and 31 December 2019.

The Group has pledged trade receivables amounting to approximately US$30,357,000 (2019: US$84,978,000) 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	
	2020	2019
	US$'000	US$'000
At 1 January	**(56,176)**	(39,612)
Write back/(additional) allowance during the year	**4,922**	(26,433)
Acquisition of subsidiaries	**(1,832)**	(3,447)
Bad debts written off against allowance	**1,759**	13,179
Currency translation differences	**432**	137
At 31 December	**(50,895)**	(56,176)

Financial assets carried at amortised cost

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**5,277,871**	4,251,589	**–**	–
Other financial receivables – current	**4,548,468**	7,278,153	**5,913,550**	5,476,380
Other financial receivables – non-current	**127,642**	132,017	**303,137**	284,673
Total cash and bank balances	**5,928,208**	4,045,893	**6,371**	344,605
Total financial assets carried at amortised cost	**15,882,189**	15,707,652	**6,223,058**	6,105,658

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24. OTHER BANK DEPOSITS

CASH AND BANK BALANCES

	Group	
	2020	2019
	US$'000	US$'000
Fixed deposits pledged with financial institutions for bank facilities	**1,136,131**	957,591
Other deposits with maturity more than 3 months	**2,085,913**	975,163
Other bank deposits	**3,222,044**	1,932,754

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Cash at banks and on hand	**2,175,056**	1,724,149	**6,371**	344,605
Short term and other deposits	**531,108**	388,990	**–**	–
Cash and bank balances	**2,706,164**	2,113,139	**6,371**	344,605

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the Group is 2.6% (2019: 3.2%) per annum.

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Other bank deposits	**3,222,044**	1,932,754	**–**	–
Cash and bank balances	**2,706,164**	2,113,139	**6,371**	344,605
Total cash and bank balances	**5,928,208**	4,045,893	**6,371**	344,605

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

	Group	
	2020	2019
	US$'000	US$'000
Cash and bank balances	**2,706,164**	2,113,139
Bank overdrafts	**(122,668)**	(64,261)
Cash and cash equivalents	**2,583,496**	2,048,878

25. TRADE PAYABLES

	Group	
	2020	2019
	US$'000	US$'000
Trade payables	**1,492,450**	1,533,660
Value added tax payable	**24,664**	17,018
Amounts due to joint ventures – trade	**23,983**	46,630
Amounts due to associates – trade	**72,049**	41,500
Amounts due to related parties – trade	**302**	51,890
	1,613,448	1,690,698

Trade payables, including amounts due to joint ventures, associates and related parties, are non-interest bearing and the average turnover is 14 days (2019: 14 days).

25. TRADE PAYABLES (CONTINUED)

Financial liabilities carried at amortised cost

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000 Restated*	**US$'000**	US$'000
Trade payables	**1,613,448**	1,690,698	**–**	–
Other financial payables – current	**2,084,097**	1,852,172	**5,566,865**	5,613,964
Other financial payables – non-current	**268,604**	258,288	**589,708**	–
Loans and borrowings	**23,149,472**	23,707,435	**486,773**	242,628
Total financial liabilities carried at amortised cost	**27,115,621**	27,508,593	**6,643,346**	5,856,592

26. OTHER FINANCIAL PAYABLES
OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000 Restated*	**US$'000**	US$'000
Current:				
Advances from non-controlling shareholders of subsidiaries	**4,695**	25,119	**–**	–
Accrued operating expenses	**1,102,695**	942,173	**23,350**	16,562
Amounts due to subsidiaries – non-trade	**–**	–	**5,542,118**	5,596,444
Amounts due to joint ventures – non-trade	**42,990**	41,221	**346**	–
Amounts due to associates – non-trade	**12,289**	19,199	**26**	–
Amounts due to related parties – non-trade	**3,475**	7,069	**89**	89
Deposits from third parties	**264,537**	258,792	**–**	–
Payable for property, plant and equipment	**244,693**	156,702	**–**	–
Other tax payables	**16,621**	11,083	**–**	–
Lease liabilities	**49,307**	39,296	**–**	–
Other payables	**342,795**	351,518	**936**	869
Other financial payables	**2,084,097**	1,852,172	**5,566,865**	5,613,964
Non-current:				
Advances from non-controlling shareholders of subsidiaries	**48,501**	66,076	**–**	–
Amounts due to subsidiaries – non-trade	**–**	–	**589,708**	–
Amounts due to associates – non-trade	**3**	2,924	**–**	–
Lease liabilities	**215,670**	171,532	**–**	–
Other payables	**4,430**	17,756	**–**	–
Other financial payables	**268,604**	258,288	**589,708**	–
Current:				
Advances from customers and others	**764,248**	590,872	**–**	–
Other non-financial liabilities	**764,248**	590,872	**–**	–
Non-current:				
Provision for employee gratuity	**113,014**	131,340	**–**	–
Deferred income – government grants	**69,664**	46,742	**–**	–
Other non-financial liabilities	**182,678**	178,082	**–**	–

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

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26. OTHER FINANCIAL PAYABLES

OTHER NON-FINANCIAL LIABILITIES (CONTINUED)

The current amounts due to subsidiaries by the Company and the current amounts due to associates, joint ventures and related parties by the Group are unsecured, non-interest bearing and repayable on demand except for amounts due to associates of approximately US$834,000 (2019: US$801,000) and amounts due to joint ventures of approximately US$38,498,000 (2019: US$25,949,000), which bear interest ranging from 3.2% to 7.1% (2019: 3.5% to 6.4%) 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$17,369,000 (2019: US$49,071,000), which bear interest rate at 2.4% to 7.0% (2019: 2.5% to 7.2%) 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

			Weighted average interest rate		Group		Company	
	Note	Maturity	2020	2019	2020	2019	2020	2019
			%	%	US$'000	US$'000	US$'000	US$'000
Current:								
Bank term loans	(a)	2021	2	3	1,952,723	2,529,914	–	–
Short term/pre-shipment loans	(a)	2021	2	3	10,099,340	8,382,364	–	–
Trust receipts/bill discounts	(a)	2021	1	2	4,801,154	7,306,311	–	–
Bank overdrafts	(b)	2021	5	6	122,668	64,261	–	–
Medium term notes	(c)	2021	3	–	163,593	–	163,593	–
Redeemable non-convertible debentures	(d)	2021	12	12	6,416	5,262	–	–
					17,145,894	18,288,112	163,593	–
Non-current:								
Bank term loans	(a)	2022–2029	2	5	5,654,487	5,068,343	–	–
Medium term notes	(c)	2022	1	2	323,180	242,628	323,180	242,628
Redeemable non-convertible debentures/redeemable preference shares/optionally convertible preference shares	(d)	2022–2037	12	12	25,911	108,352	–	–
					6,003,578	5,419,323	323,180	242,628
Total loans and borrowings					23,149,472	23,707,435	486,773	242,628

27. LOANS AND BORROWINGS (CONTINUED)

The terms and conditions and securities for interest bearing loans and borrowings are as follows:

(a) Bank term loans/short term/pre-shipment loans/trust receipts/bill discounts

A portion of the Group's loans is secured by a pledge over property, plant and equipment, fixed deposits, trade receivables, inventories, other deposits with financial institutions and corporate guarantees from the Company and certain subsidiaries.

(b) Bank overdrafts

Certain bank overdrafts are secured by corporate guarantees from the Company.

(c) Medium term notes

The Company issued the following notes:
- on 17 April 2014, a 7-year Medium Term Note of HK$300 million at a fixed rate of 4.70% per annum;
- on 17 July 2014, a 7-year Medium Term Note of Euro 100 million at a fixed rate of 3.03% per annum;
- on 26 April 2017, a 5-year Medium Term Note of Japanese Yen 10 billion at a fixed rate of 0.58% per annum;
- on 20 July 2020, a 2-year Medium Term Note of Singapore Dollars 100 million at a fixed rate of 0.90% per annum; and
- on 9 November 2020, a 2-year Medium Term Note of Singapore Dollars 200 million at a fixed rate of 0.90% per annum.

(d) Redeemable non-convertible debentures/redeemable preference shares/optionally convertible preference shares

The redeemable non-convertible debentures ("NCD") are secured by certain immovable and movable properties and current assets of a subsidiary. The NCD issued to Life Insurance Corporation of India ("LIC") are repayable in 20 structured quarterly instalments, bearing effective interest rates between 11.3% to 11.7%. The subsidiary is in the process of obtaining regulatory approval to restructure the NCD issued to LIC. The remaining non-convertible debentures are repayable in 12 structured quarterly instalments from 30 June 2024, bearing effective interest rate of 12.9%.

The redeemable preference shares bear effective interest rate of 12.9% and are redeemable in 40 structured quarterly instalments from 30 June 2027.

The optionally convertible preference shares bear effective interest rate of 12.0% and are to be converted on or before 31 March 2029.

(e) The bank facilities, up to a limit of approximately US$11,399,616,000 (2019: US$9,987,102,000), are guaranteed by the Company and certain subsidiaries.

(f) The Group has bank loans and other bank deposits amounting to approximately US$3,094,565,000 (2019: US$1,692,423,000), disclosed off-balance sheet for the financial year ended 31 December 2020 as the Group has transferred substantially all the risks and rewards of the cash flows arising from the deposits and have also legally been released from the responsibility for the loans.

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28. SHARE CAPITAL TREASURY SHARES

(a) Share capital

	Group		Company	
	Number of shares '000	US$'000	Number of shares '000	US$'000
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	**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 2019	(76,433)	(153,315)
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	13,904	31,084
– Transferred from employee share option reserve	–	5,853
– Transferred to general reserve on reissuance of treasury shares	–	(6,201)
	13,904	30,736
At 31 December 2019 and 1 January 2020	**(62,529)**	**(122,579)**
Acquired during the financial year	**(44,716)**	**(141,009)**
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	**20,075**	**43,888**
– Transferred from employee share option reserve	**–**	**8,382**
– Transferred to general reserve on reissuance of treasury shares	**–**	**(10,721)**
	20,075	**41,549**
At 31 December 2020	**(87,170)**	**(222,039)**

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

44,716,400 shares (2019: Nil) had been acquired during the financial year.

Options for a total of 20,075,500 ordinary shares (2019: 13,904,150) were exercised during the financial year pursuant to Wilmar ESOS 2009.

29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2020	2019	**2020**	2019
	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	**571,997**	(156,377)	**–**	–
General reserve	**493,957**	359,282	**27,760**	17,039
Equity transaction reserve	**426,452**	(241,115)	**–**	–
Hedging reserve	**(73,501)**	(50,789)	**–**	–
Employee share option reserve	**24,197**	71,335	**24,197**	71,335
Fair value reserve	**24,496**	112,698	**–**	–
Asset revaluation reserve	**5,514**	5,514	**–**	–
Cost of hedging reserve	**2,981**	(4,174)	**–**	–
Total other reserves	**(307,838)**	(1,687,557)	**197,336**	233,753

(b) Movements:

(i) Capital reserve

	Group		Company	
	2020	2019	**2020**	2019
	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 the 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	
	2020	2019
	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.

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29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(iii) Foreign currency translation reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**(156,377)**	(85,410)
Currency translation differences of foreign operations	**728,139**	(71,017)
Disposal of subsidiaries	**235**	50
At 31 December	**571,997**	(156,377)

(iv) General reserve

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
At 1 January	**359,282**	340,685	**17,039**	10,838
Transferred from retained earnings	**98,950**	23,140	**–**	–
Gain on reissuance of treasury shares	**10,721**	6,201	**10,721**	6,201
Gain/(loss) on remeasurements of defined benefit plan	**25,004**	(10,744)	**–**	–
At 31 December	**493,957**	359,282	**27,760**	17,039

(a) In accordance with the "Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment" and 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 China subsidiaries that are not governed under the above law, the entities are required to appropriate not less than 10% of the net profits to the Reserve Fund, as long as the Reserve Fund 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.

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(v) Equity transaction reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**(241,115)**	(235,246)
Disposal of subsidiaries	**(1,062)**	–
Acquisition of additional interest in subsidiaries	**(154,864)**	(5,872)
Dilution of interest in subsidiaries	**823,493**	3
At 31 December	**426,452**	(241,115)

(vi) Hedging reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**(50,789)**	22,502
Fair value adjustment on cash flow hedges	**(16,522)**	(61,845)
Recognised in the income statement on derivatives contracts realised	**(6,190)**	(11,446)
At 31 December	**(73,501)**	(50,789)

Hedging reserve represents the cumulative fair value changes, net of tax, of the derivatives contracts designated as cash flow hedges.

(vii) Employee share option reserve

	Group and Company	
	2020	2019
	US$'000	US$'000
At 1 January	**71,335**	66,653
Grant of equity-settled share options	**3,467**	10,535
Expiry of employee share options transferred to retained earnings	**(42,223)**	–
Reissuance of treasury shares pursuant to exercise of equity-settled share options	**(8,382)**	(5,853)
At 31 December	**24,197**	71,335

Employee share option reserve represents the equity-settled share options granted to employees (including directors) (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

(viii) Fair value reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**112,698**	136,347
Fair value adjustment on investment securities at FVOCI	**(88,202)**	(23,649)
At 31 December	**24,496**	112,698

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

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29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(ix) Asset revaluation reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January and 31 December	**5,514**	5,514

(x) Cost of hedging reserve

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**(4,174)**	(30,845)
Fair value adjustment on forward elements of forward contracts	**7,155**	26,671
At 31 December	**2,981**	(4,174)

30. PROVISION FOR EMPLOYEE GRATUITY

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

	Group	
	2020	2019
Discount rate	**7.5% per annum**	8.25% per annum
Wages and salaries increase	**7% per annum**	10% per annum
Retirement age	**57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age**	57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age
Mortality rate	**TMI 2019**	TMI 2011
Method	**Projected unit credit**	Projected unit credit

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

	Group	
	2020	2019
	US$'000	US$'000
Current service costs	**9,666**	10,536
Adjustment of new entrant employees/transfers	**630**	896
Interest costs	**9,353**	8,007
Curtailment loss	**(573)**	–
Past service costs	**(35)**	(315)
	19,041	19,124

The provision for employee gratuity recognised in the consolidated balance sheet represent the present value of the defined benefit obligation. The movement in provision for employee gratuity is as follows:

	Group	
	2020	2019
	US$'000	US$'000
At 1 January	**131,340**	93,531
Acquisition of subsidiaries	**110**	4,273
Provision made for the year	**19,041**	19,124
Payments during the year	**(5,477)**	(2,898)
Currency translation differences	**(88)**	2,836
Remeasurements of defined benefit plan during the year	**(31,912)**	14,474
At 31 December	**113,014**	131,340

31. EMPLOYEE BENEFITS

	Group	
	2020	2019
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**1,507,669**	1,165,541
Defined contribution plans	**113,787**	139,244
Share-based payments	**3,467**	10,535
Other short term benefits	**144,147**	99,316
Other long term benefits	**23,157**	19,533
	1,792,227	1,434,169
Less: Amount capitalised as bearer plants	**(9,577)**	(1,283)
	1,782,650	1,432,886

Share option schemes

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

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

No options were granted in 2020 under the Wilmar ESOS 2009 which 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 2020, options for a total of 47,458,400 ordinary shares were exercised, a total of 153,015,700 ordinary shares had lapsed/expired and a total of 21,080,900 ordinary shares remain valid until their respective expiry dates.

2015 Grant

On 18 June 2015, the Company granted options to subscribe for a total of 52,400,000 ordinary shares of the Company at S$3.05 per share (at a 7.63% 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. Outstanding options which were not exercised have expired on 19 June 2020.

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) 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 2020, the number of outstanding ordinary shares that were not exercised under this option grant was 21,080,900 (including the retention of the outstanding option to subscribe for 600,000 ordinary shares granted to Mr Yeo Teng Yang, the former Lead Independent Director of the Company who retired on 24 April 2019. This option continues to be valid till its expiry date).

All options granted under the 2015 Grant and 2017 Grant are valid for a period of five years from the dates of their respective grants and are exercisable in the following manner:

For Executive Directors and Executives

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

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

As at 31 December 2020, the total number of ordinary shares exercisable under the options granted pursuant to the Wilmar ESOS 2009 was 21,080,900 ordinary shares (2019: 43,887,100 ordinary shares).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

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

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

Under the rules of the Wilmar ESOS 2019:

(a) the eligible participants may be granted options to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price up to a maximum of 20%;

(b) the maximum number of ordinary shares (in respect of the options) that may be granted under the Wilmar ESOS 2019, after taking into account (i) the total number of new ordinary shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares and subsidiary holdings delivered in respect of options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant date of grant;

(c) controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Wilmar ESOS 2019; and

(d) there is no restriction on the eligibility of any participant to participate in any other share options or share incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

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

2020 Grant

On 29 September 2020, the Company granted options to subscribe for a total of 40,380,000 ordinary shares of the Company at S$3.94 per share (at a 10% discount to the Market Price) to Directors of the Company and Executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. 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 options granted
- After 3rd anniversary of the date of grant – 33% of options granted
- After 4th anniversary of the date of grant – 34% of options granted

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

As at 31 December 2020, the total number of ordinary shares exercisable under the options granted pursuant to the Wilmar ESOS 2019 was 40,380,000 ordinary shares (2019: Nil).

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
2020							
Wilmar ESOS 2009							
18.06.2015	**4,709,964**	**–**	**(883,964)**	**(3,826,000)**	**–**	**S$3.05**	**19.06.2017 to 18.06.2020**
18.06.2015	**3,283,564**	**–**	**(62,914)**	**(3,220,650)**	**–**	**S$3.05**	**19.06.2018 to 18.06.2020**
18.06.2015	**4,693,472**	**–**	**(93,622)**	**(4,599,850)**	**–**	**S$3.05**	**19.06.2019 to 18.06.2020**
	12,687,000	**–**	**(1,040,500)**	**(11,646,500)**	**–**		
08.09.2017	**12,175,450**	**–**	**(906,000)**	**(4,684,050)**	**6,585,400**	**S$3.04**	**09.09.2019 to 08.09.2022**
08.09.2017	**9,370,350**	**–**	**(376,200)**	**(3,744,950)**	**5,249,200**	**S$3.04**	**09.09.2020 to 08.09.2022**
08.09.2017	**9,654,300**	**–**	**(408,000)**	**–**	**9,246,300**	**S$3.04**	**09.09.2021 to 08.09.2022**
	31,200,100	**–**	**(1,690,200)**	**(8,429,000)**	**21,080,900**		
Wilmar ESOS 2019							
29.09.2020	**–**	**16,541,400**	**–**	**–**	**16,541,400**	**S$3.94**	**30.09.2022 to 29.09.2025**
29.09.2020	**–**	**11,741,400**	**–**	**–**	**11,741,400**	**S$3.94**	**30.09.2023 to 29.09.2025**
29.09.2020	**–**	**12,097,200**	**–**	**–**	**12,097,200**	**S$3.94**	**30.09.2024 to 29.09.2025**
	–	**40,380,000**	**–**	**–**	**40,380,000**		
Total	**43,887,100**	**40,380,000**	**(2,730,700)**	**(20,075,500)**	**61,460,900**		
2019							
Wilmar ESOS 2009							
18.06.2015	14,193,622	–	(5,756,108)	(3,727,550)	4,709,964	S$3.05	19.06.2017 to 18.06.2020
18.06.2015	13,674,172	–	(5,756,108)	(4,634,500)	3,283,564	S$3.05	19.06.2018 to 18.06.2020
18.06.2015	14,371,206	–	(5,930,534)	(3,747,200)	4,693,472	S$3.05	19.06.2019 to 18.06.2020
	42,239,000	–	(17,442,750)	(12,109,250)	12,687,000		
08.09.2017	22,571,800	–	(8,601,450)	(1,794,900)	12,175,450	S$3.04	09.09.2019 to 08.09.2022
08.09.2017	17,971,800	–	(8,601,450)	–	9,370,350	S$3.04	09.09.2020 to 08.09.2022
08.09.2017	18,516,400	–	(8,862,100)	–	9,654,300	S$3.04	09.09.2021 to 08.09.2022
	59,060,000	–	(26,065,000)	(1,794,900)	31,200,100		
Total	101,299,000	–	(43,507,750)	(13,904,150)	43,887,100		

Options for a total of 40,380,000 ordinary shares (2019: Nil) were granted during the financial year ended 31 December 2020. The weighted average fair value of options granted during the financial year was S$0.60.

Options for a total of 20,075,500 ordinary shares (2019: 13,904,150 ordinary shares) were exercised during the financial year under preview pursuant to Wilmar ESOS 2009.

The weighted average share price at the date of exercise of the options during the financial year was S$4.05 (2019: S$3.85).

The range of exercise prices for options outstanding at the end of the financial year were from S$3.04 to S$3.94 (2019: S$3.04 to S$3.05). The weighted average contractual life for these options was 3.7 years (2019: 2.1 years).

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31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Option Valuation Module, taking into account the terms and conditions upon which the options were granted. The inputs to the models used are as follows:

Grant year	**2020**	2019
Dividend (S$ per share)	**0.16**	No issuance
Expected volatility	**0.24**	No issuance
Risk-free interest rate (% p.a.)	**0.46**	No issuance
Expected life of option (years)	**5.00**	No issuance
Weighted average share price at date of grant (S$)	**4.14**	No issuance

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	
	2020	2019
	US$'000	US$'000
Balance at beginning	**210,828**	130,800
Currency translation differences	**7,858**	28
Acquisition of subsidiaries	**26,900**	63,266
Additions	**81,435**	50,125
Accretion of interest	**11,228**	5,544
Payments	**(69,371)**	(38,935)
Disposals	**(3,901)**	–
	264,977	210,828
Lease liabilities – current	**49,307**	39,296
Lease liabilities – non-current	**215,670**	171,532
	264,977	210,828

Amounts recognised in income statement

	Group	
	2020	2019
	US$'000	US$'000
Depreciation expense of right-of-use assets	**98,267**	65,555
Interest expense on lease liabilities	**11,228**	5,544
Expense relating to short-term leases	**64,188**	66,519
Expense relating to leases of low-value assets	**430**	9,539
Total amounts recognised in income statement	**174,113**	147,157

32. LEASES

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2020	2019
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**1,247,455**	1,159,221

(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	
	2020	2019
	US$'000	US$'000
Committed contracts		
Purchases	**8,648,977**	5,490,290
Sales	**8,532,943**	5,788,704

(c) Corporate guarantees

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

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Subsidiaries	**–**	–	**9,676,108**	8,277,679
Joint ventures	**9,221**	70,166	**9,221**	70,166
Associates	**157,000**	272,767	**157,000**	272,767
	166,221	342,933	**9,842,329**	8,620,612

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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	
	2020	2019
	US$'000	US$'000
Related Parties		
Dividend income	**6,427**	834
Dividend paid	**2,000**	1,504
Freight charges	**114,233**	160,075
Interest expense	**180**	213
Interest income	**4,451**	988
Other income	**3,871**	1,686
Other expense	**3,120**	1,556
Purchase of goods	**970,947**	1,261,765
Sale of goods	**226,089**	276,085
Ship charter income	**5,945**	11,611
Joint ventures		
Dividend income	**27,766**	46,456
Freight charges	**90,060**	137,324
Interest expense	**1,903**	1,508
Interest income	**4,092**	4,191
Other income	**36,052**	23,136
Other expense	**179**	120
Purchase of goods	**999,339**	1,127,627
Sale of goods	**1,232,831**	1,611,355
Ship charter income	**3,181**	28,560
Associates		
Dividend income	**55,700**	91,932
Freight charges	**2,002**	2,010
Interest expense	**198**	163
Interest income	**8,828**	10,390
Other income	**19,181**	20,569
Other expense	**25,201**	47,597
Purchase of goods	**787,304**	708,596
Sale of goods	**860,827**	769,728
Ship charter income	**66,035**	70,006

33. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

	Group	
	2020	2019
	US$'000	US$'000
Defined contribution plans	**160**	169
Salaries and bonuses	**30,899**	25,063
Short term employee benefits (including grant of share options)	**1,503**	2,248
	32,562	27,480
Comprise amounts paid to:		
Directors of the Company	**11,445**	9,679
Other key management personnel	**21,117**	17,801
	32,562	27,480

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			
2020	**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	**46,826**	**252,869**	**71,113**	**370,808**
Investment securities at FVPL	**286,706**	**–**	**–**	**286,706**
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**185,348**	**–**	**185,348**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**270,805**	**246,284**	**–**	**517,089**
At 31 December 2020	**604,337**	**684,501**	**71,113**	**1,359,951**
Non-financial assets:				
Biological assets	**–**	**–**	**44,724**	**44,724**
Investment properties	**–**	**–**	**32,475**	**32,475**
At 31 December 2020	**–**	**–**	**77,199**	**77,199**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**254,837**	**–**	**254,837**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**551,599**	**137,129**	**–**	**688,728**
At 31 December 2020	**551,599**	**391,966**	**–**	**943,565**

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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			
2019	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	11,582	368,557	186,515	566,654
Investment securities at FVPL	315,518	–	–	315,518
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	139,720	–	139,720
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	154,054	61,792	–	215,846
At 31 December 2019	481,154	570,069	186,515	1,237,738
Non-financial assets:				
Biological assets	–	–	38,641	38,641
Investment properties	–	–	33,181	33,181
At 31 December 2019	–	–	71,822	71,822
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	136,558	–	136,558
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	217,479	49,268	–	266,747
At 31 December 2019	217,479	185,826	–	403,305

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).

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 a combination of valuation methods like income capitalisation, direct comparison and residual methods, performed by professional valuers. Other valuation methods used included 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.

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 2019	189,517	20,631	21,782	231,930
Total gain recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	–	18,126	–	18,126
– Net gain arising from fair value adjustment of investment properties	–	–	2,782	2,782
Additions	16,072	–	–	16,072
Disposals	(1,342)	–	–	(1,342)
Transfer from property, plant and equipment	–	–	8,884	8,884
Total loss recognised in the other comprehensive income:				
– Net loss arising from changes in fair value	(17,248)	–	–	(17,248)
– Foreign currency translation	(484)	(116)	(267)	(867)
At 31 December 2019	186,515	38,641	33,181	258,337
At 1 January 2020	**186,515**	**38,641**	**33,181**	**258,337**
Total gain/(loss) recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	**–**	**6,107**	**–**	**6,107**
– Net loss arising from fair value adjustment of investment properties	**–**	**–**	**(2,834)**	**(2,834)**
Additions	**132**	**–**	**–**	**132**
Disposals	**(41,079)**	**–**	**–**	**(41,079)**
Total (loss)/gain recognised in the other comprehensive income:				
– Net loss arising from changes in fair value	**(78,023)**	**–**	**–**	**(78,023)**
– Foreign currency translation	**3,568**	**(24)**	**2,128**	**5,672**
At 31 December 2020	**71,113**	**44,724**	**32,475**	**148,312**

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2020 and 31 December 2019.

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			
	2020 US$'000		2019 US$'000	
	Carrying amount	**Effect of reasonably possible alternative assumptions**	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
– Quoted equity instruments	**37,416**	**(i)**	33,993	(i)
– Unquoted equity instruments	**33,697**	**(ii)**	152,522	(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. The key inputs used in determining the fair value include future rental income, capital expenditure and operating expenses. Management believes that capital expenditure is the only assumption to which there is a reasonably possible alternative. However, any significant capital expenditure above the estimated level would be factored into any future rental negotiations. Therefore, no sensitivity of changes in this input is undertaken.

(ii) Included in unquoted equity instruments is an amount of US$Nil (2019: US$95,946,000) based largely on the fair value of investment properties. The estimated fair value of the investment properties is derived using a combination of valuation methods, namely income capitalisation, direct comparison and residual methods. The capitalisation rates of the different components of the investment properties for 2019 range from 3.75% to 4.5%. The estimated fair value of the investment properties increases with decreases in the capitalisation rate. The estimated fair value of other 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.

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			
	2020 US$'000		2019 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**127,642**	**#**	132,017	#
Financial liabilities:				
Other financial payables	**268,604**	**#**	258,288	#

	Company			
	2020 US$'000		2019 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**303,137**	**#**	284,673	#
Financial liabilities:				
Other financial payables	**589,708**	**#**	–	#

Fair value information has not been disclosed for these financial instruments because fair value cannot be measured reliably.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by its risk management system. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31 December 2020 and 31 December 2019.

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.

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			
	2020		2019	
	US$'000	**%**	US$'000	%
By country:				
People's Republic of China	**1,877,599**	**36**	1,382,865	33
South East Asia	**1,367,316**	**26**	1,409,481	33
Europe	**272,057**	**5**	256,526	6
Africa	**308,720**	**6**	216,642	5
Australia/New Zealand	**293,820**	**5**	205,013	5
India	**210,870**	**4**	141,842	3
Others	**947,489**	**18**	639,220	15
	5,277,871	**100**	4,251,589	100

	Group			
	2020		2019	
	US$'000	**%**	US$'000	%
By segment:				
Food Products	**1,647,812**	**31**	1,507,427	36
Feed and Industrial Products	**3,334,764**	**64**	2,383,830	56
Plantation and Sugar Milling	**125,701**	**2**	134,149	3
Others	**169,594**	**3**	226,183	5
	5,277,871	**100**	4,251,589	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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.

	2020 US$'000				2019 US$'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	**–**	**370,808**	**–**	**370,808**	–	566,654	–	566,654
Investment securities at FVPL	**286,706**	**–**	**–**	**286,706**	315,518	–	–	315,518
Trade and other financial receivables	**9,875,655**	**130,028**	**–**	**10,005,683**	11,635,547	133,312	–	11,768,859
Derivative financial instruments	**641,249**	**61,188**	**–**	**702,437**	338,981	16,585	–	355,566
Total cash and bank balances	**6,031,651**	**–**	**–**	**6,031,651**	4,096,982	–	–	4,096,982
Total undiscounted financial assets	**16,835,261**	**562,024**	**–**	**17,397,285**	16,387,028	716,551	–	17,103,579

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2020 US$'000				2019 US$'000 Restated*			
	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	**3,715,713**	**430,795**	**111,061**	**4,257,569**	3,557,134	209,075	70,822	3,837,031
Derivative financial instruments	**893,729**	**49,836**	**–**	**943,565**	370,753	32,552	–	403,305
Loans and borrowings	**17,245,956**	**6,170,688**	**10,268**	**23,426,912**	18,447,972	5,689,915	135,673	24,273,560
Total undiscounted financial liabilities	**21,855,398**	**6,651,319**	**121,329**	**28,628,046**	22,375,859	5,931,542	206,495	28,513,896
Total net undiscounted financial liabilities	**(5,020,137)**	**(6,089,295)**	**(121,329)**	**(11,230,761)**	(5,988,831)	(5,214,991)	(206,495)	(11,410,317)

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

	2020 US$'000				2019 US$'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	**5,915,929**	**303,137**	**–**	**6,219,066**	5,480,100	284,673	–	5,764,773
Total cash and bank balances	**6,371**	**–**	**–**	**6,371**	344,605	–	–	344,605
Total undiscounted financial assets	**5,922,300**	**303,137**	**–**	**6,225,437**	5,824,705	284,673	–	6,109,378
Financial liabilities:								
Other financial payables	**5,657,472**	**604,349**	**–**	**6,261,821**	5,807,697	–	–	5,807,697
Loans and borrowings	**163,593**	**323,180**	**–**	**486,773**	–	242,628	–	242,628
Total undiscounted financial liabilities	**5,821,065**	**927,529**	**–**	**6,748,594**	5,807,697	242,628	–	6,050,325
Total net undiscounted financial assets/ (liabilities)	**101,235**	**(624,392)**	**–**	**(523,157)**	17,008	42,045	–	59,053

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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.

	2020 US$'000				2019 US$'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	**157,350**	**8,871**	**–**	**166,221**	254,062	85,000	3,871	342,933
Company								
Financial guarantees	**4,179,347**	**5,614,954**	**48,028**	**9,842,329**	3,673,854	4,900,788	45,970	8,620,612

(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 (2019: 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$59,201,000 (2019: US$52,777,000), 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A 5% (2019: 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)	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Chinese Renminbi	**(6,793)**	(31,468)	**–**	–
Malaysian Ringgit	**(1,602)**	(2,287)	**(23,042)**	(27,468)
Indonesian Rupiah	**(8,766)**	(328)	**(17,677)**	(9,762)
Others	**(10,924)**	(13,928)	**(423)**	(4,397)

(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% (2019: 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	
	2020	2019
	US$'000	US$'000
Effect of increase in commodities price indices on		
Profit before tax	**(8,315)**	(977)
Equity (hedging reserve)	**(2,683)**	(2,372)
Effect of decrease in commodities price indices on		
Profit before tax	**8,315**	977
Equity (hedging reserve)	**2,683**	2,372

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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% (2019: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US$14,336,000 (2019: US$15,776,000) higher/lower, arising as a result of higher/lower fair value gains of investment securities, and the Group's other reserves in equity would have been approximately US$18,541,000 (2019: US$28,333,000) 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 2020 and 31 December 2019.

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	
	2020	2019
	US$'000	US$'000
Shareholders' funds	**18,882,355**	16,762,509
Loans and borrowings	**23,149,472**	23,707,435
Less: Cash and bank balances	**(5,928,208)**	(4,045,893)
Less: Other deposits with financial institutions - current	**(3,615,798)**	(6,442,865)
Net debt	**13,605,466**	13,218,677
Net gearing ratio (times)	**0.72**	0.79

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	
	2020 US$'000	2019 US$'000 Restated*
Shareholders' funds	**18,882,355**	16,762,509
Liquid working capital:		
Inventories (excluding consumables)	**8,976,844**	7,565,454
Trade receivables	**5,277,871**	4,251,589
Less: Current liabilities (excluding loans and borrowings)	**(5,687,262)**	(4,700,796)
Total liquid working capital	**8,567,453**	7,116,247
Adjusted net debt	**5,038,013**	6,102,430
Adjusted net gearing ratio (times)	**0.27**	0.36

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

37. SEGMENT INFORMATION

Reporting format

With effect from January 2020, the Group adopted a new segment classification for reporting its segment revenue and results. The change in segments better reflects the Group's core businesses and strategy. Previously, the Group has segmented its business based on different agricultural commodities, mainly Tropical Oils, Oilseeds and Grains, Sugar and Others. Going forward, the four reporting segments will be based on the types of products and services, and has four reportable operating segments as follows:

Food Products

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

Feed and Industrial Products

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

Plantation and Sugar Milling

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

Others

This segment includes logistics & jetty port services and investment activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. Following the change in segment classification, our financial statements will reflect the new reporting segments with prior periods adjusted accordingly.

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.

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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, assets and liabilities associated with disposal group classified as held for sale, 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.

2020

	Food Products US$'000	Feed and Industrial Products US$'000	Plantation and Sugar Milling US$'000	Others US$'000	Eliminations US$'000	Per Consolidated Financial Statements US$'000
Revenue:						
Sales to external customers	23,208,554	26,068,395	662,369	587,476	–	50,526,794
Inter-segment	388,125	2,864,195	1,492,038	193,119	(4,937,477)	–
Total revenue	23,596,679	28,932,590	2,154,407	780,595	(4,937,477)	50,526,794
Results:						
Segment results	1,152,398	795,877	104,832	59,237	–	2,112,344
Share of results of joint ventures	18,189	51,081	–	1,853	–	71,123
Share of results of associates	79,563	(2,149)	42,437	11,211	–	131,062
Unallocated expenses						(3,467)
Profit before tax from continuing operations						2,311,062
Income tax expense						(620,088)
Profit for the year						1,690,974
Assets and Liabilities:						
Segment assets	19,234,743	19,612,155	5,667,814	8,901,258	(6,069,963)	47,346,007
Investment in joint ventures	341,091	279,824	–	3,244	–	624,159
Investment in associates	951,533	808,946	478,813	487,030	–	2,726,322
Unallocated assets						323,488
Total assets						51,019,976
Segment liabilities	12,571,693	11,493,671	1,639,478	8,884,460	(6,069,963)	28,519,339
Unallocated liabilities						1,117,330
Total liabilities						29,636,669
Other segment information:						
Additions to non-current assets	826,044	869,959	176,048	293,601	–	2,165,652
Depreciation, impairment and amortisation	318,854	411,442	265,944	61,755	–	1,057,995
Finance income	243,459	165,233	16,492	196,921	(202,279)	419,826
Finance cost	(312,105)	(375,997)	(31,466)	(142,927)	202,279	(660,216)#

Including non-operating finance costs amounting to approximately US$9,106,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

37. SEGMENT INFORMATION (CONTINUED)

2019

	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 Restated*
Revenue:						
Sales to external customers	19,146,553	22,125,613	775,147	593,206	–	42,640,519
Inter-segment	164,635	2,051,674	1,331,346	225,863	(3,773,518)	–
Total revenue	19,311,188	24,177,287	2,106,493	819,069	(3,773,518)	42,640,519
Results:						
Segment results	974,532	630,272	(41,255)	(7,531)	–	1,556,018
Share of results of joint ventures	3,499	79,810	–	(6,667)	–	76,642
Share of results of associates	78,982	(16,572)	13,747	197	–	76,354
Unallocated expenses						(10,535)
Profit before tax from continuing operations						1,698,479
Income tax expense						(371,533)
Profit from continuing operations, net of tax						1,326,946
Profit from discontinued operations, net of tax						43,545
Profit for the year						1,370,491
Assets and Liabilities:						
Segment assets	19,221,160	18,511,656	4,231,258	6,016,611	(4,438,820)	43,541,865
Investment in joint ventures	263,842	284,677	–	3,482	–	552,001
Investment in associates	852,790	818,045	432,782	447,562	–	2,551,179
Unallocated assets						400,099
Total assets						47,045,144
Segment liabilities	13,770,554	12,165,742	1,087,092	5,853,656	(4,438,820)	28,438,224
Unallocated liabilities						730,802
Total liabilities						29,169,026
Other segment information:						
Additions to non-current assets	2,267,171	909,300	324,831	192,252	–	3,693,554
Depreciation, impairment and amortisation	232,204	372,562	229,305	44,352	–	878,423
Finance income	265,826	236,748	24,353	160,526	(211,633)	475,820
Finance cost	(286,358)	(600,798)	(81,951)	(165,195)	211,633	(922,669)#

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

\# Including non-operating finance cost amounting to approximately US$30,246,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

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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:

	2020 US$'000	2019 US$'000
Share-based payments (executive share options)	**(3,467)**	(10,535)

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 consolidated balance sheet:

	2020 US$'000	2019 US$'000 Restated*
Deferred tax assets	**203,494**	242,831
Tax recoverable	**119,994**	157,268
	323,488	400,099

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

	2020 US$'000	2019 US$'000 Restated*
Deferred tax liabilities	**298,817**	291,873
Tax payable	**331,740**	196,301
Medium term notes	**486,773**	242,628
	1,117,330	730,802

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

37. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
				Restated*
South East Asia	**10,097,293**	7,383,781	**8,079,621**	7,893,050
People's Republic of China	**27,569,771**	23,796,938	**9,255,002**	8,004,090
India	**1,251,144**	1,155,387	**986,999**	979,069
Europe	**1,649,311**	2,049,410	**309,036**	335,712
Australia/New Zealand	**2,314,865**	819,037	**2,331,707**	1,831,483
Africa	**3,154,302**	2,854,497	**1,123,470**	1,045,004
Others	**4,490,108**	4,581,469	**375,081**	546,965
	50,526,794	42,640,519	**22,460,916**	20,635,373

* Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. and its subsidiaries

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 receivable and other non-financial assets as presented in the consolidated balance sheet.

38. DIVIDENDS

	Group and Company	
	2020	2019
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final tax-exempt (one-tier) dividend for 2019: S$0.095 (2018: S$0.070) per share	**432,671**	324,953
– Interim tax-exempt (one-tier) dividend for 2020: S$0.040 (2019: S$0.030) per share	**185,907**	136,880
	618,578	461,833
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 2020: S$0.090 (2019: S$0.095) per share	**427,566**	442,045
– Special tax-exempt (one-tier) dividend for 2020: S$0.065 (2019: S$Nil) per share	**308,798**	–
	736,364	442,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020 %	2019 %
Cai Lan Oils & Fats Industries Company Ltd[3]	Vietnam	Manufacture and sale of vegetable oils and related products	**76**	76
PGEO Group Sdn Bhd[2] & its subsidiaries	Malaysia	Investment holding, processing, manufacturing and sale of edible oils and related products, and trading and manufacturing of vegetarian foods	**100**	100
PPB Oil Palms Berhad[2] & its subsidiaries	Malaysia	Investment holding and provision of agricultural and technical advisory services, oil palm cultivation, operation of palm oil mills, cultivation and sale of clonal plantlets	**100**	100
PT Sentratama Niaga Indonesia[2] & its subsidiaries	Indonesia	Management consulting company, investment company, processing, manufacturing and selling of edible oils and its related products and other consumer goods, oil palm cultivation and palm oil milling, manufacturing and selling of fertilisers, industrial estate, manufacturing and selling of biofuel and/or gasoline and related products, rice milling and trading in rice products, warehousing and e-commerce	**100**	100
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+**	58+
Wilmar Africa Limited[3] & its subsidiary	Ghana	General trading of all kinds of goods and related trade activities, agriculture and plantation, fertiliser manufacturers, agro processing, refinery, special fats and oleo chemicals, grains and pulses productions, warehousing and distribution	**72+**	72+
Wilmar Sugar Australia Limited[2] & its subsidiaries	Australia	Investment holding, manufacturing and merchandising of raw and refined sugar products, molasses, co-generated electricity, ethanol and its by-products and distribution of oleochemicals and a range of other traded products	**100**	100
Wii Pte. Ltd.[1]	Singapore	Finance and treasury centre	**100**	100

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	
			2020 **%**	2019 %
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+**	100+
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	**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 2020

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	
			2020	2019
			%	%
Adani Wilmar Limited[3]	India	Manufacturing and trading of edible and non-edible oils and trading of various agro based products like rice, pulses, besan, nuggets, wheat flour, sugar etc.	**50**	50
Global Amines Company Pte. Ltd.[1] & its subsidiaries	Singapore	Investment holding and production and sale of fatty amines and selected amines derivatives	**50**	50
Olenex Holdings B.V.[2] & its subsidiaries	The Netherlands	Investment holding and manufacturing, marketing and distribution of edible oils	**63+**	63+
Vietnam Agribusiness Holdings Pte. Ltd.[3] & its subsidiary	Singapore	Trading, selling, distributing, marketing, processing and investing in agribusiness activities and related products	**45**	45

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
\+ The effective interest of the Group has been rounded to the nearest whole % as indicated

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	
			2020	2019
			%	%
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**	39
Changshu Luhua Edible Oil Co., Ltd[3]	People's Republic of China	Edible oils packaging	**30+**	33+
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd[3]	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging, flour and rice milling and specialty fats processing	**44**	44
Cosumar S.A.[2][3]	Morocco	Processing of sugarcane and sugar beet, refining of raw sugar, and marketing, trading and distribution of such products, creation and operation of specialised laboratories and design offices in the sugar industries	**30+**	30+
DelMar Pte. Ltd.[1]	Singapore	Investment holding	**52+**	52+
FFM Berhad[2]	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products	**20**	20
Laiyang Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Murzah Wilmar East Africa Limited[2]	Tanzania	Manufacturers and traders of cooking oil, cooking fat, soaps & detergents, plastic containers and furnitures	**49**	49

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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	
			2020	2019
			%	%
Perennial Group Private Limited[3] (formerly known as Primero Investment Holdings Pte. Ltd.) & its subsidiaries	Singapore	Investment holding, real estate investment and development, asset and property management services, and healthcare services	**20+**	20+
Sethal Holdings Limited[3]	Cyprus	Investment holding	**52+**	52+
Shandong Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Sifca SA[2]	Ivory Coast	Trading of agro and industrial products	**27+**	27+
Xiang Yang Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**30+**	33+
Zhoukou Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**44+**	49+

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
\+ The effective interest of the Group has been rounded to the nearest whole % as indicated

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 10 March 2021.

STATISTICS OF SHAREHOLDINGS

AS AT 26 FEBRUARY 2021

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	:	91,261,400 (1.45%*)
Number of Shares (Excluding Treasury Shares)	:	6,312,139,706
Number and Percentage of Subsidiary Holdings#	:	0 (0%)
Class of Shares	:	Ordinary Shares ("Shares")
Voting Rights	:	One vote per Share. The Company cannot exercise any voting rights in respect of Shares held by it as Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares (Excluding Treasury Shares)	%*
1 to 99	65	0.33	1,307	0.00
100 to 1,000	4,614	23.23	3,690,472	0.06
1,001 to 10,000	12,101	60.93	51,497,403	0.82
10,001 to 1,000,000	3,026	15.23	146,673,930	2.32
1,000,001 and above	55	0.28	6,110,276,594	96.80
Total	**19,861**	**100.00**	**6,312,139,706**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total Interest	%*
Kuok Khoon Hong(1)	1,990,000	807,307,435	809,297,435	12.82
Longhlin Asia Limited(2)	69,009,921	462,242,571	531,252,492	8.42
Archer Daniels Midland Company(3)	–	1,404,173,054	1,404,173,054	22.25
Archer Daniels Midland Asia-Pacific Limited(4)	615,415,916	788,757,138	1,404,173,054	22.25
ADM Ag Holding Limited	356,461,795	–	356,461,795	5.65
Global Cocoa Holdings Ltd	356,399,775	–	356,399,775	5.65
Kuok Brothers Sdn Berhad(5)	230,000	1,183,151,955	1,183,381,955	18.75
PPB Group Berhad	1,172,614,755	–	1,172,614,755	18.58
Kerry Group Limited(6)	–	700,154,586	700,154,586	11.09
Kerry Holdings Limited(7)	–	347,915,639	347,915,639	5.51

Notes:

(1) Mr Kuok Khoon Hong is deemed to be interested in 1,000,000 Shares held by his spouse, 187,364,671 Shares held by Hong Lee Holdings (Pte) Ltd ("Hong Lee"), 230,461,271 Shares held by HPR Investments Limited, 26,660,773 Shares held by HPRY Holdings Limited, 343,887,821 Shares held by Longhlin Asia Limited ("Longhlin"), 6,650,932 Shares held by Pearson Investments Limited, 5,137,967 Shares held by Jaygar Holdings Limited, 144,000 Shares held by Kuok Hock Swee & Sons Sdn Bhd and 6,000,000 Shares held through trust accounts controlled by him.

(2) Longhlin is deemed to be interested in 274,877,900 Shares held in the names of nominee companies and 187,364,671 Shares held by Hong Lee.

(3) Archer Daniels Midland Company ("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, 14,966,453 Shares held by Alpha Model Limited, 500,000 Shares held by Athena Equities Holding Limited ("Athena"), 45,579,446 Shares held by Bright Magic Investments Limited, 593,899 Shares held by Crystal White Limited, 31,335,900 Shares held by Dalex Investments Limited ("Dalex"), 256,211,778 Shares held by Harpole Resources Limited ("Harpole"), 23,188,079 Shares held by Kerry Asset Management Limited ("KAM"), 20,617,169 Shares held by Macromind Investments Limited, 203,555 Shares held by Marsser Limited, 33,760,355 Shares held by Natalon Company Limited ("Natalon"), 246,600,000 Shares held by Noblespirit Corporation, 564,562 Shares held by Star Medal Limited ("Star Medal") and 2,354,965 Shares held by Total Way Investments Limited ("TWI").

(7) Kerry Holdings Limited is deemed to be interested in 500,000 Shares held by Athena, 31,335,900 Shares held by Dalex, 256,211,778 Shares held by Harpole, 23,188,079 Shares held by KAM, 33,760,355 Shares held by Natalon, 564,562 Shares held by Star Medal and 2,354,965 Shares held by TWI.

STATISTICS OF SHAREHOLDINGS

AS AT 26 FEBRUARY 2021

TWENTY LARGEST SHAREHOLDERS

(As shown in the Register of Members and Depository Register)

No.	Name of Shareholders	No. of Shares	%*
1	PPB Group Berhad	1,172,614,755	18.58
2	Citibank Nominees Singapore Pte Ltd	690,573,865	10.94
3	Raffles Nominees (Pte) Limited	665,960,182	10.55
4	DBS Nominees Pte Ltd	539,320,537	8.54
5	Archer Daniels Midland Asia-Pacific Limited	525,513,329	8.33
6	Global Cocoa Holdings Ltd	356,399,775	5.65
7	DBSN Services Pte Ltd	281,600,020	4.46
8	Kuok (Singapore) Limited	256,951,112	4.07
9	Harpole Resources Limited	256,211,778	4.06
10	Noblespirit Corporation	242,600,000	3.84
11	HSBC (Singapore) Nominees Pte Ltd	233,878,147	3.71
12	UOB Kay Hian Pte Ltd	152,011,350	2.41
13	DB Nominees (Singapore) Pte Ltd	130,632,955	2.07
14	Longhlin Asia Limited	69,009,921	1.09
15	ADM Ag Holding Limited	57,163,640	0.91
16	United Overseas Bank Nominees Pte Ltd	55,131,858	0.87
17	Morgan Stanley Asia (Singapore) Securities Pte Ltd	46,718,685	0.74
18	Hong Lee Holdings (Pte) Ltd	36,204,971	0.57
19	Natalon Company Limited	33,760,355	0.53
20	Kefkong Limited	32,400,000	0.51
	Total	**5,834,657,235**	**92.43**

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 26 February 2021, 30%* 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 6,312,139,706 Shares (excluding Treasury Shares) as at 26 February 2021.

\# "Subsidiary Holdings" is defined in the Listing Manual of the SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

NOTICE OF ANNUAL GENERAL MEETING

WILMAR INTERNATIONAL LIMITED

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by way of electronic means on Thursday, 15 April 2021 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 year ended 31 December 2020. (Resolution 1)

2. To declare a final dividend of S$0.09 per ordinary share and a special dividend of S$0.065 per ordinary share for the year ended 31 December 2020. (Resolution 2)

3. To approve the payment of Directors' fees of S$1,040,000 for the year ended 31 December 2020 (2019: S$965,156). (Resolution 3)

4. To re-elect the following Directors, who are retiring by rotation pursuant to article 105 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Lim Siong Guan (Resolution 4)

   (b) Mr Kuok Khoon Hong (Resolution 5)

   (c) Mr Pua Seck Guan (Resolution 6)

   (d) Mr Kishore Mahbubani (Resolution 7)

   Note: Mr Weijian Shan, a Non-Executive and Independent Director, will also retire by rotation pursuant to article 105 of the Constitution of the Company at the AGM. He has given notice to the Company that he is not seeking re-election at the AGM. His retirement from the Board will take effect upon conclusion of the AGM.

5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)

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, Chapter 50 of Singapore, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), 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,

NOTICE OF ANNUAL GENERAL MEETING

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 20% 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 of the SGX-ST;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; 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. (Resolution 9)

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 of the Singapore Exchange Securities Trading Limited)) from time to time. (Resolution 10)

8. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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 24 March 2021 (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 are in accordance with the review procedures described in the Letter to Shareholders (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution. (Resolution 11)

9. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Share Purchase Committee of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") 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 Singapore Exchange Securities Trading Limited ("**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,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as may for the time being be applicable, 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 and acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary 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 of the On-Market Share Purchase was made, or as the case may be, the date of the making of the offer for an Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day of the On-Market Share Purchase or, as the case may be, the date of the making of the offer for an Off-Market Share Purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, 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 of the SGX-ST)) as at the date of the passing of this Ordinary Resolution;

"**Maximum Price**" in relation to a Share to be purchased or acquired, 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. (Resolution 12)

NOTICE OF RECORD DATE AND PAYMENT DATE FOR THE PROPOSED FINAL AND SPECIAL DIVIDENDS

NOTICE IS HEREBY GIVEN that the Share Transfer Register and Register of Members of the Company will be closed on 27 April 2021 for the purposes of determining shareholders' entitlements to the proposed final dividend of S$0.09 per ordinary share and special dividend of S$0.065 per ordinary share for the year ended 31 December 2020 (the "**Proposed Dividends**").

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 of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 26 April 2021, will be registered to determine shareholders' entitlement to the Proposed Dividends.

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 26 April 2021 will be entitled to the Proposed Dividends.

The Proposed Dividends, if approved by shareholders at the Company's AGM, will be paid on 6 May 2021.

By Order of the Board

Teo La-Mei
Executive Director and Company Secretary

Singapore
24 March 2021

NOTES:

1. The AGM is being convened, and will be held, 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. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be disseminated to members 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 the Singapore Exchange's ("SGX") website at the URL https://www.sgx.com/securities/company-announcements.

2. **Due to the current COVID-19 restriction orders in Singapore and the related safe distancing measures which make it difficult for members to attend the AGM in person,** alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM will be made by the Company, the details of which are set out below. Any reference to a time of day is made by reference to Singapore time.

3. Members will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, members must pre-register at the Company's pre-registration website at the URL https://conveneagm.sg/wilmar2021agm from **now till 10.00 a.m. on 12 April 2021** to enable the Company to verify their status as members of the Company.

   Following the verification, authenticated members will receive an email confirming successful registration, which will contain unique user credentials as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the AGM proceedings. Members who do not receive such email by 10.00 a.m. on 14 April 2021 but have registered by the 12 April 2021 deadline, should contact the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) (the "Share Registar") at +65 6236 3550 or +65 6236 3555 or via email at is.WilmarAGM@sg.tricorglobal.com.

NOTICE OF ANNUAL GENERAL MEETING

4. Members may also submit questions related 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 12 April 2021**:

   (a) if submitted electronically, be submitted via the Company's pre-registration website at the URL https://conveneagm.sg/wilmar2021agm;

   (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.

   When sending in questions via email or by post, please also provide the following details:

   (i) the member's full name;
   (ii) the member's address; and
   (iii) the manner in which the member holds shares in the Company (e.g., via The Central Depository (Pte) Limited ("**CDP**"), scrip, Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**").

   The Company will endeavour to address all substantial and relevant questions submitted in advance during the AGM. The Company will publish the minutes of the AGM on its website and on SGX's website, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

   Save as provided herein, members will not be able to ask questions at the AGM live during the webcast or audio-stream, and therefore, it is advisable for members to submit their questions in advance of the AGM. However, to improve interaction with members, the Company has made available a "chat function" for members to type and submit their questions during the AGM. The Chairman of the Meeting will also endeavour to address those questions which are related to the resolutions to be tabled for approval at the AGM live during the AGM.

5. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. The Proxy Form for the AGM may be accessed at the Company's website at the URL https://ir-media.wilmar-international.com/shareholders-meetings/ and at the SGX's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Proxy Form will not be sent to members.

   In appointing the Chairman of the Meeting as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. The Proxy Form appointing the Chairman of the Meeting as proxy 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/wilmar2021agm;

   (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 either case, by **10.00 a.m. on 12 April 2021**, 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 via email to the email address provided above, or before sending it by post to the address provided above.

In view of the Covid-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via the pre-registration website or email.

7. Persons who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), 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 live audio-visual webcast or live audio-only stream; (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.

   In addition, CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 5 April 2021, being 7 working days before the date of the AGM.

8. The Chairman of the Meeting, as proxy, need not be a member of the Company.

9. The Company's Annual Report 2020 and the Letter to Shareholders dated 24 March 2021 (in relation to the proposed renewal of the interested person transactions and the share purchase mandates) may be accessed at the Company's website at the URL https://ir-media.wilmar-international.com/shareholders-meetings/ or the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

10. Due to the constantly evolving Covid-19 situation in Singapore, the Company may be required to change the arrangements for the AGM at short notice. Members should check the Company's website at the URL https://ir-media.wilmar-international.com/shareholders-meetings/ or the SGX's website at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM.

EXPLANATORY NOTES:

1. The Ordinary Resolution 3 proposed in item no. 3 above is to approve the payment of Directors' fees of S$1,040,000 for the year ended 31 December 2020 for services rendered by Non-Executive Directors. The amount of the proposed Directors' fees is based on the same fee structure as that for the year ended 31 December 2019.

   Information on the fee structure can be found in the "Corporate Governance" section of the Company's Annual Report 2020.

2. The Ordinary Resolutions 4 to 7 proposed in item nos. 4(a) to (d) above are to approve the re-election of Directors:

   (a) in relation to Ordinary Resolution 4, Mr Lim Siong Guan will, upon re-election, continue to serve as Chairman of the Risk Management Committee, and a member of the Audit Committee, the Nominating Committee and the Remuneration Committee, respectively. He is considered as a Non-Executive and is the Lead Independent Director;

   (b) in relation to Ordinary Resolution 5, Mr Kuok Khoon Hong will, upon re-election, continue to serve as Chairman of the Board, the Executive Committee and the Share Purchase Committee, respectively, and a member of the Nominating Committee and the Risk Management Committee, respectively. He is considered as an Executive and Non-Independent Director;

   (c) in relation to Ordinary Resolution 6, Mr Pua Seck Guan will, upon re-election, continue to serve as a member of the Executive Committee and the Share Purchase Committee, respectively. He is considered as an Executive and Non-Independent Director; and

   (d) in relation to Ordinary Resolution 7, Mr Kishore Mahbubani will, upon re-election, continue to serve as a Non-Executive and Independent Director.

NOTICE OF ANNUAL GENERAL MEETING

Please refer to the "Supplemental Information on Directors Seeking Re-election" section of the Company's Annual Report 2020 for information relating to Mr Lim, Mr Kuok, Mr Pua and Mr Mahbubani as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited, respectively.

3. The Ordinary Resolution 9 proposed in item no. 6 above, 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 convertibles) 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 20% may be issued other than on a *pro rata* basis. The aggregate number of shares which may be issued shall be based on the total number of issued shares at the time that Ordinary Resolution 9 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 9 is passed, and any subsequent bonus issue or consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

4. The Ordinary Resolution 10 proposed in item no. 7 above, 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.

5. The Ordinary Resolution 11 proposed in item no. 8 above, if passed, will renew the Interested Person Transactions Mandate ("**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 dated 24 March 2021 (the "**Letter to Shareholders**") until the date of the next annual general meeting of the Company unless such authority is earlier revoked or varied by the Company in general meeting. More details relating to the renewal of the IPT Mandate can be found in the Letter to Shareholders.

6. The Ordinary Resolution 12 proposed in item no. 9 above, if passed, will empower the Share Purchase Committee of the Company to purchase or acquire 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 or acquisition, including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate are set out in the Letter to Shareholders.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member'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 Chairman of the Meeting as proxy 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.

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

PROXY FORM

IMPORTANT

1. This Proxy Form 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 the Singapore Exchange's ("SGX") website at the URL https://www.sgx.com/securities/company-announcements. **Printed copies of this Proxy Form will not be sent to members**.
2. The AGM (as defined below) is being convened, and will be held, 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. Printed copies of the Notice of AGM dated 24 March 2021 ("Notice of AGM") will not be sent to members. Instead, the Notice of AGM will be disseminated to members 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 the SGX's website at the URL https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 restriction orders in Singapore and the related safe distancing measures which make it difficult for members to attend the AGM in person**, alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM will be made by the Company, the details of which are set out in the Notice of AGM.
4. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**
6. Central Provident Fund ("CPF")/Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 5 April 2021, being 7 working days before the date of the AGM.
7. By submitting a Proxy Form appointing the Chairman of the Meeting as proxy, 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 the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the annual general meeting of the Company to be convened and held by way of electronic means on Thursday, 15 April 2021 at 10.00 a.m. (Singapore time) and at any adjournment thereof ("**AGM**").

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the Ordinary Resolutions to be proposed at the AGM as indicated hereunder:

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 year ended 31 December 2020			
2	To declare Final and Special Dividends			
3	To approve the payment of Directors' Fees			
4	To re-elect Mr Lim Siong Guan as a Director			
5	To re-elect Mr Kuok Khoon Hong as a Director			
6	To re-elect Mr Pua Seck Guan as a Director			
7	To re-elect Mr Kishore Mahbubani as a Director			
8	To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration			
	SPECIAL BUSINESS			
9	To authorise Directors to issue shares and to make or grant instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore			
10	To authorise Directors to offer and grant share options and to issue and allot shares pursuant to the Wilmar Executives Share Option Scheme 2019			
11	To approve the renewal of Interested Person Transactions Mandate			
12	To approve the renewal of Share Purchase Mandate			

* Voting will be conducted by poll. To appoint the Chairman of the Meeting as your proxy to cast all your votes "For", "Against" or "Abstain" in respect of a resolution, please indicate with an "X" in the relevant box provided in respect of that resolution. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" in the relevant box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid**.

Dated this ______________ day of ______________ 2021

Total Number of Shares Held (see Note 1)

____

Signature(s) of Member(s) or Common Seal
IMPORTANT – Please read notes overleaf

NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this Proxy Form appointing the Chairman of the Meeting will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 restriction orders in Singapore and the related safe distancing measures which make it difficult for members to attend the AGM in person.** If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This Proxy Form may be accessed at the Company's website at the URL https://ir-media.wilmar-international.com/shareholders-meetings/ and at the SGX's website at the URL https://www.sgx.com/securities/company-announcements. In appointing the Chairman of the Meeting as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 5 April 2021, being 7 working days before the date of the AGM.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The Proxy Form appointing the Chairman of the Meeting as proxy 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/wilmar2021agm;
   (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 Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road, #11-02, Singapore 068898,

   in either case, by **10.00 a.m. on 12 April 2021**, 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 via email to the email address provided above, or before sending it by post to the address provided above.

   In view of the current Covid-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via the pre-registration website or email.
6. The Proxy Form appointing the Chairman of the Meeting as proxy 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.
7. Where the Proxy Form appointing the Chairman of the Meeting as proxy 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.
8. The Company shall be entitled to reject the Proxy Form appointing the Chairman of the Meeting as proxy 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 appointing the Chairman of the Meeting as proxy (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 appointing the Chairman of the Meeting as proxy 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.
9. Any reference to a time of day is made by reference to Singapore time.

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c/o Tricor Barbinder Share Registration Services

80 Robinson Road #11-02
Singapore 068898

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