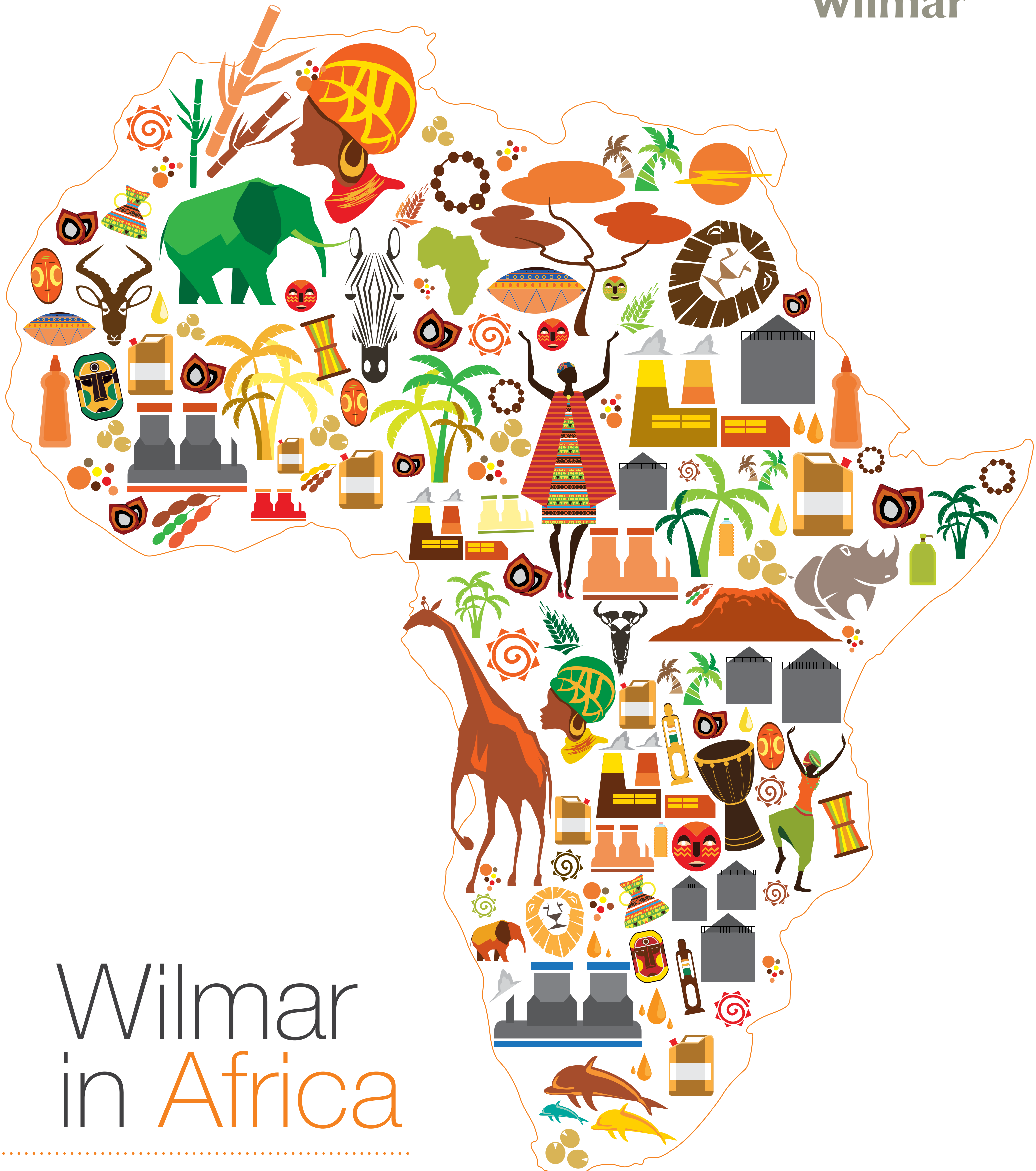

Wilmar in Africa

WILMAR INTERNATIONAL LIMITED
ANNUAL REPORT 2014

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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.

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemical, biodiesel and fertiliser manufacturing and grain processing. At the core of Wilmar's strategy is a resilient integrated agribusiness model that encompasses the entire value chain of the agricultural commodity processing business, from origination and processing to branding, merchandising and distribution of a wide range of agricultural products. It has over 450 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group is backed by a multinational workforce of about 92,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of the food manufacturing industry, as well as the industrial and consumer food businesses. Its consumer-packed products occupy a leading share in its targeted markets. 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. Wilmar remains a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

Wilmar Continental Edible Oils and Fats, a joint venture between Wilmar International and Continental Oil Mills in South Africa, manufactures and markets a wide range of bulk and consumer branded products.

Chairman's Message

Wilmar's vision for Nigeria is to revive the palm oil industry and restore its past glory by investing in the entire value chain.

FY2014 IN REVIEW

The Group recorded US$1.16 billion net profit and US$43.08 billion revenue in FY2014, with earnings per share of 18.1 US cents. Excluding non-operating items and changes in fair value of biological assets, the Group's core net profit from operations dropped 6% to US$1.22 billion in FY2014. The balance sheet remains strong, with total assets standing at US$43.56 billion while shareholders' funds increased to US$15.49 billion.

In FY2014, we have continued to grow our new and existing businesses to create a more profitable, diversified and resilient company strategically positioned to capture emerging trends in agribusiness, food and consumer trends in Asia and other key emerging markets.

PALM & LAURICS

The compressed margins seen by Palm & Laurics in FY2014 as a result of excess refining capacity in the industry underlines the importance of our efforts to grow our higher margin downstream Palm & Laurics businesses these past few years.

In June 2014, we enhanced our oleochemicals product portfolio and broadened our existing footprint in Europe by acquiring Huntsman Corporation's European commodity surfactants business, and entering into a multi-year arrangement to purchase certain sulphated surfactant products

from Huntsman's facilities in France and Italy.

In August 2014, we acquired Nexsol (Malaysia) Sdn. Bhd. from Kulim (Malaysia) Berhad. Nexsol owns a 100,000 MT per annum biodiesel and glycerine refinery in Johor Bahru and the acquisition represents a strategic addition to our oleochemicals manufacturing capabilities and is extremely synergistic with our existing oleochemicals infrastructure.

SUGAR

In FY2014, our Sugar division recorded a pretax profit of US$134.4 million, up 6% from the previous year. Sugar continues to grow in importance to Wilmar, accounting for approximately 9% of our profit before tax (FY2013: 7%).

In February 2014, we invested US$88 million for a 27.72% stake in Shree Renuka Sugars Limited (SRSL), a leading player in the Indian sugar market with two well-located refineries, abundant storage capacity and competitive milling operations. In addition, SRSL also owns mills and cogeneration assets in Brazil.

In April 2014, we formed a 55:45 joint venture with Great Wall Food Stuff Industry Company Limited to invest in sugar plantation and mills in Myanmar. To date, we have taken over an existing 4,000 MT cane per day mill and completed a new 5,000 MT cane per day mill. Wilmar is today one of the world's leading sugar businesses and we will continue to grow our Sugar division.

CONSUMER PRODUCTS

Profit before tax for Consumer Products was US$261.8 million in FY2014, up 19% from FY2013 and accounting for 17% of Wilmar's profit before tax in FY2014 (FY2013: 12%). Our consumer pack rice in China and our consumer products businesses in Southeast Asia and Africa grew strongly in FY2014. The division as a whole has recorded consistent margin expansion in the last few years and will remain a key driver of growth going forward.

In 2012, Wilmar acquired a 10.1% interest in Goodman Fielder Limited, a company listed on the Australian and New Zealand Stock Exchanges. In April 2014, together with First Pacific Company Limited, a company listed on the Stock Exchange of Hong Kong, we made a joint 50:50 bid for the acquisition of the entire share capital of Goodman Fielder by way of a scheme of arrangement at A$0.65 a share. The all-cash offer was subsequently raised to A$0.675 per share. The acquisition of Goodman Fielder was completed on 17 March 2015 and Goodman Fielder has been delisted. We believe First Pacific's and Wilmar's combined experience in agricultural and consumer business and financial resources will provide tremendous synergies to grow Goodman Fielder's operations and improve its future performance.

WILMAR IN AFRICA

In this Annual Report, we highlight our presence in Africa, the world's second fastest growing economy over the last two decades. Wilmar's entry into Africa some 15 years ago was through its investment in two trading companies importing edible oils into East and South Africa. We later diversified and undertook other agricultural projects to build up an integrated business operation across Africa. Today, Wilmar is the largest supplier of edible oils in the continent.

Our first joint venture oil palm plantation project in Ssese Islands, Kalangala, Uganda is a great success. Located on an island overlooking Lake Victoria, it is one of the most beautiful oil palm plantations in the world. We believe the plantation is one of the best in Africa today and has achieved its goal of significantly improving the quality of life of our local employees and the smallholders.

In Nigeria, together with PZ Cussons Limited, we won a tender in 2010 to replant old and abandoned oil palm plantations which were owned by the government. Our commitment is to build a first class oil palm project comparable to the best in Indonesia and Malaysia so that it will set a benchmark for other projects in Nigeria. Besides introducing best sustainable agricultural practices, we provide training for our staff and also improve schooling and medical facilities for them and their families. Our vision is to revive the palm oil industry in Nigeria by investing in the entire palm oil value chain including plantations, mills, refineries and production of consumer pack edible oils and other downstream products. This will increase the country's oil production to satisfy increasing local demand as well as create employment opportunities.

Today we are present in 13 African countries and we have (as at 31st December 2014) invested about US$800 million in the cultivation of oil palm, rubber, edible oils refining and packing, specialty fats production, soap and detergent manufacturing, oilseed crushing as well as sugar plantations. Revenues of the Group's African operations have increased by 29% over the last five years. I believe that African economic growth will continue in the next decade and our investments there will make significant returns in future. It is our plan to tap the enormous agricultural and market potential in Africa and build

Consumer Products will continue to perform well leveraging our strong presence and a burgeoning middle class population in Asia and Africa.

first class sustainable agricultural and industrial operations.

STAYING ON THE SUSTAINABILITY COURSE

We continue to enforce our policy of "No Deforestation, No Peat and No Exploitation" announced in December 2013, and have further improved transparency with the recently-launched Sustainability Dashboard and Grievance Procedure. The Dashboard enables us to publicly report on our sustainability performance including our supply chain map while the Grievance Procedure allows any stakeholder to raise grievance against our operations as well as that of our third-party suppliers.

In September 2014, we also signed the Indonesia Palm Oil Pledge along with the Indonesian Chamber of Commerce and Industry and other industry players to drive the palm oil industry towards sustainable practices through proactive government engagement on policy reforms in areas such as no planting on high carbon stock forests, high conservation value areas and peat areas.

OUTLOOK AND PROSPECT

Wilmar is a significant player in agriculture related businesses in Asia and Africa. The huge population and rapid economic growth in these two continents offer great opportunities for our Group. Our strategy has always been to sustain growth by investing in human resources and building physical infrastructures. We believe this long-term approach in establishing an integrated agribusiness will be the best way to develop business opportunities and ensure stable and resilient earnings in the long haul.

DIVIDENDS

The Board has recommended a final dividend of S$0.055 per share for FY2014. Including the interim dividend of S$0.020 per share paid in September 2014, the total dividend for FY2014 is S$0.075 per share (FY2013: S$0.08 per share), representing a dividend payout of more than 30%.

ACKNOWLEDGEMENTS

The Board and I would like to thank our customers, business partners, and dedicated employees for their support over the years.

I would also like to convey my sincere appreciation to the Board and on its behalf, welcome Mr. George Yong-Boon Yeo who joined the Board in November 2014. Mr. Yeo's vast experience and expertise will benefit the Group greatly.

Finally, I wish to thank our shareholders for their faith in us. We are confident that the Group will continue to grow from strength to strength with your support.

KUOK KHOON HONG

Chairman & Chief Executive Officer
22 March 2015

Wilmar in Africa

PRESENT IN
13
COUNTRIES

TOP
PRODUCER OF CONSUMER PACK OILS

> 59,000 HA
OF OIL PALM PLANTED AREA

4,000
EMPLOYEES

Wilmar's first oil palm plantation in Africa was developed jointly with Bidco Uganda Limited in Kalangala, Uganda.

Wilmar in Africa

Geographer George Kimble once wrote in *Africa Today: The Lifting Darkness*, "The darkest thing about Africa has always been our ignorance of it". Today the emerging continent commands much more attention on the economic front. Its remarkable transformation is reshaping the way governments, corporations and investors think about its prospects.

A COMPELLING OPPORTUNITY

African countries have seen a dramatic turnaround in economic expansion beginning in the mid-1990s. The continent has been the world's second fastest growing economy over the last two decades with economic growth averaging 4.5% per year in real terms between 1995 and 2013 according to the World Bank. Over the next decade, GDP is projected to rise by an average of 6% per year[1].

Africa's youthful population of 1.11 billion people is a key engine driving the next phase of global economic growth. The young and rapidly growing demographic profile is set to drive up consumption and hasten urbanisation. The United Nations projects Africa's population to hit 1.8 billion, making up 20% of world population by 2050. More than 70% of Africans are currently employed in agriculture, and this is where Africa's transformation will likely be seen.

Palm oil is native to West Africa but most of today's production is small-scale and the continent is a net importer of palm oil and expected to remain so until 2030. The United States Department of Agriculture (USDA) estimates that Africa currently produces about 2.2 million tonnes of crude palm oil (CPO) per year and imports over 50% of its palm oil requirement. While its yield is relatively lower compared to Indonesia and Malaysia, it has the advantage of being a net importer of edible oils. Palm oil accounts for more than 70% of Africa's edible oil consumption and is expected to grow by more than 60% between 2014 and 2030.

Our joint venture farms wheat, sunflower, canola and soybean in Zambia, where the planted area is expected to further expand in the next three years.

A GROWING FOOTPRINT

Since entering Africa about 15 years ago, Wilmar has expanded its footprint to 13 countries on the continent engaging in the cultivation of oil palm, rubber, edible oils refining and packing, specialty fats production, soap and detergent manufacturing, oilseed crushing as well as sugar plantations.

Oil Palm Projects

The Group owns directly and through joint ventures over 59,000 hectares (ha) of oil palm planted area in West Africa and Uganda. The joint ventures also manage over 150,000 ha under the smallholders and outgrowers scheme.

Uganda was home to our first oil palm project. In 1998, the Ugandan government, with technical and financial support from the World Bank and International Fund for Agricultural Development, initiated an oil palm project in Kalangala, one of the remotest and impoverished districts in the country.

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1 Raila Odinga, "Keeping Africa on track for the 21st century", YaleGlobal, MacMillan Centre at Yale University.

Cosumar S.A., in which Wilmar has a 29.5% stake, is Morocco's sole sugar supplier and third largest sugar producer and second largest refiner in Africa.

Together with our joint venture partners, we set out to develop a first class plantation and mill that would improve the locals' livelihood, which at that time was mainly dependent on subsistence farming. Working closely with the district and local leadership, the joint venture contributed to local infrastructure developments including schools and healthcare services. Today, the project is one of the best in Africa and has succeeded in creating tangible and meaningful benefits to the country and its people.

The next project was in Ivory Coast through an investment in SIFCA SA, the country's leading agri-group, for large-scale rubber and oil palm plantations and processing plants, as well as smallholder schemes.

In 2011, with PZ Cussons Limited, we made a successful bid for six plantation sites totalling about 25,000 ha in Cross River State, Nigeria, through a tender process. Most of these plantations were first planted in the 1960s but abandoned in the 1970s. The rigorous tender process included a technical and financial bid submission that involved extensive negotiations and consultations with both the Cross River State Council on Privatisation and other key stakeholders, including local communities, before the acquisition process could be concluded.

The Group's joint venture, PZ Wilmar Limited, inaugurated the Calaro, Ibiae and Biase oil palm plantations in Mbarakom in November 2012. We have given an undertaking to the Cross River State Government in Nigeria to develop a first class, large-scale and sustainable palm oil industry while at the same time, help the local community by building good schools and medical clinics, training staff as well as establishing an outgrowers scheme.

Nigeria is now the largest African economy and the 24th largest in the world. Our vision is to revive the palm oil industry in Nigeria and restore its past glory by investing in the entire palm oil value chain including plantations, mills, refineries and production of consumer pack edible oils and other downstream products. Establishing such a value chain would increase the country's oil production to satisfy increasing local demand, as well as create employment opportunities. Nigeria is the largest African CPO producer while its consumption is expected to grow exponentially in the next 10 to 20 years.

Also in 2011, we acquired a 77% stake in Benso Oil Palm Plantation Limited, a company listed on the Ghana Stock Exchange, which owns over 5,000 ha of oil palm plantation in Ghana.

Crushing

Including our joint venture projects, we have six crushing plants processing palm kernel, soybeans, sunflower seeds and cottonseeds in Ghana, Ivory Coast, South Africa, Uganda and Zimbabwe with a total processing capacity of about 650,000 MT per year. Another plant will be commissioned in Zambia in 2015.

Edible Oils Refining

Including our joint venture projects, we operate seven edible oils refineries in Ghana, Ivory Coast, Nigeria, South Africa, Uganda, Zambia and Zimbabwe with a combined processing capacity exceeding 1.6 million MT per year.

Consumer Pack Oils

The top manufacturer of consumer pack oils, our branded products are distributed in Ghana, Ivory Coast, Nigeria, South Africa, Uganda, Zambia and Zimbabwe. The Group owns the leading brands in most of these countries.

With rapid urbanisation and a burgeoning consumer class, the rapidly expanding domestic market augurs well for our branded consumer pack edible oils business.

Seed Planting

In Zambia, our joint venture farms wheat, sunflower, canola and soybean. Planted area is expected to reach about 10,000 ha in the next three years from the current 3,000 ha. Starting 2015 we will be able to process our own oilseed harvest, further strengthening our supply chain ownership.

Soaps and Detergents

Sub-Saharan Africa's fifth biggest economy is quickly emerging as a manufacturing hub in the region, especially in agro-processing, thanks to the government's strong push. Our first operation in Ethiopia is through a joint investment with Repi Soap and Detergent S. Co, which engages in the manufacturing of soap and detergent products. Its quality products are marketed under a portfolio of consumer brands including Largo, Ajax, O2, ROL and Maya. We also have soap and detergent manufacturing facilities in Uganda, Zambia and Zimbabwe.

Sugar

In 2013, we acquired a 27.5% stake in Cosumar S.A., Morocco's sole sugar supplier and the third largest sugar producer and second largest refiner in Africa. In February 2015, we raised our interest to 29.5%. Cosumar operates a refinery in Casablanca and seven beet and cane sugar mills in Morocco. Through an established efficient network of 13 outlets throughout the Kingdom, Cosumar distributes sugar products in the form of sugar loafs, lumps, cubes and granulated sugar to both industrial customers and households. In a continent where there is a sugar deficit of six million tonnes per year, Cosumar's industrial overcapacity is well-placed for expansion.

The Group's subsidiary, Wilmar Sugar, formed a strategic partnership with Cevital SPA in 2013 by becoming its exclusive agent and authorised operator for the supply for raw sugar to its two refineries in Bejaia, Algeria. Cevital runs the largest sugar refinery in Africa and is one of the largest globally.

Through an investment in SIFCA SA, the Group holds a stake in Sucrivoire SA which engages in sugar cane cultivation and milling in Ivory Coast.

Growing Sustainably

In accordance with Wilmar's "No Deforestation, No Peat and No Exploitation" policy announced in December 2013, the Group's Sustainability team ensures that all operations in Africa adhere to its standards. The Policy was communicated to both internal and external stakeholders to ensure a clear understanding. Through organised visits to its joint venture operations in Uganda and Nigeria, Wilmar staff had constructive discussions and engaged the community to ensure compliance with our policies.

In September 2014, the Group's subsidiary, Benso Oil Palm Plantation Limited (BOPP) became the first mill in Ghana, West Africa, to be awarded certification for sustainable palm oil production, in accordance with the rigorous standards of the Roundtable on Sustainable Palm Oil (RSPO).

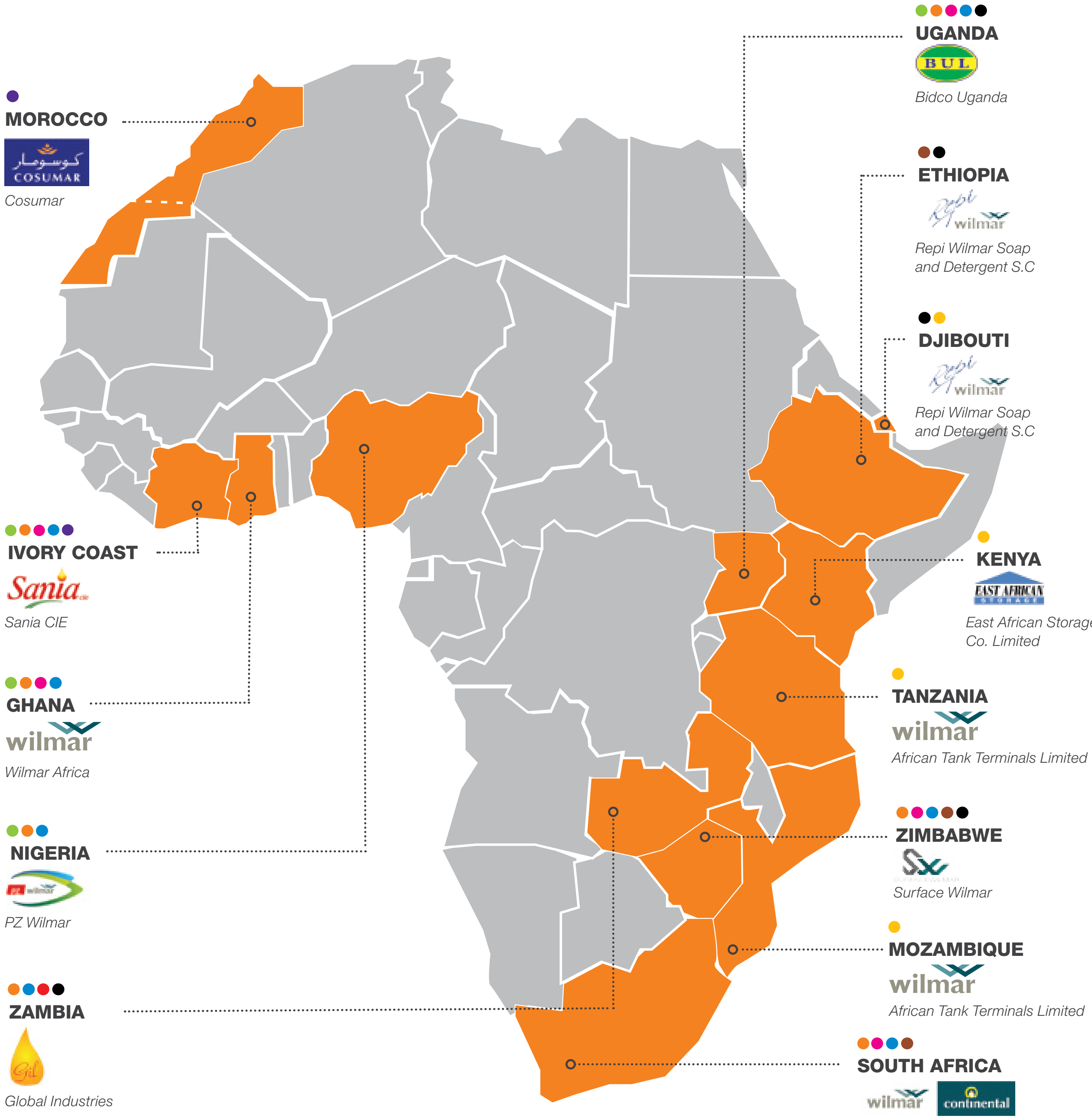
Positive Outlook

With more than 60% of the world's unutilised arable land, of which only an estimated 14% is put to use, low per capita consumption and a young and rapidly growing population, Africa has great potential for agricultural development and consumer markets.

Palm oil consumption in Africa has been on the upward trend for more than 25 years and it will only continue to grow. Globally, Africa will account for about 25% of aggregate growth in CPO consumption in the emerging markets of China, India and Africa between now and 2030[2]. African producers will also enjoy the benefit of preferential trade agreements with key markets, notably the European Union and the US.

Wilmar has invested significant financial and human resources in Africa, undertaking long-gestation projects such as plantations, manufacturing plants and establishing branded consumer products. We believe that with patience and the right people to develop the projects successfully, we will see substantial rewards in the medium to long term.

[2] Standard Chartered Bank Global Research, "Crude palm oil: Africa's burgeoning market", June 2014



- Plantations & Mills
- Edible Oils Refining
- Crushing
- Consumer Products
- Sugar Plantations, Mills & Refineries
- Seed Planting
- Specialty Fats
- Soaps & Detergents
- Tank Terminals

Wilmar and its associates are the largest producer of consumer pack edible oils in Africa with an extensive brand portfolio catering to the needs and tastes of every consumer.

Corporate Highlights

JANUARY

SYNDICATED LOAN FACILITY

Wilmar launched a syndication of US$1,750 million revolving loan facilities, subsequently upsized to US$2,490 million owing to strong support from the lenders, to finance general corporate and working capital requirements of the Group, including refinancing of existing debt.

FEBRUARY

SWEET ENTRY INTO INDIA AND BRAZIL

The Group, through its wholly-owned subsidiary Wilmar Sugar Holdings Pte. Ltd., invested in a 27.72% stake in Shree Renuka Sugars Limited (SRSL), a leading player in the Indian sugar market with two well-located refineries, abundant storage capacity and competitive milling operations. It also owns mills and cogeneration assets in Brazil. This investment will enable the Group to establish a significant presence in two of the most important sugar markets – India and Brazil, in addition to its existing operations in Australia, New Zealand, Indonesia and Morocco. More information on SRSL available at www.renukasugars.com.

MARCH

A CLOSER ALLIANCE WITH KELLOGG IN CHINA

The Group's joint venture with Kellogg Company in China formed in 2012 has made good progress as Kellogg's premium breakfast cereals and snacks gain popularity. Taking the partnership to the next level, another 50:50 joint venture was established in Kunshan for the production of breakfast cereals and snacks.

APRIL

EXPANDING FOOTPRINT IN EUROPE

Wilmar's wholly-owned subsidiary, Wilmar Europe Holdings B.V. agreed to purchase Huntsman Corporation's European commodity surfactants business. In addition to the acquisition of an ethoxylation facility in Lavera, France, Wilmar will enter into a multi-year arrangement to purchase sulphated surfactant products from Huntsman's facilities in St. Mihiel, France and Castiglione delle Stiviere, Italy. This agreement enables Wilmar to broaden its existing footprint in Europe and extend its integrated chain to better serve customers in all geographies with responsible and quality products. The deal was completed in June 2014.

INROADS INTO MYANMAR WITH SUGAR-FOCUSED JOINT VENTURE

The Group formed a 55:45 joint venture with Great Wall Food Stuff Industry Company Limited in Myanmar. The joint venture company acquired Great Wall's existing sugar-related business, mills and plants including two mills, a bioethanol plant and an organic compound fertiliser plant.

The Group further expanded its footprint in Europe with the acquisition of an ethoxylation facility in Lavera, France.

Goodman Fielder is Australasia's leading food company with a portfolio of well-known consumer brands in some of Australia and New Zealand's largest grocery categories.

ACQUISITION OF GOODMAN FIELDER

Together with First Pacific Company Limited, a company listed on the Hong Kong Stock Exchange, we made a joint 50:50 bid for the acquisition of the entire share capital of Goodman Fielder by way of a scheme of arrangement at A$0.65 a share. The all-cash offer was subsequently raised to A$0.675 per share. The acquisition was completed on 17 March 2015 and Goodman Fielder has been delisted.

Goodman Fielder is Australasia's leading food company with a portfolio of well-known consumer brands in some of Australia and New Zealand's largest grocery categories, including MeadowLea, Praise, White Wings, Pampas, Mighty Soft, Helga's, Wonder White, etc. Its products include bread, milk, margarine, flour, dressings, condiments, mayonnaise, cake mix, pies, savouries, desserts, sauces, vinegar and cooking oils. More information available at www.goodmanfielder.com.au.

JUNE

FIRST PRESENCE IN ETHIOPIA

The Group signed a 50:50 joint venture agreement with Repi Soap and Detergent S. Co. (Repi) for the upgrading of an existing manufacturing facility and building of a new integrated manufacturing complex that will house an edible oil refinery and packing plant, production plants for specialty fats, soft oils, soaps and detergents, as well as a facility for sesame seed processing. This joint investment marks

Wilmar's joint investment agreement with Repi Soap and Detergent S. Co. marks its entry into Ethiopia.

Wilmar's first operations in Ethiopia. More information on Repi available at www.repisc.com.

FIRST OPERATIONS IN ZIMBABWE

The Group made its inaugural entry into Zimbabwe through a joint venture with Surface Investments which operates the country's largest multi-oilseed processing plant. The joint venture company, Surface Wilmar, will have capabilities for crushing of soybeans and cottonseeds as well as a refinery and packing plant for edible oils.

AUGUST

ENHANCING DOWNSTREAM CAPABILITIES

Through its wholly-owned subsidiary, PGEO Group Sdn. Bhd., Wilmar entered into a share purchase agreement to acquire Nexsol (Malaysia) Sdn. Bhd. from Kulim (Malaysia) Berhad for a cash consideration of Malaysia Ringgit 27 million. The acquisition was completed in December 2014. Nexsol owns a biodiesel and glycerine refinery in Johor Bahru. This represents a strategic expansion of the Group's oleochemical manufacturing capabilities, creating synergies with its existing oleochemical infrastructure and strengthening its position in the supply chain. Wilmar also acquired a plot of 30-acre land sited in Mukim of Sungai Tiram, district of Johor Bahru.

SEPTEMBER

FIRST PRESENCE IN MEXICO

The Group established a wholly-owned subsidiary, Wilmar Oleo Quimicos, S. de R.L. De C.V., in Mexico engaging in the sale of oleochemical products.

Construction of the VFM-Wilmar flour mill was completed in December 2014 and operation commenced in January 2015.

OCTOBER

SHARE BUYBACK

Wilmar exercised a share buyback of 3,779,000 shares at between S$2.96 and S$3.00 per share on two separate occasions.

NOVEMBER

NEW DIRECTOR ON BOARD

Mr George Yong-Boon Yeo joined Wilmar's Board of Director as a Non-Independent Director with effect from 1 November 2014. Mr Yeo brings with him vast knowledge and expertise in both the public sector and international business affairs. Refer to page 26 for his full profile.

DECEMBER

INAUGURATION OF VFM-WILMAR FLOUR MILL IN VIETNAM

The VFM-Wilmar flour mill was inaugurated at a ceremony held at the Cai Lan Industrial Zone, Ha Long city, in the northern province of Quang Ninh on 3 December 2014. It is a joint venture with FFM Berhad of Malaysia. The mill is capable of producing 500 tonnes of wheat per day employing green and modern technology.

Global Presence

Wilmar is the global leader in processing and merchandising of palm and laurics oils, as well as production of oleochemicals, specialty fats, palm biodiesel and consumer pack oils.

Over 450 manufacturing plants in 18 countries*

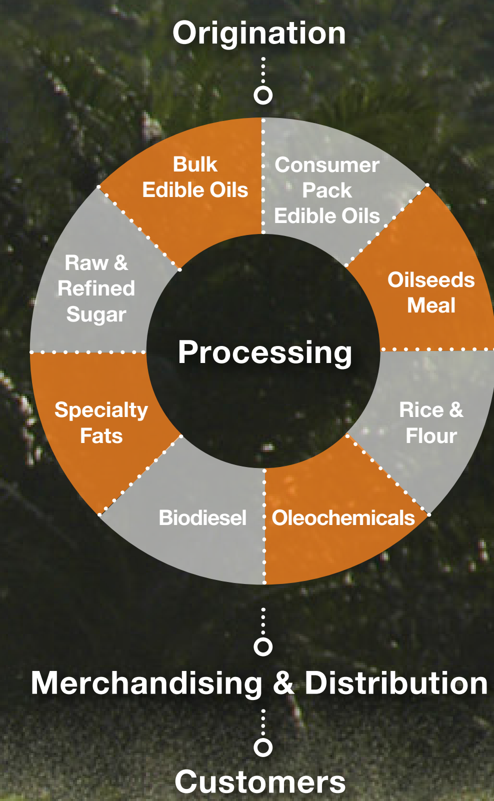
Extensive distribution network covering China, India, Indonesia and some 50 other countries

Multinational workforce of about 92,000 people

** Subsidiaries only, not including associates*

Integrated Business Model

At the core of Wilmar's strategy is a resilient business model encompassing the entire value chain of the agricultural commodity processing business, from origination and processing to branding, merchandising and distribution. 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.



VERTICALLY INTEGRATED ACROSS BUSINESS SEGMENTS ...

PLANTATIONS & PALM OIL MILLS

One of the largest listed palm plantation companies in the world

PALM & LAURICS

Largest global processor and merchandiser of palm and lauric oils with distribution network in more than 50 countries

OILSEEDS & GRAINS

Largest soybean crusher in China with leading brands of soybean oil and soybean meal, which is used in animal feed

CONSUMER PRODUCTS

World's largest producer of consumer pack edible oils

SUGAR

Largest raw sugar producer and refiner in Australia and leading sugar refiner in Indonesia

OTHERS

Fertiliser

Shipping

STRONG VOLUMES AND PROFITABILITY ACROSS ALL SEGMENTS (FY14)

STRONG VOLUMES AND PROFITABILITY ACROSS ALL SEGMENTS (FY14)

Plantations & Palm Oil Mills	Palm & Laurics	Oilseeds & Grains	Consumer Products	Sugar	Others
FFB: 4.3 mm MT	Volumes: 24.6 mm MT	Volumes: 22.7 mm MT	Volumes: 5.6 mm MT	Volumes: 9.7 mm MT	
Revenues: US$1.5 bn	Revenues: US$20.3 bn	Revenues: US$14.5 bn	Revenues: US$7.0 bn	Revenues: US$4.1 bn	
PBT: US$381.1 mm	PBT: US$588.1 mm	PBT: US$86.7 mm	PBT: US$261.8 mm	PBT: US$134.4 mm	

Almost 100% of output is supplied to Palm and Laurics

Almost 100% of edible oil is supplied to Consumer Products

Core Values

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

INTEGRITY

We value honesty, trustworthiness and high ethical standards.

EXCELLENCE

We strive for excellent performance in everything we do.

PASSION

We are passionate about growing our business globally.

INNOVATION

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

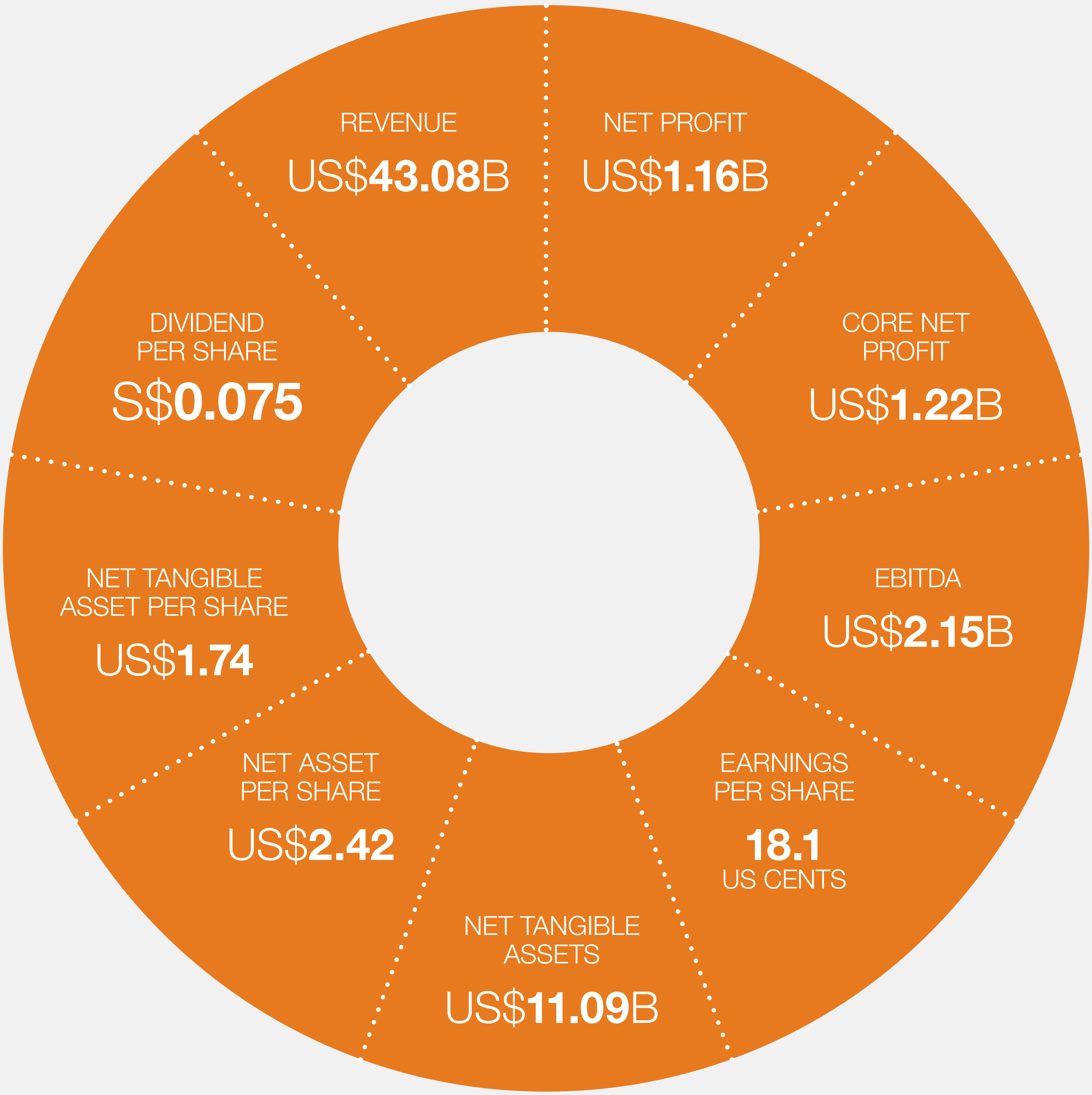
TEAM WORK

We work as one team to achieve our corporate goals.

SAFETY

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

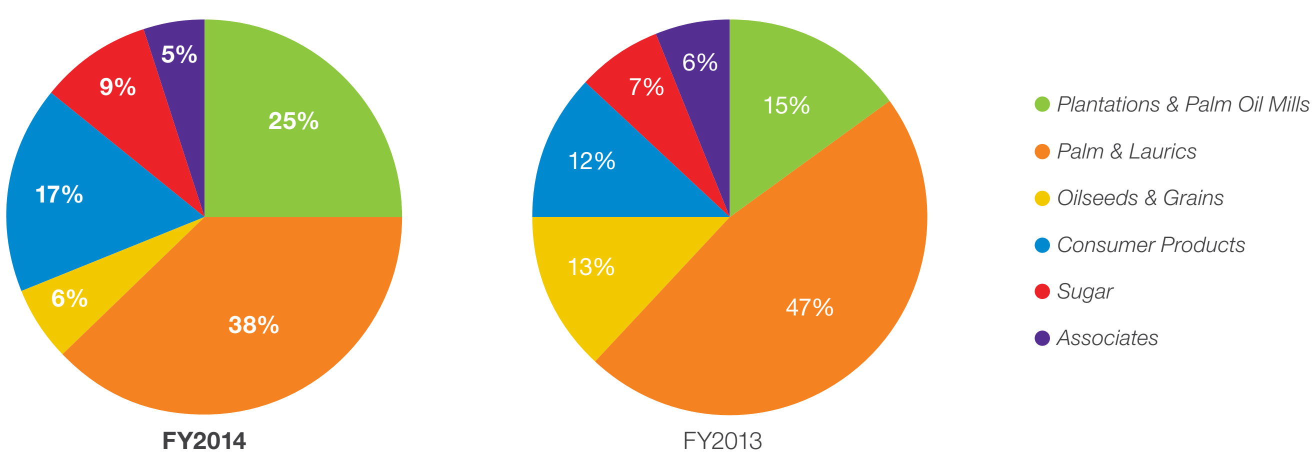
Performance Overview



Financial Highlights

	FY2014	FY2013	FY2012	FY2011	FY2010
INCOME STATEMENT *(US$ million)*					
Revenue	**43,085**	44,085	45,463	44,710	30,378
EBITDA	**2,148**	2,432	2,406	2,789	2,033
Profit before tax	**1,538**	1,775	1,655	2,079	1,644
Net profit	**1,156**	1,319	1,255	1,601	1,324
Earnings per share – fully diluted *(US cents)*	**18.1**	20.6	19.6	25.0	20.7
Dividends per share *(Singapore cents)*	**7.5**	8.0	5.0	6.1	5.5
CASH FLOW *(US$ million)*					
Operating cash flows before working capital changes	**1,844**	2,449	2,201	2,459	1,935
Capital expenditure	**1,093**	1,376	1,735	1,554	1,064
Working capital changes	**423**	(288)	(581)	22	(3,926)
Investment in subsidiaries and associates	**220**	362	300	356	1,679
BALANCE SHEET *(US$ million)*					
Shareholders' funds	**15,495**	15,005	14,346	13,370	11,856
Total assets	**43,558**	46,632	41,920	39,640	33,969
Total liabilities	**27,147**	30,745	26,725	25,391	21,412
Net loans and borrowings	**12,056**	12,446	12,209	10,530	9,962
Net gearing (x)	**0.78**	0.83	0.85	0.79	0.84
Net asset value per share *(US cents)*	**242.3**	234.5	224.3	208.9	185.3
Net tangible assets per share *(US cents)*	**173.5**	165.4	154.6	140.0	116.5

PROFIT BEFORE TAX BY BUSINESS SEGMENT

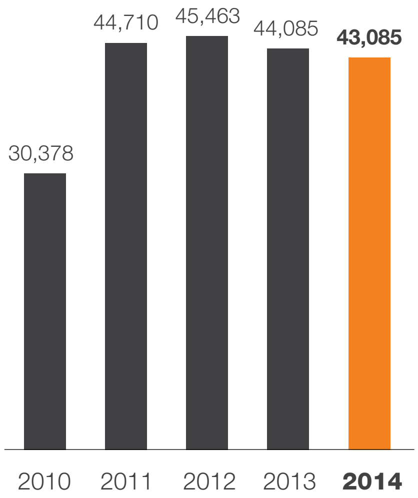


Note:

For FY2013, segmental breakdown calculation excludes unallocated expenses and gains from biological asset revaluation.

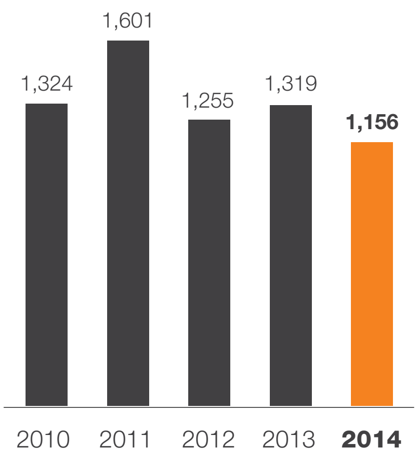
REVENUE

(US$ million)



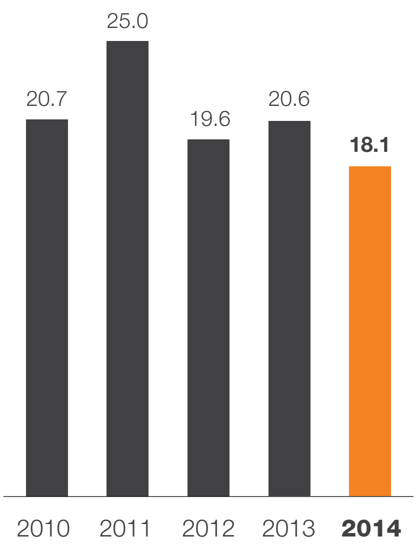
NET PROFIT

(US$ million)



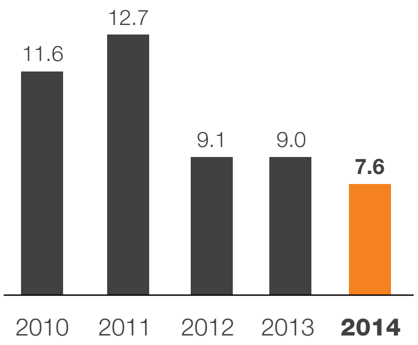
EARNINGS PER SHARE

(US cents)



RETURN ON AVERAGE EQUITY

(%)



Board of Directors

KUOK KHOON HONG

Chairman and Chief Executive Officer

Mr Kuok Khoon Hong, 65, is the Chairman and Chief Executive Officer of the Group. He is overall in charge of the management of the Group with a particular focus on new business developments. He has extensive experience in the industry and has been involved in the grains, edible oils and oilseeds businesses since 1973. Mr Kuok has completed many projects involving the establishment of oil palm plantations in Asia and Africa, as well as the processing of grains, edible oils and oilseeds. Mr Kuok graduated from the then University of Singapore with a Bachelor of Business Administration degree. Mr Kuok was appointed on 24 March 2006 and was last re-elected on 25 April 2014.

MARTUA SITORUS

Executive Deputy Chairman

Mr Martua Sitorus, 55, is the Executive Deputy Chairman of the Group. Mr Sitorus has been instrumental in the development of the Group's business operations in Indonesia. He is in charge of the Group's operations in Indonesia and plantation operations. He holds a degree in economics from HKBP Nomensen University in Medan, Indonesia. Mr Sitorus was appointed on 14 July 2006 and was last re-elected on 25 April 2013.

TEO KIM YONG

Executive Director and Chief Operating Officer

Mr Teo Kim Yong, 61, is the Chief Operating Officer of the Group. He is in charge of the Group's commercial activities, merchandising of palm and lauric oils, as well as the manufacturing, palm and biodiesel trading operations. Mr Teo joined the Group in 1992 and has extensive experience in the marketing and merchandising of edible oil products. He graduated from the then University of Singapore with a Bachelor of Business Administration degree. Mr Teo was appointed on 14 July 2006 and was last re-elected on 25 April 2014.

KUOK KHOON CHEN

Non-Executive Director

Mr Kuok Khoon Chen, 60, has been a senior executive of the Kuok Group since 1978. He is currently Deputy Chairman and Managing Director of Kerry Group Limited and the Chairman of Kerry Holdings Limited. He is also the Chairman of Kuok Brothers Sdn Berhad and a director of a number of Kuok Group companies. He is the Chairman and Chief Executive Officer of Shangri-La Asia Limited which is listed on the Hong Kong Stock Exchange, and an executive director of China World Trade Center Company Limited which is listed on the Shanghai Stock Exchange. Mr Kuok was the Chairman of Kerry Properties Limited from June 2008 to August 2013. Mr Kuok holds a Bachelor's degree in Economics from Monash University in Australia. Mr Kuok was appointed on 8 February 2010 and was last re-elected on 25 April 2013.

KUOK KHOON EAN

Non-Executive Director

Mr Kuok Khoon Ean, 59, is the Chairman of Kuok (Singapore) Limited, a Director of Kerry Group Limited and the Managing Director of Kerry Holdings Limited. He is the Chairman and Non-Executive Director of PACC Offshore Services Holdings Ltd, a company listed on the Singapore Stock Exchange. He is an independent non-executive director of The Bank of East Asia, Limited and IHH Healthcare Berhad, which are listed on the Hong Kong Stock Exchange and Bursa Malaysia respectively. Mr Kuok has served as the Chairman of Shangri-La Asia Limited from April 2008 to August 2013 and remained as a Non-Executive Director till June 2014. Mr Kuok holds a Bachelor of Economics degree from Nottingham University, UK. Mr Kuok was appointed on 2 July 2007 and was last re-elected on 25 April 2013.

JUAN RICARDO LUCIANO

Non-Executive Director

Mr Juan R. Luciano, 53, is the President and Chief Executive Officer of Archer Daniels Midland Company (ADM). He also serves on the Board of Directors of ADM. Mr Luciano oversees the commercial and production activities of ADM's corn, oilseeds, agricultural services businesses, as well as its research, project management, procurement and risk-management functions. He also oversees the company's operational excellence initiatives, which seek to improve productivity and efficiency companywide. He has led ADM's efforts to improve its capital, cost and cash positions. Mr Luciano joined ADM in 2011 as executive vice president and chief operating officer, following a successful 25-year tenure at The Dow Chemical Company, where he last served as executive vice president and president of the performance division. Mr Luciano is a Governor of the Boys and Girls Clubs of America, and Midwest chair of the organization's National Trustees Board. He holds an industrial engineering degree from the Buenos Aires Institute of Technology. Mr Luciano was appointed on 20 June 2012 and was last re-elected on 25 April 2013.

GEORGE YONG-BOON YEO

Non-Executive Director

Mr George Yong-Boon Yeo, 60, is the Chairman and Executive Director of Hong Kong-listed Kerry Logistics Network Limited, as well as Deputy Chairman and a Director of Kerry Group Limited. From 1988 to 2011, Mr Yeo served in the Singapore Government, as Minister of State for Finance, then as Minister for Information and the Arts, Health, Trade and Industry, and Foreign Affairs. Prior to 1988, Mr Yeo served in various capacities in the Singapore Armed Forces, Republic of Singapore Air Force and Defence Ministry, attaining the rank of Brigadier-General. Mr Yeo chairs the International Advisory Panel of the Nalanda University Governing Board. Mr Yeo is a member of the Foundation Board of the World Economic Forum, the Berggruen Institute on Governance, the Asia-Pacific Advisory Board of Harvard Business School, the International Advisory Board of IESE Business School, Economic Development Commission, Hong Kong, the International Advisory Committee of National Graduate Institute for Policy Studies and the International Advisory Committee of Mitsubishi Corporation. In 2013, he was appointed a member of the Pontifical Commission for Reference on the Economic-Administrative Structure of the Holy See and recently became a member of the newly-formed Vatican Council for the Economy. Mr Yeo has been an independent non-executive director of Hong Kong-listed AIA Group Limited since November 2012. Mr Yeo was awarded the Philippines' Order of Sikatuna, India's Padma Bhushan and Australia's Honorary Officer of the Order of Australia. Mr Yeo graduated from Cambridge University with a double first in engineering in 1976 and also obtained a master of business administration degree (Baker Scholar) from Harvard Business School in 1985. Mr Yeo was appointed on 1 November 2014.

YEO TENG YANG

Lead Independent Director

Mr Yeo Teng Yang, 73, is the lead independent director. He has a varied international career spanning senior positions in the Ministry of Finance and the Monetary Authority of Singapore, Ambassador to the European Community in Brussels as well as Executive Director of the Asian Development Bank, Manila and Advisor at the International Monetary Fund, Washington D.C. besides his extensive banking experience. From 1995 to 2000, he was the Senior Executive Vice President of United Overseas Bank Ltd, Singapore, with management responsibilities in treasury, international banking business, fund management, stockbroking and risk management. He also served as a Board Member of Korea First Bank, South Korea, from 2000 to 2005. Mr Yeo holds a Bachelor of Social Science Honours degree from the then University of Singapore and a Masters degree in Economics from Yale University, USA. He was appointed on 14 July 2006 and was last re-appointed on 25 April 2014 to hold office until the conclusion of the next Annual General Meeting of the Company.

LEONG HORN KEE
Independent Director

Dr Leong Horn Kee, 62, is currently the Chairman of CapitalCorp Partners Pte Ltd. Dr Leong has established a wide career in the private sector with Far East Organization, Orchard Parade Holdings Limited, Yeo Hiap Seng Limited, Rothschild Singapore, Transtech Ventures and Natsteel group, as well as in the public sector with the Ministry of Trade & Industry and the Ministry of Finance. In addition, he was a Singapore Member of Parliament from 1984 to 2006, and was Singapore's Non-resident Ambassador to Mexico from 2006 to 2013. Dr Leong is currently the Non-resident High Commissioner to Cyprus since July 2014. Dr Leong holds a Production Engineering degree from Loughborough University, UK; an Economics degree from London University, UK; a Chinese Language and Literature degree from Beijing Normal University, China; an MBA degree from INSEAD, France; a Master in Business Research and a Doctorate in Business Administration from University of Western Australia. Dr Leong was appointed on 30 June 2000 and was last re-elected on 27 April 2012.

TAY KAH CHYE
Independent Director

Mr Tay Kah Chye, 68, is currently the Executive Chairman of CLMV Consult Net Private Limited, a regional consulting company headquartered in Singapore and the Chief Executive Officer of the PATA Group (comprising PATA Consultancy Private Limited and PATA International Enterprise Private Limited). He has served as the Honorary Advisor of ASEAN Bankers Association, a regional banking industry group from 2008 to 2010. Prior to his retirement on 31 December 2007, Mr Tay was the President and Chief Executive Officer of ASEAN Finance Corporation Limited, a regional merchant bank based in Singapore and owned by various leading banks and financial institutions in ASEAN since 1991. Mr Tay has vast experience in banking and finance. Mr Tay was with Citibank N.A. Singapore Branch, where he started his banking career in 1973. His last held position in Citibank was Vice President and Head of its Corporate Marketing Group. During his 18 years with Citibank, he held various positions in banking operations, credit management and marketing. Mr Tay was a director of Cambodia Mekong Bank Public Limited from 2003 to 2012 and his last held position was Chairman of the Board of Directors. He is the Independent Non-Executive Chairman of Asiatic Group (Holdings) Limited and an independent director of Chemical Industries (Far East) Ltd. Mr Tay holds a Bachelor of Social Sciences degree in Economics from the then University of Singapore. Mr Tay was appointed on 14 July 2006 and was last re-elected on 27 April 2012.

KWAH THIAM HOCK
Independent Director

Mr Kwah Thiam Hock, 68, sits on the board of various companies including IFS Capital Limited, Select Group Limited, Excelpoint Technology Ltd and Teho International Inc Ltd. He started his career in 1964 with the Port of Singapore Authority. From 1969 to 1970, he was an Assistant Accountant with the Singapore Textile Industries Limited. Subsequently, he served as the Secretary and Assistant Accountant in Singapore Spinners Private Limited from 1970 to 1973 and later in 1974, he moved on to become the Regional Accountant and Deputy Manager of its related company, IMC (Singapore). Mr Kwah left to join ECICS Holdings Ltd in 1976 and rose to become its President and Chief Executive Officer. He stepped down from ECICS Holdings Ltd in 2003 to assume the position of Principal Officer and Chief Executive Officer of ECICS Limited, a wholly-owned subsidiary of listed IFS Capital Limited. Mr Kwah retired from ECICS Limited in December 2006 but he remains as the non-executive Director of ECICS Limited. He is a Fellow, Certified Public Accountant of Australia, ICPAS and ACCA. He graduated from the then University of Singapore in 1973 with a Bachelor of Accountancy degree. Mr Kwah was appointed on 14 July 2006 and was last re-elected on 25 April 2014.

The directorships in listed companies, past and present, and principal commitments of the directors are set out below:

Name of Director	Present Directorships in Listed Companies	Past Directorships in Listed Companies held over the preceding three years	Principal Commitments# (other than Wilmar International Limited)
EXECUTIVE DIRECTORS			
KUOK Khoon Hong	Wilmar International Limited – Chairman & CEO Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) – Chairman & Non-Independent Non-Executive Director	Cosumar S.A., a Wilmar associated company	
Martua SITORUS	Wilmar International Limited – Executive Deputy Chairman		Aastar Trading Pte Ltd – Managing Director WH Investments Pte Ltd – Managing Director ICC Energy Holdings Pte Ltd ICC Leasing Pte Ltd
TEO Kim Yong	Wilmar International Limited – Executive Director & COO		
NON-EXECUTIVE DIRECTORS			
KUOK Khoon Chen	Shangri-La Asia Limited *(Hong Kong Stock Exchange)* – Chairman & CEO China World Trade Center Company Limited *(Shanghai Stock Exchange)* Wilmar International Limited	Kerry Properties Limited – Chairman	Kerry Group Limited – Deputy Chairman & MD Kerry Holdings Limited – Chairman Kuok Brothers Sdn Berhad – Chairman China World Trade Center Ltd
KUOK Khoon Ean	PACC Offshore Services Holdings Ltd ("POSH") – Chairman & Non-Executive Director IHH Healthcare Berhad *(Bursa Malaysia)* The Bank of East Asia, Limited *(Hong Kong Stock Exchange)* Wilmar International Limited	SCMP Group Limited – Chairman The Post Publishing Public Company Limited Shangri-La Asia Limited Shangri-La Hotel Public Company Limited	Kerry Group Limited Kerry Holdings Limited – MD Kuok (Singapore) Limited – Chairman POSH – Chairman & Non-Executive Director
Juan Ricardo LUCIANO	Archer Daniels Midland Company *(New York Stock Exchange)* Wilmar International Limited		Archer Daniels Midland Company – President & CEO
George Yong-Boon YEO	Kerry Logistics Network Limited *(Hong Kong Stock Exchange)* – Chairman & Executive Director AIA Group Limited *(Hong Kong Stock Exchange)* Wilmar International Limited		Kerry Group Limited – Deputy Chairman

Name of Director	Present Directorships in Listed Companies	Past Directorships in Listed Companies held over the preceding three years	Principal Commitments# (other than Wilmar International Limited)
LEAD INDEPENDENT DIRECTOR			
YEO Teng Yang	Wilmar International Limited	United International Securities Limited (in members' voluntary liquidation)	
INDEPENDENT DIRECTORS			
LEONG Horn Kee	Amtek Engineering Ltd IGG INC *(Hong Kong Stock Exchange)* SPH Reit Management Pte. Ltd.* *(Trust Manager of SPH REIT)* Tat Hong Holdings Ltd Viva Asset Management Pte. Ltd.* *(Trust Manager of Viva Industrial Trust REIT)* Viva Industrial Trust Management Pte Ltd* *(Trust Manager of Viva Industrial Trust REIT)* Wilmar International Limited * Independent Non-Executive Chairman	Kian Ho Bearings Ltd* Linair Technologies Ltd China Energy Limited ECS Holdings Limited	CapitalCorp Partners Pte Ltd – Chairman
TAY Kah Chye	Asiatic Group (Holdings) Limited – Independent Non-Executive Chairman Chemical Industries (Far East) Ltd Wilmar International Limited		CLMV Consult Net Private Limited – Executive Chairman Cam Box Private Limited PATA Consultancy Private Limited – CEO PATA International Enterprise Private Limited – CEO
KWAH Thiam Hock	Excelpoint Technology Ltd IFS Capital Limited Select Group Limited Teho International Inc Ltd Wilmar International Limited		ECICS Limited Northern Star Shipping Pte Ltd PM Shipping Pte Ltd

In accordance to the Code of Corporate Governance 2012, the term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Key Management Team

MR KUOK KHOON HONG
Chairman & Chief Executive Officer

MR MARTUA SITORUS
Executive Deputy Chairman

MR TEO KIM YONG
Executive Director & Chief Operating Officer

MR HENDRI SAKSTI
Country Head, Indonesia

MR YEE CHEK TOONG
Country Head, Malaysia

MR GOH ING SING
Group Head of Plantations

MR MATTHEW JOHN MORGENROTH
Group Technical Head

MR RAHUL KALE
Group Head of Oleochemicals & Biofuels

MR MU YANKUI
Executive Vice Chairman, China

MR NIU YU XIN
General Manager, China

MR JEAN-LUC ROBERT BOHBOT
Group Head of Sugar

CAPTAIN KENNY BEH HANG CHWEE
Group Head of Shipping

PROFESSOR CHUA NAM-HAI
Chief Scientific Advisor

MR HO KIAM KONG
Chief Financial Officer

MS SNG MIOW CHING
Group Financial Controller

MS TEO LA-MEI
Group Legal Counsel & Company Secretary

MR JEREMY GOON
Chief Sustainability Officer

MR PATRICK TAN SOO CHAY
Group Head of Internal Audit

MR THOMAS LIM KIM GUAN
General Manager, Trading (Edible Oils)

Corporate Information

BOARD OF DIRECTORS

KUOK Khoon Hong (Chairman)
Martua SITORUS
TEO Kim Yong
KUOK Khoon Chen
KUOK Khoon Ean
Juan Ricardo LUCIANO
George Yong-Boon YEO
(Appointed on 1 November 2014)
YEO Teng Yang
Dr LEONG Horn Kee
TAY Kah Chye
KWAH Thiam Hock

EXECUTIVE COMMITTEE

KUOK Khoon Hong (Chairman)
Martua SITORUS
TEO Kim Yong

AUDIT COMMITTEE

TAY Kah Chye (Chairman)
KWAH Thiam Hock
YEO Teng Yang

NOMINATING COMMITTEE

KWAH Thiam Hock (Chairman)
KUOK Khoon Hong
TAY Kah Chye
YEO Teng Yang

REMUNERATION COMMITTEE

KWAH Thiam Hock (Chairman)
KUOK Khoon Ean
YEO Teng Yang
Dr LEONG Horn Kee

RISK MANAGEMENT COMMITTEE

YEO Teng Yang (Chairman)
KUOK Khoon Hong
Dr LEONG Horn Kee

COMPANY SECRETARY

TEO La-Mei

REGISTERED OFFICE

56 Neil Road
Singapore 088830
Telephone: (65) 6216 0244
Facsimile: (65) 6536 2192

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
#18-01 North Tower
Singapore 048583
Partner-in-Charge: Christopher WONG
(With effect from financial year ended 31 December 2014)

Operations Review

CONSUMER PRODUCTS PRETAX PROFIT

19% ▲

SUGAR PRETAX PROFIT

6% ▲

PLANTATIONS & PALM OIL MILLS PRETAX PROFIT

41% ▲

Our extensive range of premium consumer products is riding the urbanisation wave in fast-developing markets.

Operations Review

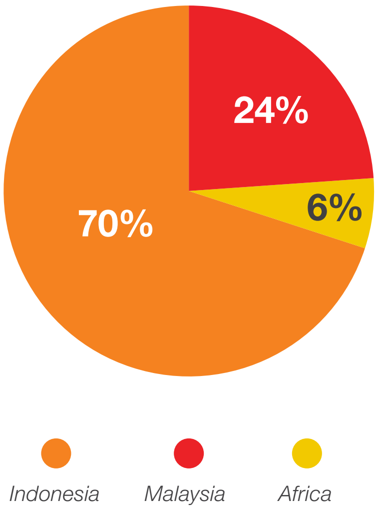
PLANTATIONS & PALM OIL MILLS

Wilmar is one of the largest oil palm plantation owners with a total planted area of 238,287 hectares (ha) as at 31 December 2014. Around 70% of the total planted area is located in Indonesia, 24% in East Malaysia and 6% in Africa. Through joint ventures, the Group owns plantations in Uganda and West Africa of approximately 59,000 ha. We also manage 31,666 ha under the Plasma Scheme in Indonesia and over 150,000 ha under the smallholders and Outgrowers scheme through the joint ventures in Africa.

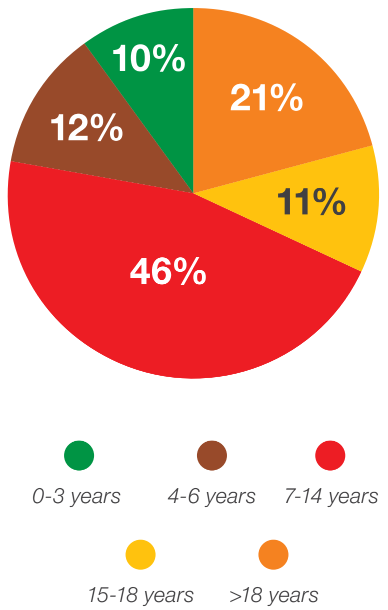
The Group's plantations have an average age of 12 years. Around 57% are at the prime production age of seven to 18 years while another 22% are at age six years and below. As the young trees mature, they will support the medium to long-term growth of the Group's plantation operations.

Wilmar processes fresh fruit bunches (FFB) sourced from its own plantations, smallholders under the Plasma and Outgrowers schemes and third-party suppliers. The crude palm oil (CPO) and palm kernel produced by its oil palm mills are predominantly supplied to its refineries and palm kernel crushing plants.

Plantations Geographic Location as at 31 December 2014



Plantations Age Profile as at 31 December 2014



FFB PRODUCTION

The Group's FFB production improved 7% to 4.3 million MT as production yield increased 10% to 20.6 MT per ha in 2014. The higher production yield was due to better crop trend in Indonesia and Malaysia.

SUSTAINABILITY AND CERTIFICATION

Wilmar announced its integrated "No Deforestation, No Peat and No Exploitation" Policy in December 2013 with the aim of advancing an environmentally and socially responsible palm oil industry. Since the implementation of this bold policy across all our operations worldwide as well as third-party suppliers from which we source and trade with, Wilmar has been at the forefront of sustainability initiatives. The Group was recognised as the Most Improved Company 2013-2014 in the Agricultural Products Sector for Corporate Action on Deforestation by the Carbon Disclosure Project.

Further highlighting our commitment, the Group was also one of the signatories of the landmark Indonesia Palm Oil Pledge at the 2014 United Nations Climate Summit held in September 2014. The Pledge is an agreement among leading palm oil producers to commit to industry-leading sustainability practices, which includes proactive government engagement on policy reform and a principle of no planting on high carbon stock or peat lands.

All of the Group's plantations and mills in Malaysia are certified and adhere to RSPO Principles and Criteria, while the Indonesian operations are scheduled to complete certification audits by 2016. In Ghana, West Africa, Wilmar's palm oil mill was the first to be RSPO-certified. Thus far, 21 of the Group's mills and their supply bases have successfully completed certification. As at December 2014, the Group's annual production capacity of RSPO certified palm oil was about 740,000 MT.

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

OUR PERFORMANCE

The Group registered a pretax profit of US$381.1 million in 2014, a 41% increase from 2013. This was mainly due to higher production yield, depreciation in regional currencies and lower manuring cost. The pretax profit included a revaluation loss from biological assets of US$8.0 million. In 2014, the Group replanted around 8,500 ha.

OUTLOOK AND STRATEGY

Wilmar remains positive about the long-term prospects of palm oil with the rise of global demand for its food and non-food applications, and its low cost of production.

In terms of production, growth is expected to come mainly from higher mature hectarage and yield improvement of existing plantations. The Group will continue to explore opportunities to expand its hectarage mainly in West Africa, where the demand for palm oil is growing and there is plentiful supply of land and labour.

PALM & LAURICS

Wilmar is the world's largest processor and merchandiser of palm and lauric oils, processing palm and lauric oils into refined palm oil, specialty fats, oleochemicals and biodiesel. The Palm and Laurics division is a major contributor to the Group's profitability.

Wilmar's processing plants are strategically located in major growing areas in Malaysia, Indonesia and the Philippines as well as in major consuming countries. Complemented by an extensive distribution network in more than 50 countries, a large shipping fleet and manufacturing facilities, the Group believes it has the most effective marketing and distribution network for palm and laurics products globally.

As at 31 December 2014, the Group has plants located in the following countries:

	Refinery	Oleochemicals	Specialty Fats	Biodiesel
Subsidiaries				
Indonesia	25	4	4	9
Malaysia	14	1	1	1
China	48	9	6	-
Vietnam	2	-	2	-
Europe	4	3	1	1
Africa	2	-	1	-
Others	4	-	1	-
Total no. of plants	**99**	**17**	**16**	**11**
Total capacity *(million MT p.a)*	**29**	**2**	**2**	**3**
Associates				
India	25	-	5	-
China	10	2	3	-
Russia	4	-	3	-
Ukraine	2	-	1	-
Malaysia	3	-	-	-
Africa	5	-	2	-
Bangladesh	2	-	-	-
Total no. of plants	**51**	**2**	**14**	**-**
Total capacity *(million MT p.a)*	**9**	**< 1**	**1**	**-**

Note: Refinery capacity includes palm oil and soft oils

During the year, the Group invested in facilities that will further strengthen its position in the supply chain. In April 2014, Wilmar announced the purchase of an ethoxylation facility in Lavera, France, as well as the entry into a multi-year arrangement to acquire sulphated surfactant products from Huntsman Corporation's facilities in St. Mihiel, France and Castiglione delle Stiviere, Italy. Through this acquisition, the Group will be able to broaden its existing footprint in Europe and extend its integrated chain to better serve customers in all geographies.

In June 2014, the Group entered into a 50:50 joint investment agreement with Repi Soap and Detergent S. Co. to upgrade an existing manufacturing facility as well as build a new integrated manufacturing complex in Ethiopia. Following the completion of these upgrades and construction, the facilities will house an edible oil refinery and packing plant, production plants for specialty fats, soft oils, soaps and detergents, as well as a sesame seed processing facility.

In August 2014, Wilmar acquired a biodiesel and glycerine refinery with a capacity of 100,000 MT per annum and a plot of land measuring approximately 30 acres in Johor Bahru, Malaysia. Completed at the consideration of RM27 million, the acquisition represents a strategic addition to the Group's oleochemicals manufacturing capabilities.

INDUSTRY TREND IN 2014

In 2014, palm oil production reached 59.6 million MT, an increase of around 6% from 56.3 million MT in 2013.

Malaysia and Indonesia, the two countries that account for around 85% of the world's total production of palm oil, increased their production by 8% and 4% to reach 30.8 million MT and 19.9 million MT respectively.

Demand for palm oil reported a modest increase of around 2% to 59.1 million MT, with Indonesia, India and China holding its position as the top three consumption markets for palm oil. In particular, Indonesia registered an increase of around 10% to 8.9 million MT.

Palm oil prices trended higher in the first quarter of 2014 on the expectation of tight global supply as a result of the El Nino phenomenon. However, prices softened in the second half of 2014 as a combination of factors kicked in – El Nino did not materialise, bumper crops were reported for palm oil and other edible soft oils, while crude oil prices also dropped. These factors together, exerted downward pressure on CPO prices. To mitigate the decline and curb the build-up of reserves, Malaysia and Indonesia removed their export taxes on CPO from September and October 2014 respectively until the end of March 2015. In addition, the two countries announced their commitment towards their biodiesel mandate to shore up demand for palm oil. In Malaysia, the B7 biodiesel mandate was launched at the end of 2014 and extended to include Sabah, Sarawak and Labuan in early 2015. This is expected to increase the country's total usage of the palm oil biodiesel to 576,000 tonnes per year. In Indonesia, the Energy Ministry also announced its intention to adhere to the 20 percent biodiesel blending rate in 2016 that will require more than eight million tonnes of palm oil, from the current 10 percent.

Nonetheless, weak crude oil prices caused CPO prices to decline further amid excess output and signs of slowing global demand. CPO prices closed at RM2,297.00 at the end of 2014, down 12% from RM2,604.50 at the beginning of the year.

OUR PERFORMANCE

During the year, the Group processed and merchandised a total of 24.6 million MT of palm and lauric products, a marginal increase from 2013. Revenue grew 2% to US$20.27 billion. However, pretax profit decreased by 31% to US$588.1 million due to compressed refining margins resulting from excess refining capacity in the industry.

OUTLOOK AND STRATEGY

Global palm oil production is expected to reach approximately 61.2 million MT for the marketing period from October 2014 to September 2015, on higher output cycle and maturing hectarage in Indonesia.

The overall performance of the division in 2015 will be affected by lower CPO production growth and high price of CPO relative to crude and other soft oils. Refining margin will be depressed and biodiesel demand will be badly affected unless the Indonesian Government steps up its effort to increase the mandated use of biodiesel. However, Wilmar's extensive global marketing and distribution network and growing downstream businesses will enable it to weather the storm better than its competition.

OILSEEDS & GRAINS

The Group crushes oilseeds such as soybean, rapeseed, groundnut, cottonseed, sunflower seed and sesame seed into protein meal and crude oils. The protein meal is mainly sold to animal feed producers while the oils produced are largely sold to its Consumer Products and Oleochemicals divisions. The Group has oilseed crushing operations in various parts of the world including China, India, Vietnam, Malaysia, Russia, Ukraine and South Africa.

Besides oilseed crushing, Wilmar is also in flour and rice milling as well as the production of rice bran oil. Wilmar is one of the largest wheat and rice millers in China and has flour mills through joint ventures in Malaysia, Indonesia and Vietnam.

As at 31 December 2014, the Group has crushing plants and flour and rice mills located in the following countries:

	Crushing	Flour Milling	Rice Milling
Subsidiaries			
China	54	16	13
Malaysia	1	-	-
Vietnam	2	-	-
Africa	2	-	-
Indonesia	-	1	-
Total no. of plants	**59**	**17**	**13**
Total capacity *(million MT p.a)*	**23**	**6**	**2**
Associates			
China	19	1	1
India	10	-	-
Russia	2	-	-
Ukraine	1	-	-
Malaysia	-	5	-
Indonesia	-	2	-
Others	1	1	-
Total no. of plants	**33**	**9**	**1**
Total capacity *(million MT p.a)*	**11**	**2**	**< 1**

INDUSTRY TREND IN 2014

In 2014, demand for soybeans in China increased around 11% to 70.5 million in 2014 from 63.4 million in 2013. China continued to hold its top spot as the largest importer of soybeans, accounting for around 60% of world demand. Total volume of soybean crushed in China increased 8% to 64.7 million MT, from 60.1 million MT the previous year. Soybean meal consumption, as a feedstock for animal feed, increased around 6% to 50.0 million MT in 2014 with China's continued demand for protein-based diet. Similarly, soybean oil consumption increased 7% to around 12.6 million MT in 2014.

China's crushing industry remained challenging in 2014 due to significant overcapacity. This was exacerbated during the first half of 2014, when the industry experienced an oversupply of soybeans with excessive imports by financial traders. The situation eased in the second half of the year with the clampdown on shadow financing which reduced the imports by financial traders. As a result, the crushing industry in China reported weak to negative margins during the first half of the year and recovered in the later part of the year.

After two consecutive years of low production, soybeans entered into an oversupply situation. Prices peaked around April - May at around US$15 per bushel before dropping to around US$10 per bushel by December 2014 due to the substantial increase in U.S. soybean production and expected big crop in South America.

OUR PERFORMANCE AND OUTLOOK

During the year, sales volume for the Oilseeds & Grains segment increased 10% to 22.7 million MT. Correspondingly, revenue increased 6% to US$14.48 billion. The higher sales volume was mainly due to higher demand for soybean products and flour. However, pretax profit decreased 63% to US$86.7 million due to the challenging industry conditions especially in the first half of 2014.

Despite the lower profit, our performance for 2014 should be considered satisfactory given the very tough conditions in China during the year.

While the crushing industry in China continues to face overcapacity, the Group is positive about the outlook in 2015 with lesser imports by financial traders and the benefits its downstream operations will reap from lower oil prices.

CONSUMER PRODUCTS

Wilmar produces and markets edible oil, rice, flour, grains and noodles under well-established brands, tailored specially to meet the needs of consumers in the markets in which it has a presence.

Wilmar is the largest producer of consumer pack edible oils in the world. In China, Wilmar enjoys the largest market share at around 44%, led by its Arawana flagship brand of products. In India, through the joint venture, Adani Wilmar Limited, the Group holds a market share of close to 20%. In Indonesia, the Group is the top producer with over 35% market share. The Group is the biggest producer of consumer pack edible oils in Vietnam, Sri Lanka and several African countries.

Recognising its potential, the Group began expanding its presence in Africa more than 10 years ago. Today, through joint ventures, we are a leading producer and seller of branded consumer pack oil in Ivory Coast, Uganda, South Africa, Ghana, Nigeria, Zambia and Zimbabwe.

Beyond consumer edible oils and food staples, the Group's consumer pack flour and rice businesses in China continued to progress during the year and are marketed under our leading brands. The Group also sells flour in Vietnam and Indonesia as well as rice in India.

INDUSTRY TREND IN 2014

The Group continued to see good demand for branded consumer pack oils across the countries in which it has a presence.

Similar trends were observed for the rice and flour businesses in China. In particular, demand for consumer pack rice saw strong growth in 2014 as more affluent and discerning consumers switched to better quality packaged products.

OUR PERFORMANCE

The Group reported sales volume of 5.6 million MT in 2014, representing an increase of 4% from 2013. The volume growth was driven by stronger demand

for the Group's flour and rice products as well as growth outside China. Pretax profit for 2014 grew by 19% to US$261.8 million, driven by the higher sales volumes and margin expansion.

During the year, many of our consumer brands were recognised for the high level of food safety, quality of products as well as corporate citizenship by various local authorities and consumer groups across markets. For more information on the recognition received by the Group's brands, please refer to the Awards and Accolades chapter.

OUTLOOK AND STRATEGY

Wilmar remains positive about the prospects for consumer products due to economic growth, low per capita consumption and the steady shift of consumption from loose to quality branded consumer pack products in key markets. To stay at the forefront of producing quality products that are adapted to the taste and preference of local populations, the Group will continue to strengthen its distribution networks, research and development, brand building as well as introduce new products and packaging to grow its market presence globally.

SUGAR

The Group's sugar business involves the cultivation of sugarcane, the milling of sugarcane to produce raw sugar and the refining of raw sugar to produce white sugar, brown sugar, caster sugar and syrups. Through its milling operations, the Group produces ethanol as well as fertiliser. The Group's mills in Australia also generate their own electricity by burning sugarcane fibre (bagasse). Excess electricity not required in the milling operations is sold to the local electricity grid.

Wilmar is Australia's largest raw sugar producer and refiner. The Group produces about 50% of Australia's raw sugar and its 75%-owned refinery joint venture supplies about 75% of Australia's and New Zealand's sugar requirement and also exports to many Asia Pacific markets. Wilmar is also Australia's largest generator of renewable electricity from biomass.

Wilmar owns leading sugar brands - *CSR* in Australia and *Chelsea* in New Zealand. To complement its diversified product and brand portfolio, the Group also distributes the *Equal* range of sweeteners.

Wilmar is one of the top two sugar operators in Indonesia. The Group operates two refineries located near Cigading Port in West Java. These refineries have an annual production capacity of about 700,000 MT and process imported raw sugar and supply refined sugar to the food and beverage manufacturing industry.

Through its 29.5% associate, Cosumar S.A. (Cosumar), Wilmar has one refinery and seven sugar beet/cane mills in Morocco. Cosumar is the sole sugar producer in Morocco and the third largest in the African continent, with a strong distribution network that includes exporting refined sugar to neighbouring countries in the Mediterranean Sea and Europe.

SUGAR DEVELOPMENTS

In February 2014, Wilmar became a strategic industrial partner of Shree Renuka Sugars Limited (SRSL), the leading sugar company in India, through the acquisition of a 27.72% stake. The acquisition enabled Wilmar to establish a significant presence in India, one of the most important sugar markets. SRSL' business comprises 11 mills with a total crushing capacity of 20.7 million tonnes per annum, two India port based sugar refineries with a capacity of 1.7 million tonnes per annum, cogeneration capacity of 584 MW, as well as port and logistics assets. It also owns mills and cogeneration assets in Brazil.

In April 2014, Wilmar established a 55:45 joint venture with Great Wall Food Stuff Industry Company Limited, the leading sugar company in Myanmar. The joint venture consists of the partners' existing sugar-related business, two sugar mills and refineries, a bioethanol plant and an organic compound fertiliser plant.

Within three years of the Group's entry into the sugar industry, we have emerged as a leading sugar merchant in the world by volume, with footprint spanning across five continents.

As at 31 December 2014, the Group has sugar mills and refining plants in the following countries:

	Milling	Refining
Subsidiaries		
Australia	8	2
New Zealand	-	1
Indonesia	-	2
Myanmar	1	1
Total no. of mills/plants	**9**	**6**
Total capacity *(million MT p.a)*	**18**	**2**
Associate		
Brazil	4	-
India	7	2
Morocco	7	1
Total no. of mills/plants	**18**	**3**
Total capacity *(million MT p.a)*	**26**	**3**

INDUSTRY TREND IN 2014

World sugar production reached a third consecutive year of production surplus, with about 182.7 million MT produced compared to 178.8 million MT consumed, for the October 2013 to September 2014 marketing period.

China and Indonesia maintained their positions as the two largest importers, accounting for about 16% of total imports or 8.4 million MT. As for sugar exports, Brazil contributed around 45% of the global supply.

During the first few months of 2014, sugar prices increased on fears of El Nino as well as anxieties of a drought in Brazil, the world's largest producer and exporter. These eventually abated leading to a decline in sugar spreads and prices. Record low spreads were registered during the October-March period. In addition, the sharp depreciation of the Brazilian Real against the US Dollar and the collapse of crude oil prices further contributed to the decline. Sugar price closed at 14.56 US cents per pound at the end of the year.

OUR PERFORMANCE

In 2014, pretax profit for the Sugar division grew 6% to US$134.4 million, mainly due to higher Merchandising activities. Sugar volume grew 11% to 9.7 million MT during the year but revenue increased marginally to US$4.06 billion due to lower sugar prices.

Milling

A total of 15.3 million MT of cane was crushed in 2014 compared to 14.1 million MT in 2013. Although harvested crops were higher in 2014, lower sugar prices and negative mark-to-market effects of ongoing sugar hedges resulted in a pretax loss of US$13.7 million for the year.

Merchandising and Processing

The Merchandising and Processing business reported a 16% increase in sales volume mainly attributed to higher merchandising activities. This led to an increase in revenue of 5% to US$3.12 billion and strong growth in pretax profit to US$148.1 million.

OUTLOOK AND STRATEGY

In 2015, the world is expected to see a continuation of sugar surplus on favourable crop cultivation and lower consumption growth. Prices of sugar may remain under pressure as inventories continue to build up from the surplus gathered over the past three years, and milling volumes are expected to recover further in 2015 on improved cane yields and increase in cane area. A weaker Australian Dollar to the US Dollar should help to balance the low international sugar price. For the refining business, the Group will continue to focus on achieving higher operational and cost efficiencies through initiatives such as maximising asset and labour utilisation, as well as upgrading of equipment and facilities. The Group will also leverage on its strengths in key sugar markets around the globe to enhance trade flows.

FERTILISER

The bulk of the Group's fertiliser business operation and market is in Indonesia. With annual sales volume of more than 2.0 million MT, Wilmar is one of the largest fertiliser players in Indonesia. In addition to having production lines focusing on nitrogen, phosphorus and potassium (NPK) compound fertilisers, we also engage in the trading and distribution of potash, phosphate and nitrogen fertilisers as well as secondary nutrients and trace element products. Supported by extensive logistics networks, the Group has been able to maintain substantial market shares of both potash and NPK in Indonesia, particularly in the oil palm sector. Customers for the fertiliser products are also our suppliers of fresh fruit bunches, crude palm oil and palm kernel, enabling us to tap this captive market and minimise credit risk. The oil palm sector in Indonesia has experienced remarkable growth rate in the past decade, resulting in rising demand for fertilisers and providing the Group with opportunities to continuously expand its fertiliser business unit. At present, our total installed capacity of NPK compound in Indonesia is 1.2 million MT per annum. We are also the appointed distributor of Canadian potash, Peruvian rock phosphate, and USA borate in Indonesia.

INDUSTRY TREND AND OUR PERFORMANCE

In the first half of 2014, the fertiliser market made a progressive recovery following a weak second half in 2013. Buying sentiments and application programmes improved in line with the favourable oil palm price and output in general. However in the second half of 2014, external factors led to softening global commodities prices and declining activities, resulting in slower sales and delivery for the fertiliser market. The volatility and appreciation of the US Dollar against local currencies inflated the cost of import materials as local prices struggled to keep pace. Weather conditions were also not favourable across different regions throughout the year. Climate issues are shaping into a more perennial impediment with many areas affected by floods and being restrained in fertiliser application and delivery.

Notwithstanding the market adversities in the second half of 2014, the Group's overall fertiliser volume increased by approximately 20% from the year before while revenue comparatively had only risen slightly due to prevailing market price and currency exchange rate. Overall, profitability of the fertiliser business improved in 2014 largely attributed to relatively better positioning and market relevance.

OUTLOOK AND STRATEGY

The Group continues to remain positive on the long-term outlook for the Indonesian agricultural sector given the continual growth in oil palm acreage and other crops. Adjacent to Indonesia being the core of the fertiliser business, we have been actively developing other growing markets for fertiliser, capitalising on local channels as well as global networks we have established.

To further complement the fertiliser business, the Group has in the past several years expanded its focus into the agrochemical market in Indonesia. The current production capacity has the potential to reach three million litres to serve the growing demand. Our agrochemical product line, which has been extended to various types of herbicide, insecticide and fungicide, covers the needs of oil palm as well as other cash crops in the retail market. The expansions into agrochemical products and tapping different consumer bases have provided opportunities for the Group's fertiliser business to spread and reach out into other agricultural segments.

SHIPPING

As part of the Group's integrated business model, it owns a fleet of liquid and dry bulk carriers which improves the flexibility and efficiency of its logistics operations. This fleet provides partial support for the Group's total shipping requirements while the balance of its requirements is met by chartering-in third-party vessels.

In 2014, shipping volumes of vegetable oils and of dry bulk increased from the previous year. In line with the volume growth, profit for the shipping unit also improved and its balance sheet strengthened.

As the volume of edible oils merchandised by the Group increases, the Group will continue to reap economies of scale through expansion of its larger and more cost effective fleet. During the year, the Group took delivery of two (49,000 dead-weight tonne each) International Maritime Organisation (IMO) Type II product chemical tankers. These vessels, partially fitted with stainless steel cargo tanks, comply with the latest environmental standards. Another four tankers are expected to be delivered in 2015 to better serve our different trade routes.

As at 31 December 2014, the Group had 38 liquid bulk vessels and 11 dry bulk vessels under its owned/controlled tonnages.

RESEARCH & DEVELOPMENT

The overarching aim of the Group's research and development (R&D) efforts is to provide sustainable solutions by optimising resources, reducing energy consumption and minimising environmental impact while enhancing our overall operational efficiency. Our R&D activities are carried out in various international locations focusing on food technology, oleochemicals research and oil palm productivity.

Our Global R&D centre in Shanghai applies next generation technology to elevate product quality and expand product diversity. The products include major food ingredients such as oils, proteins and starch as well as food products derived from these ingredients. The primary objective is to deliver to consumers safe and healthy foods without compromising their nutritional value. The Group's laboratory in Lianyungang, China, performs R&D on the production and uses of oleochemicals, in particular the implementation of green chemistry in our production process.

Major projects accomplished in 2014 include:

- **Dietary Reference Intake**

  The R&D centre cooperated with the China Nutritional Society to promote the 2014 Dietary Reference Intake guidelines, and following the new guidelines, designed a new formulation with balanced fatty acid composition for the Group's best-selling Arawana blended oils.

- **Arawana Food Nutrition and Safety Fund**

  The Fund supported three projects by the China National Centre for Food Safety Risk Assessment, the national authority responsible for risk assessment and communication. Through these projects, the centre participated in the risk assessments of polycyclic aromatic hydrocarbons in edible oils and acid values in crude oils thereby gaining insight on issues related to food safety.

- **Arawana Scholars' Symposium**

  Held annually, the symposium is a platform for Arawana scholars to present their research and exchange ideas in the latest food technology development. In addition to the scholarship awardees, participants include experts who work on areas related to the Group's R&D activities.

- **International Cooperation**

  A symposium on Functional Lipids was jointly organised with the Chinese Cereals and Oils Association and the American Oil Chemists' Society in Shanghai. The focus of discussion was on the challenges in fat and oil manufacturing as well as opportunities for further international collaboration.

Our R&D laboratory in Indonesia focuses on biotechnology research to enhance the Group's competitiveness and sustainability in the oil palm industry.

- **Enzyme Bioprospecting**

  The laboratory continues its work on the isolation of tropical microbial genes encoding lipid enzymes of novel properties. Some of these enzymes are able to directly convert palm fatty acid distillate into biodiesel.

- **Beneficial Microbes**

  Beneficial microbes have been identified which can be used to control or prevent oil palm diseases and to reduce the use of fertilisers and improve plant health.

- **Tissue Culture**

  Tissue culture has been employed to produce clonal palms in the Group since 2008. To produce bi-clonal palms, the laboratory has developed cloning protocols for Tenera and Dura. Double-haploid palm is being developed through microspore culture.

- **Oil Palm Breeding**

  We are performing genetic crosses with our proprietary TS palm that is drought resistant so as to introduce traits for high oil yield and content, and for reduced plant stature. This type of palm is suitable for the drier climate of Africa. Seeds of high yielding variety have been supplied to the Group's plantations in Africa. The Group has also set up a seed production unit in Ghana to supply elite planting materials. Local personnel have been trained in controlled pollination of the mother palms and seed production process. Furthermore, best plantation management and agronomic practices are transferred to the Group's African plantations.

Awards & Accolades

CORPORATE AWARDS

Wilmar International Limited

- Fortune Global 500, ranked 239th
- World's Most Admired Company, ranked 5th in Food Production Industry
  Fortune Magazine
- Forbes Global 2000 Leading Companies, ranked 316th
- Top 100 Singapore Brands, ranked 3rd
  BrandFinance®
- Most Transparent Company Award (Runner Up) in Food & Beverages category
  Securities Investors Association (Singapore)
- Oleochemicals Company of the Year
  2014 Frost & Sullivan Indonesia Excellence Awards
- Certificate of Excellence in Investor Relations (Nominee in Consumer Staples sector)
  IR Magazine Awards Southeast Asia 2014
- Joint Value Creation
  Unilever Partner to Win Awards
- Top Importer of U.S. Soybeans in Southeast Asia
  Southeast Asia U.S. Agricultural Co-Operators Conference 2014
- GLOBOIL Diamond – Outstanding Performance in the category of Palm Oil Export to India
  GLOBOIL India
- The Global Chinese Business 1000 Awards – The Largest Chinese Companies in South East Asia
  Yazhou Zhoukan Magazine
- Singapore International 100 – Overseas Turnover Excellence (Ranked 1st)
  DP Information Group with Ernst & Young as Co-Producer, supported by ACRA, IE Singapore, SPRING, IDA and Singapore Business Federation

AUSTRALIA

Wilmar Sugar

- Australia's Top 100 Food & Drink Companies (Ranked 13th)
  Food & Drink Business Magazine and IBISWorld
- Finalist, Employer of the Year
  Queensland Training Awards Regional Finals
- Job Futures Awards for Excellence
  2014 National Employer Partnership Award

CHINA

Yihai Kerry Investments Co., Ltd

- Top 100 Enterprises in Shanghai (Ranked 9th)
  Shanghai Enterprise Confederation, Shanghai Enterprise Directors Association and Shanghai Federation of Economic Organisations

Yihai (Yantai) Oils & Grains Industries Co., Ltd

- Leading Model Enterprise of China's Export Index
  People's Republic of China General Administration of Customs

GHANA

Benso Oil Palm Plantation

- Special Award in recognition of Immense Contribution to the Economic Development of the Western Region in the category of Agriculture/Agro-Processing
  Western Regional Business and Financial Services Excellence Awards

INDONESIA

PT Wilmar Bioenergi Indonesia

- Outstanding Meritorious Award for being the first company to commit to palm-based biofuel industry
  Ministry of Energy and Mineral Resources

NEW ZEALAND

New Zealand Sugar

- Finalist, Cooking/Baking Supplier of the Year
  2014 Countdown Supplier Awards

VIETNAM

Cai Lan Oils & Fats Industries Company Ltd

- Government's Emulation Flag, Excellent Labour Collective and Certification from the Ministry of Industry and Trade
- Vietnamese High Quality Goods Award
  Saigon Tiep Thi newspaper
- VNR 500 – Top 500 Biggest Enterprises in Vietnam
  Vietnamnet in collaboration with Vietnam Report
- Top 10 Trusted Viet Trademark
  Vietnam Union of Science and Technology Associations (VUSTA)
- Golden Dragon Award
  Vietnam Economic Times in collaboration with Foreign Investment Agency and Ministry of Planning and Investment

Wilmar Agro

- Government's Emulation Flag and Certificate from the Ministry of Industry and Trade

- Trusted Quality Suppliers
  Vietnam Enterprise, Department of Trade Promotion, Certification Organisation AQA-SEA (USA), Quality Auditor of Southeast Asia, National Quality Assurance – United Kingdom and Global Manager Group
- Golden Dragon Award
  Vietnam Economic Times in collaboration with Foreign Investment Agency and Ministry of Planning and Investment

SUSTAINABILITY AWARDS

Wilmar International Limited:

- Most Improved Company 2013 – 2014 in the Agricultural Products Sector for Corporate Action on Deforestation
  CDP (Carbon Disclosure Project)

CHINA

Yihai (Lianyungang) Oils & Grains Industries Co., Ltd

- Model Enterprise for Contribution to National Unity and Progress
  State Council of the People's Republic of China

Yihai (Guanghan) Oil & Grains Food Stuffs Co., Ltd

- Top 10 Corporate Donors in Bashu, Sichuan Province
  Sichuan Provincial Civil Affairs Department and Sichuan State-Owned Assets Supervision and Administration Commission

INDONESIA

Sania Edible Oil

- Appreciation Award for Support and Cooperation
  Indonesian Cancer Foundation

VIETNAM

Wilmar Agro

- Trusted Brand for Sustainable Agriculture Development
  Ministry of Agriculture and Ministry of Industry and Trade

CONSUMER PRODUCT AWARDS

CHINA

Brand	Award
Arawana	• No. 1 in Sales of Cooking Oil and Rice in 2013 *China Industrial Information Center (Awarded in 2014)* • Most Trusted Consumer Brand of Cooking Oil and Rice in 2013 *China Industrial Information Center (Awarded in 2014)*
Wonder Farm	• No. 1 in Sales of Flour in 2013 *China Industrial Information Center (Awarded in 2014)*

GHANA

Brand	Award
Frytol	• Overall Best Ghana-Made Product of the Year *Ghana Made Awards, Entrepreneur Foundation of Ghana* • Premier Brand: Ghana's Greatest Brands 2013-2014 *Brand Excellence Awards, Ghana's Favourite Brands* • Marketing Campaign of the Year *Global Brand Excellence Awards* • Gold Award for Print Advertising *Advertisers' Association of Ghana*

INDONESIA

Brand	Award
Sania	• Superbrand 2014 *Superbrands*
Fortune	• Largest Market Share in Pillowpack Cooking Oil *Rekor Bisnis*

NEW ZEALAND

Brand	Award
NZ Sugar	• Silver, Chelsea Golden Syrup 1kg Tin – Collector's Edition *NZ Design Awards*

SRI LANKA

Brand	Award
Fortune Cooking Oil	• No. 1 Edible Oil Brand *Lanka Market Research Bureau*

VIETNAM

Brand	Award
Simply	• "Trust & Use" Award *Vietnam Economic Times*

The Wilmar Africa team received Gold Award for Export of Edible Oil and Shea Cake at the Ghana Presidential Export Awards.

A national competition "Frying It All with Frytol for a Kitchen Makeover" was organised in Accra, Ghana.

Sustainability

US$ 9.6 M
TO PHILANTHROPY

FIRST
RSPO-CERTIFIED MILL IN GHANA

740,000 MT
OF CERTIFIED SUSTAINABLE PALM OIL ANNUALLY

SIGNED THE NEW YORK FOREST DECLARATION ON FORESTS

We endeavour to establish world class plantation estates in Africa that adopt best sustainable agricultural practices and improve the lives of our staff and their families.

2014 was a defining year in Wilmar's sustainability journey following the announcement of its landmark commitment to "No Deforestation, No Peat and No Exploitation" policy ("Policy") that pledges to free its entire supply chain from links to deforestation and human rights abuse. The Group has made good progress in its Policy implementation and is very encouraged by CDP's (Carbon Disclosure Project) recognition of being the Most Improved Company 2013 - 2014 in the Agricultural Products sector for Corporate Action on Deforestation.

TRANSPARENCY AND ACCOUNTABILITY

Sustainability Dashboard

Wilmar launched the Sustainability Dashboard, a microsite dedicated to reporting on its sustainability endeavor, in particular the implementation progress of its Policy that was announced on 5 December 2013.

The Dashboard is part of the Group's continuous effort to improve on transparency, in addition to its quarterly update reports and biennial Sustainability Reports. It is accessible to all stakeholders who have a keen interest in Wilmar's sustainability efforts at www.wilmar-international.com/sustainability/dashboard.

Enabling a Traceable & Sustainable Supply Chain

Traceability is an important element of Wilmar's journey to transform the industry towards responsible practices. To ensure that the Policy is being appropriately implemented and the Group is progressing towards a traceable and sustainable supply of palm oil products, the first step is to build on its existing supply chain map in order to trace supply flows from ports and refineries back to palm oil mills and over time to plantations. The mill details are used in conjunction with data and information on land use, soils and social issues to prioritise assessment visits to mills and their fresh fruit bunches (FFB) suppliers.

Wilmar started the supply chain mapping exercise in early 2014 and has seen improved transparency in its supply chain throughout the year. Indonesia and Malaysia have been the priority of its traceability exercise but good progress was also made in Europe, Africa, India and China. These data are updated each quarter to reflect improved visibility of its supply chain as well as the ongoing changes in the supply base and hence the traceability values can fluctuate over time.

Traceability details of Wilmar's supply chain are reported in its quarterly progress reports which can be found on its Dashboard at www.wilmar-international.com/sustainability/dashboard.

Wilmar's Sustainability Dashboard is part of our continuous efforts to improve transparency.

Grievance Procedure

Risk management is an integral part of ensuring a sustainable supply chain. This can be achieved with effective stakeholder engagement, through dialogues and feedback from stakeholders. A grievance mechanism is therefore an important pillar of this stakeholder engagement process in identifying and finding solutions to problems.

As part of the Policy, Wilmar has developed processes for the responsible handling of all complaints at the local, regional, national and international levels. Its grievance process will focus on three key aspects: grievances by external parties against the Group, internal issues raised by the Group with its own subsidiaries, and allegations by external parties against third-party suppliers. The Group will continuously review and strengthen the effectiveness of the mechanism. The Grievance Procedure can be found on www.wilmar-international.com/sustainability/grievance-procedure.

SUSTAINABILITY CERTIFICATION

In addition to its Policy, Wilmar is committed to other relevant and globally recognised certifications and standards. These commitments provide the Group with a baseline to benchmark it with players in the industry with clear goals and targets to be achieved.

RSPO Certification

Wilmar is pleased to report that its subsidiary, Benso Oil Palm Plantation Limited (BOPP), has become the first mill in Ghana, West Africa, to be awarded certification for sustainable palm oil production, in accordance with the rigorous standards of the Roundtable on Sustainable Palm Oil (RSPO). With this certification, BOPP's mill is capable of producing approximately 12,700 MT per annum of certified sustainable palm oil (CSPO) and 3,200 MT of certified sustainable palm kernels (CSPK) annually from its supply base of about 6,380 ha in Ghana, of which about 35% is contributed by smallholders.

As at end 2014, 21 of the Group's mills had successfully completed certification audits, boosting the Group's annual production capacity of CSPO to around 740,000 MT. The Group has had to make some minor adjustment to its time-bound plan for the remaining mills that have yet to undergo audits, but is still on track to have all its mills and their supply bases audited by 2016.

Wilmar also supports the smallholders in its supply chain. It is critical to the Group that smallholders are included in its certification efforts and to this end, it has committed to helping its associated smallholders get certified to the RSPO standards. The Group is making progress on this front and has completed certification for plasma smallholders and outgrowers for three of its mills in West Sumatra and one in Central Kalimantan, Indonesia, and is on track to complete smallholder certification by 2017, two years ahead of its original plans.

Independent smallholders are self-financed, managed and equipped, and are not bound to any one mill. While not in a position to impose certification requirements on them, the Group recognises that independent smallholders account for a significant proportion of the total smallholder palm oil contribution in Indonesia and Malaysia, and it works diligently to ensure they are not excluded from its supply chain.

On 1 April 2014, Wilmar signed a Memorandum of Understanding with WildAsia, a Malaysian social enterprise, to help independent smallholders towards RSPO certification. This is a five-year smallholder certification programme to help increase the volume of RSPO-certified sustainable products from independent producers to the market.

ISCC Certification

The International Sustainability & Carbon Certification (ISCC) is an international system for certifying biomass and bioenergy, specifically the entire biofuel supply chain. It incorporates sustainability criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability.

Diligently pursuing the ISCC, the Group has 26 sites including plantations, mills, refineries and biodiesel plants certified against the ISCC standards as at end of 2014. The achievement of ISCC certification signifies that the Group's relevant products comply with the strict sustainability criteria set by the European Union's Renewable Energy Directive. Certification of further sites will be determined based on commercial considerations.

ISPO Certification

The Government of Indonesia introduced the Indonesia Palm Oil Certification (ISPO) in 2011 as a mandatory requirement for all companies operating in Indonesia as well as smallholders. All our plantations and mills have to undergo ISPO certification before undertaking RSPO certification or re-certification, in line with Principle 2 of the RSPO standard which requires members to comply with applicable laws and regulations in countries where they operate. As of end 2014, four mills and their supply bases had achieved ISPO certification while seven others have completed certification audits and are awaiting approval.

Mr Kodey Rao, Director of Benso Oil Palm Plantation, handing out books and stationery to students of the school within the plantation.

There are two audit stages under the ISPO certification scheme. By end 2014, Wilmar has completed the first stage audits for its remaining operations in Indonesia.

STAKEHOLDER ENGAGEMENT

As part of its ongoing operations, Wilmar engages extensively with communities, employees as well as international and grassroots non-governmental organisations (NGOs). As an industry leader, it is critical for the Group to be part of a larger global dialogue on the direction and expectations of agribusinesses. This provides the Group with external perspectives and helps to identify future priorities and challenges.

Global Networks & Partnerships

In September 2014, Wilmar pledged to the New York Forest Declaration on Forests, a collective commitment by governments, companies, business associations, indigenous peoples and civil society organisations to end global deforestation and restore large tracts of forests by 2030.

Further to that, the Group, along with the Indonesian Chamber of Commerce and Industry (KADIN) and other industry players, signed the Indonesia Palm Oil Pledge that endeavours to drive the palm oil industry towards sustainable practices through proactive government engagement on policy reforms including no planting on high carbon stock forests, high conservation value areas and peat areas.

Financial Community

Over the past few years, Wilmar has seen a growing interest from its investors in sustainability related issues, who see value in the reputational, competitive and operational assets which come with good sustainability management.

After the launch of its Policy, Wilmar hosted a two-day briefing in Malaysia which was attended by investors and almost all of the major local banks. The Group also met with a number of European and regional funds to explain its Policy and implementation plan.

WILMAR'S SUSTAINABILITY ENDEAVOUR IN AFRICA

Wilmar's Policy applies to all its operations worldwide regardless of stake. With significant plantation investments in Nigeria, Uganda and West Africa through direct ownership and joint ventures (JV), Wilmar has to ensure that its practices are in line with the code of conduct and standards of its Policy.

The Group is actively meeting with the community to explain its No Deforestation, No Peat and No Exploitation Policy.

In Nigeria, Wilmar socialised its Policy to multi-stakeholders, completed High Carbon Stock assessments in two of its plantations and conducted a Free, Prior and Informed Consent (FPIC) workshop with its local social team to reinforce the understanding that consent from the local communities must be acquired before they are relocated or before development is undertaken on the latter's land.

In Uganda where the Group has investments through JV partnerships, its Policy was socialised to all managers and key staff. Furthermore, assessments had been carried out on the operations in Uganda leading to an action plan covering a wide range of sustainability-related activities. Following the initial assessment, training sessions were conducted and workshops held with its employees, government representatives, smallholders and civil society organisations. In particular, the Group convened a meeting with the Kalangala Oil Palm Growers Trust and smallholders to explain its Policy and visited smallholders' expansion areas in order to begin assessment of how its Policy can be adapted to their context. A field visit was also organised for NGO Friends of the Earth Uganda to help them better understand the unique challenges in Uganda.

RENEWED COMMITMENT TO THE COMMUNITY

In 2014, Wilmar committed US$9.6 million to its global philanthropy programmes that spanned China, Singapore, Malaysia, Indonesia, Myanmar, Africa and Australia, amongst other countries.

To serve Singapore and surrounding communities at large, Wilmar established pioneering endowment funds at Kandang Kerbau Hospital under the KKH Health Endowment Fund. The funds will be used in perpetuity to benefit both needy local and regional patients as well as education, research and disease prevention programmes targeted at women's and children's health.

In Singapore, the Group's support for education comprises the set-up of a Wilmar Overseas Internship Fund at Singapore Management University that allows students to undergo their professional attachment in Wilmar offices in emerging economies, the KKH Opportunity Scholarship Fund at Nanyang Technological University, and Wilmar and KKH Scholarships at the Singapore Institute of Technology and Singapore University of Technology and Design. Please refer to the Human Capital Management chapter for an interview with a new employee who completed an internship in Ghana through the KKH Opportunity Scholarship Fund.

In Myanmar, we continued our Wilmar Eye Disease Treatment Donation Drive in Htigyint Township and Kathar District in February 2014. During the four-day event, needy patients were provided with eye examinations and minor to major eye operations. A total of 3,073 patients in Meiktilar were provided with eye examinations and 432 were operated on.

In China, the Arawana Charity Foundation donated a total of US$4.6 million to further broaden its philanthropic reach in the areas of education, disaster relief and healthcare. With two new schools in Lianyungang and Shijiazhuang, the Group has established a total of 27 primary, secondary schools and kindergartens in rural parts of China. The Group further donated US$756,000 in scholarships to 13 universities across China. To date, its scholarships and funds have aided over 60,000 children of migrant workers, 1,200 children in China's rural western region and 4,400 undergraduate students.

Following the 6.1 magnitude earthquake in Ludian County, Yunnan Province in August 2014, the Group donated US$800,000 in financial aid and essential goods.

To improve the welfare of China's disabled community, the Group continued to provide cataract operations for the elderly. To date, over 19,748 patients from 16 provinces, municipalities and 31 prefectures in autonomous regions are leading more fruitful lives after successful operations.

CREATING A HOLISTIC LEARNING ENVIRONMENT IN SUMATERA

In 2014 a special project focused on education and led by Senior Operations Management was launched as part of Wilmar's long-term commitment to the continuous improvement of the overall plantation environment. The objectives of this project are twofold – provide infrastructure and facilities to selected government schools attended by children of the Group's employees and smallholders while inculcating a spirit of volunteerism amongst staff.

Two schools located within plantations PT GMP and PT KSI in West Sumatra were selected to kick-start the project. There are 8,258 children in total living in the two plantations of which 963 attend the two selected schools. The make-over project, carried out by staff, volunteers and teachers entailed repair and upgrading of existing buildings, construction of new structures to cater for future expansion, addition of libraries, laboratories, canteens, kindergartens, toilets, resource centres, multi-purpose sports facilities, staff rooms and adequate quarters for teachers. Furniture, computers, audio visual aids and landscaping were also provided to create a holistic educational environment.

To avoid interruption of ongoing classes, the work was carried out in stages commencing in early 2014 and will be fully completed by June 2015. Other schools in the region in North and South Sumatra will undergo similar upgrading in 2016-7.



Following a successful school refurbishment in Central Kalimantan (left) in 2013, schools in Sumatra (right) have also commenced upgrading work carried out by staff, volunteers and teachers.

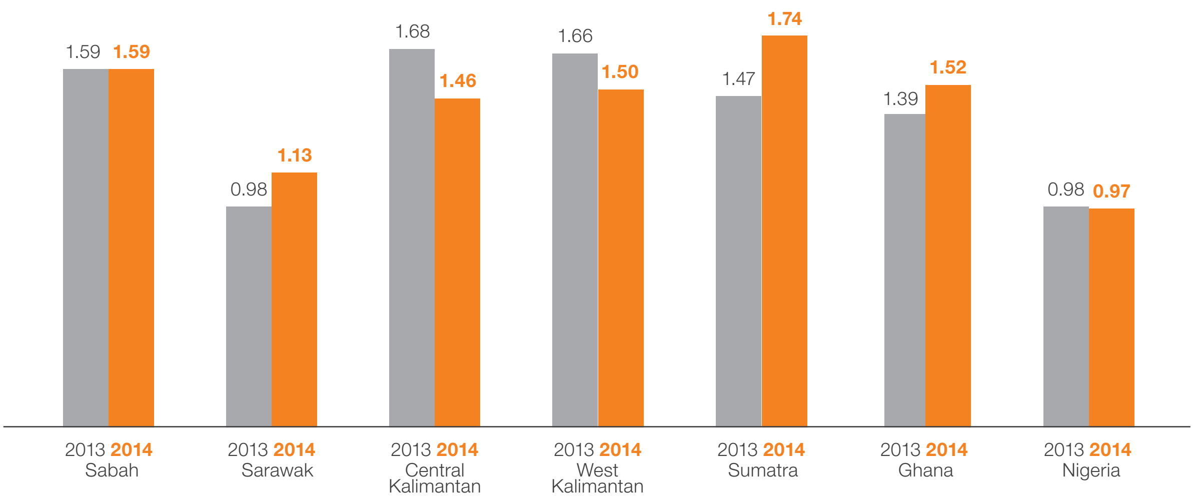
SUSTAINABILITY PERFORMANCE

To effectively evaluate its performance against measurable targets, Wilmar monitors key performance indicators pertaining to the environment as well as health and safety.

ENVIRONMENT

- **Water Usage**

  Water Use per tonne of FFB processed – Mills (m^3)

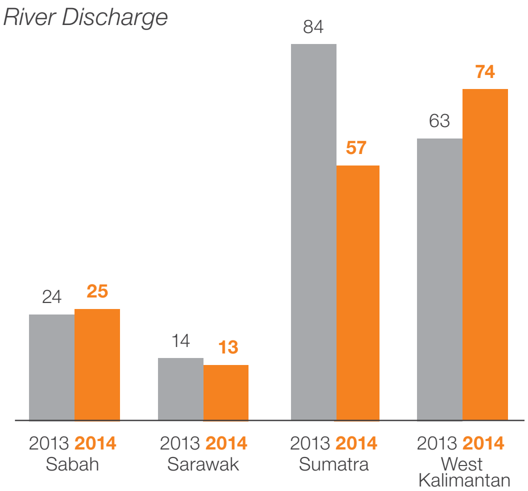


- **Biological Oxygen Demand (BOD) Levels**

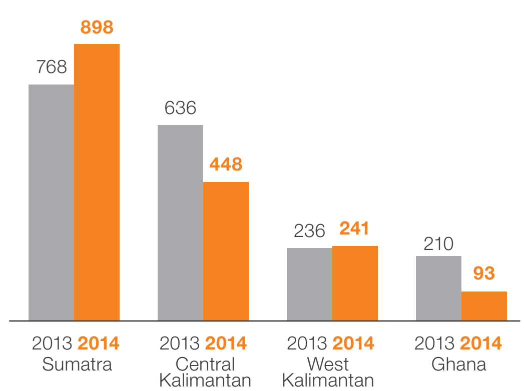
  BOD is the amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

  BOD levels by Region and Discharge Destination (mg/l)

River Discharge



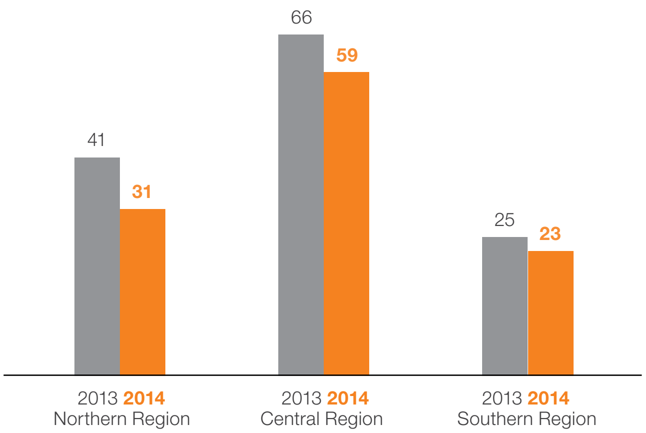
Land Application



Note: No BOD measurement is made in Nigeria as construction of the effluent plant is in progress. Meanwhile, sufficient ponds have been dug to contain the effluent which is undergoing natural digestion phase. No effluent is being discharged to the natural waterways.

China

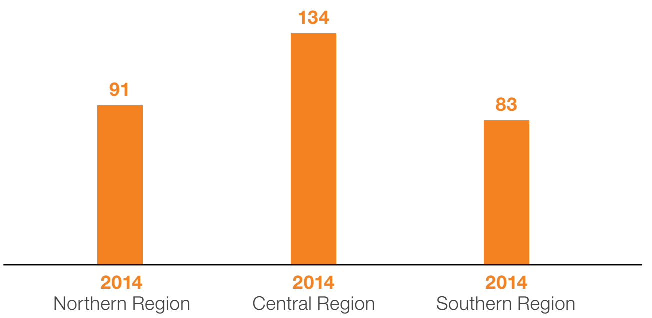
BOD levels (mg/l)



- **Chemical Oxygen Demand (COD) Levels**

  COD is the amount of oxygen required to oxidise all organic matter in water. It is a standard method for indirect measurement of pollution that cannot be oxidised biologically in water.

Chemical Oxygen Demand (mg/l)

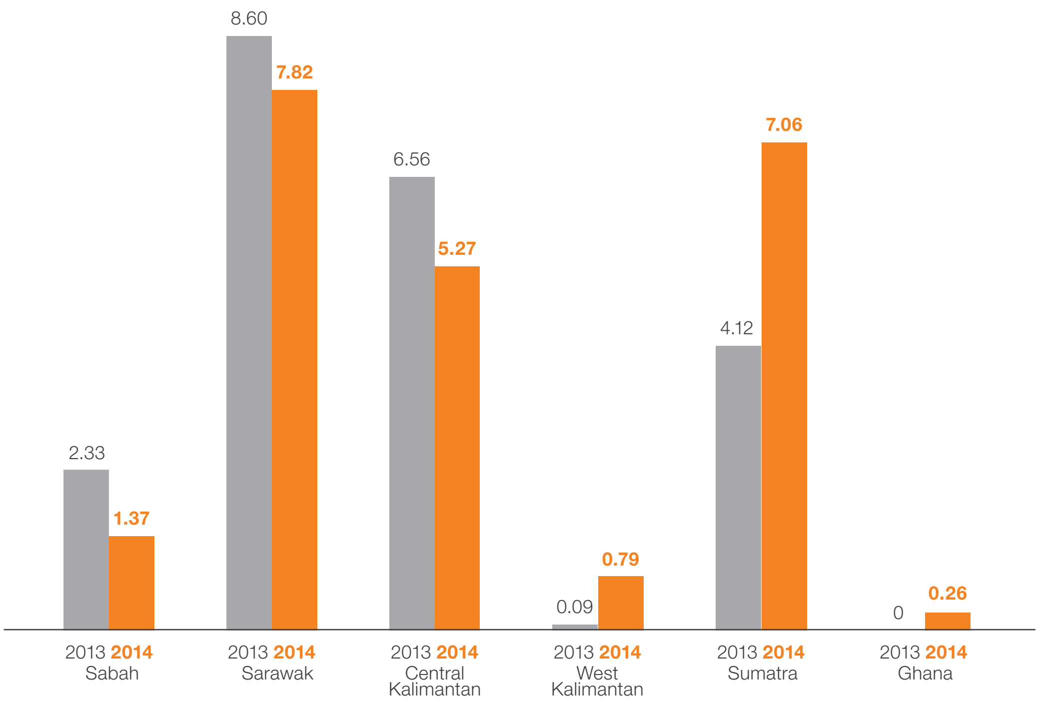


HEALTH & SAFETY

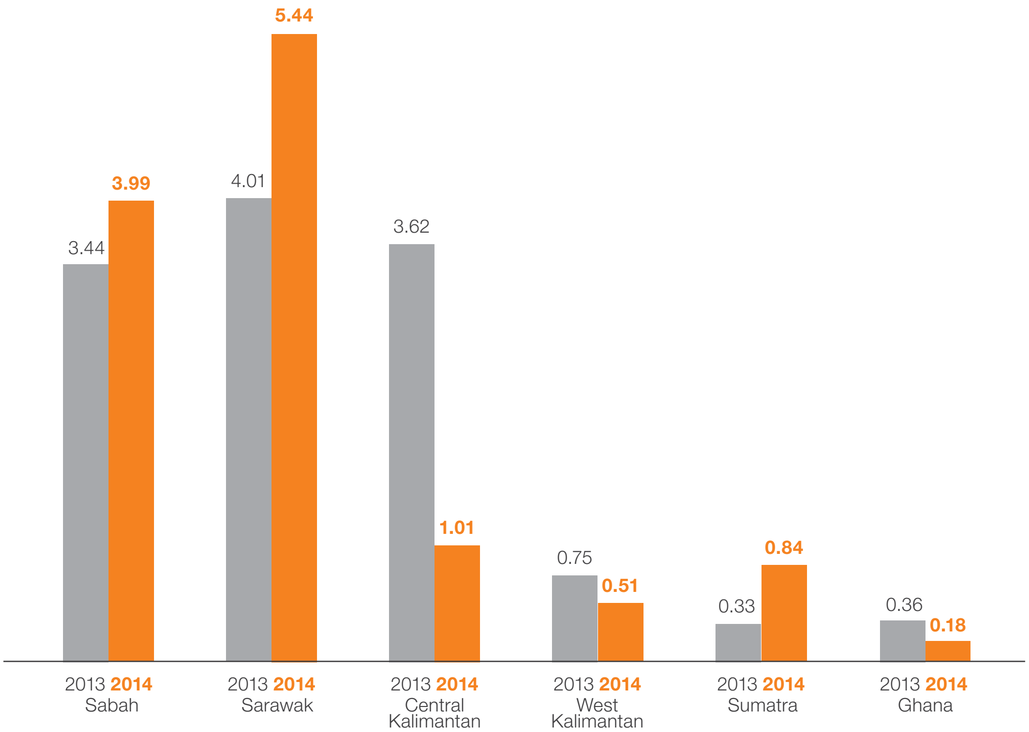
- **Lost Time Incident Rate**

  To reduce the lost time incident rate, the Group will intensify efforts in health and safety awareness and training programmes.

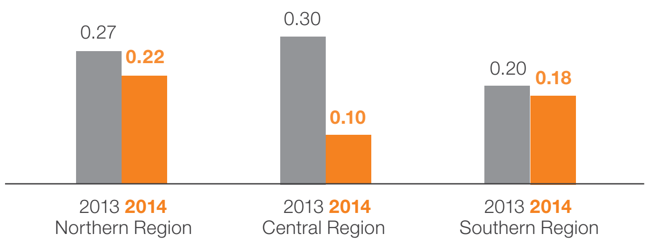
Lost Time Incident Rate – Plantations (per 200,000 working hours)



Lost Time Incident Rate – Mills (per 200,000 working hours)



Lost Time Incident Rate – China (per 200,000 working hours)

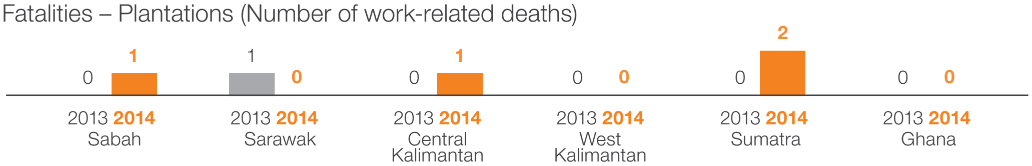


Fatalities – China (Number of work-related deaths)

- **Fatalities**

  Every unfortunate fatality is followed by a thorough review of cause and actions to prevent recurrence. The reviews are reinforced with continued efforts in training and protective equipment use to minimise, if not eliminate, risks.

Fatalities – Plantations (Number of work-related deaths)



Notes:

- *The unfortunate fatalities are primarily caused by motor vehicle accidents rather than not duly following the workplace's standard operating procedures.*
- *There were no fatalities in mills in Malaysia, Indonesia and Ghana in 2013 and 2014.*
- *Nigeria adopted a different approach to recording lost time incident rate and fatalities. It will be standarised and reported in 2015.*

Engagement & Governance

92,000
EMPLOYEES GLOBALLY

MENTORING SCHEME FOR NEW HIRES

SIAS MOST TRANSPARENT COMPANY AWARD (RUNNER-UP)

TOTAL DIVIDEND OF
S$0.075
PER SHARE

Regardless of location, we are committed to the same values of Integrity, Excellence, Passion, Innovation, Team Work and Safety.

Investor Relations

Wilmar's Investor Relations (IR) efforts are guided by the Group's commitment to build long-term relationships with its stakeholders and the belief in the importance of investor communications in an accurate, fair and timely manner.

STAKEHOLDER COMMUNICATION

The IR team endeavours to maintain open communications with investors through various platforms including one-on-one meetings, group meetings, investor conferences, results briefings, roadshows and site visits. The IR team also takes effort to address immediate concerns raised by shareholders and investors via email and telephone.

The Group organises a combined analyst and media results briefing every quarter. It also participates in investor conferences. During the year, the Group met close to 200 fund managers and analysts in about 90 one-on-one and group meetings. These meetings provide investors and the media with regular access to senior management, and offer various channels to engage on a wide range of topics including strategic direction, financial performance, industry trends and sustainability issues.

The Group's Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) were held on 25 April 2014. During the meetings, shareholders were given a presentation to update them on the Group's developments and also had their queries addressed before voting on resolutions. These meetings offer a valuable opportunity for the Board of Directors and senior management to interact with shareholders and have seen increasing participation in recent years. The 2014 AGM and EGM were attended by 305 shareholders.

In response to shareholders' feedback, the Group launched its first Investor Day

The Group's 2014 AGM and EGM were well-attended by over 300 shareholders.

which was held after the conclusion of the AGM and EGM. The purpose of this event was to give shareholders a more in-depth look into the Group, beyond the usual matters that are discussed at the AGM. For this inaugural event, shareholders had the opportunity to learn more about the Group's Plantations as well as Palm & Laurics businesses. In addition, there was also a lively question-and-answer session with management which covered various topics and other business divisions. The event was well-received and attended, with 150 shareholders participating.

At the end of 2013, the Group announced its "No Deforestation, No Peat and No Exploitation Policy". This important policy aims to bring about transformation of the industry by encouraging plantation companies and smallholders alike to adopt responsible practices. In the course of 2014, there was much interest from shareholders and investors on the implications and impact of this new policy. As with other issues relating to sustainability, the IR team works with the Group's Sustainability team to ensure that stakeholders are kept updated on the latest developments. The Sustainability team publishes quarterly update reports on the progress of the implementation of the new policy. These quarterly reports as well as the biennial sustainability reports are available on the Group's corporate website (www.wilmar-international.com/sustainability/information-resources).

All disclosures submitted to the Singapore Exchange are available in the Investors & Media section of the Group's corporate website (www.wilmar-international.com). 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 latest corporate developments.

RECOGNITION

In 2014, the Group's commitment to good corporate governance standards and effective stakeholder communications was acknowledged on two occasions.

It was named the runner-up of the Most Transparent Company Award in the Food & Beverage category at the Securities Investors Association (Singapore) 15th Investors' Choice Award, and awarded a certificate of excellence in investor relations at the IR Magazine South-East Asia Awards.

2014 INVESTOR RELATIONS CALENDAR

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
FY2013 Results Briefing (Singapore)	1Q14 Results Briefing (Singapore)	2Q14 Results Briefing (Singapore)	3Q14 Results Briefing (Singapore)
FY2013 Post-Results Meeting (Singapore)	Annual General Meeting / Investor Day	Macquarie ASEAN Conference (Singapore)	Morgan Stanley Annual Asia Pacific Summit 2014 (Singapore)
Credit Suisse Asian Investment Conference (Hong Kong)			

Human Capital Management

With the Group's growth over the years, its employee staff base has expanded to 92,000 employees globally. Wilmar recognises employees as its greatest asset and is committed to invest in developing its people. Wilmar's human capital strategy focuses on identifying and developing talent and leadership skills to ensure the Group can sustain continuous growth and progress.

Graduating trainees at Calaro Oil Palm Estate in Mbarakom, Nigeria. Nurturing and mentoring new hires is important to their full potential development and contribution to the Group.

EMPLOYEE ENGAGEMENT

Towards the goal of being an employer of choice and to enhance employees' sense of well-being, the Group has stepped up employee engagement initiatives and also encouraged employee participation in community development programmes and activities. One of the notable initiatives launched in Wilmar Africa was the establishment of the Gender Committee. This committee seeks to empower women and to further enhance safety and security measures for them within the working compound. Another notable initiative is the 'W-Care' project launched in Wilmar Vietnam to raise funds and donations to help employees and their families in financial difficulties. Concurrently Wilmar continued with its charitable efforts in China supporting the needy, education and disaster relief. Please refer to the Sustainability chapter for details.

Wilmar Africa established the Gender Committee with the aim of empowering women and further enhancing safety and security measures within the work compound.

NURTURING AND MENTORING TALENTS

The Group has in place talent acquisition plans and a career development framework to cater to a diverse base of employees. New hires are put through a structured on-the-job training programme to equip them with practical field competencies and in-depth technical knowledge.

To further enhance its efforts to groom and retain talent, Wilmar Singapore has launched a Mentoring Scheme to help guide and integrate new employees into the company. In the Netherlands, there is a similar scheme focused on personal development for young professionals where constructive discussion is performed on a bi-monthly basis to promote team cohesiveness and individual career progression.

In 2011, Wilmar's Chairman and CEO founded the KKH Opportunity Scholarship Fund. The Fund provides undergraduates at the Nanyang Business School with 10-week internships in Wilmar's offices in emerging economies, with the aim of inculcating in participants a pioneering spirit, entrepreneurial vision and business acumen.

Mr Sherman Ho was a participant of the programme in 2013 and is now a full-time employee with the Africa Desk based in Singapore. He shares his internship experience in Ghana.

Q: What made you apply for the internship with Wilmar?

A: I've always believed that global exposure is more important than academic theories. This internship was the perfect opportunity to experience working in a completely foreign environment and culture.

Q: What was your first reaction when you learned that you would be spending 10 weeks in Ghana?

A: Naturally I was worried about safety, living conditions and finding common ground with the locals. I also had preconceived notions of how things would be, based on the little I knew of the country. I had imagined Ghana to be a dangerous place, with lawless towns filled with malnourished children, and ruled by rebel soldiers and warlords.

Q: What is your impression of Ghana now?

A: Ghana is surprisingly safe – perhaps even more so than in some of the more developed countries. I could generally walk around town alone without worrying and the local people are amazingly warm and sincere.

Q: How was it like working in Ghana?

A: The working culture in Ghana is vastly different from Singapore's. The pace is much slower and more relaxed. Ghanaians generally take time to do their work, unless there is an urgency. However most of my colleagues would gladly stay back late to finish their work.

Ghanaians have a hunger to learn. When I first arrived, I shared some tips and tricks in Excel as I noticed that they were not fully utilising the software. It later became a regular session where I would teach them Excel functions and once even on a weekend.

Q: What do you love most about Ghana?

A: Definitely the people! They are more than welcoming to foreigners. My colleagues would sometimes treat me to local food at lunch and every day patiently teach me a word or two of the local language.

After a 10-week internship in Ghana, Sherman thinks that if one can survive Africa, one can survive anywhere else in the world.

Q: How has your experience in Ghana changed you on a personal level?

A: I have learnt to keep an open mind and not be influenced by what we see in the media. This eye-opening experience has helped me to better understand the world around us and taught me things books cannot. Too often has Africa been stereotyped as impoverished and dangerous that we lose sight of everything else it has to offer. Africa should not be seen as a place to be afraid of, but as a land of opportunities. As investment guru Warren Buffet famously said, "Be fearful when others are greedy and greedy when others are fearful."

Q: Why did you decide to join Wilmar after the internship?

A: I felt that the company values its people. The management team engaged us actively during the internship as well as the hiring process. Being an MNC with thousands of employees globally, it says a lot about the values of the company when its leadership is so involved in nurturing its people. Also, considering that Wilmar sends more than 20 students a year all over the world on sponsored internships, you know that there are many opportunities in such a company.

Q: What do you love about working in Wilmar?

A: Over the past few months, I think the most valuable thing about working in Wilmar is the many opportunities to learn and grow. The leadership is not afraid to challenge us and push us to our limits. Most of the people here, including the management, are very approachable and friendly.

Information Technology

As the Group expands its business footprint, it becomes increasingly important to leverage technology in process automation and information sharing. The division of Information Technology (IT) is responsible for meeting the technological needs of the Group by providing computing services and business systems solutions.

SUPPORTING GROWTH IN AFRICA

In tandem with the Group's expansion in Africa, IT's key responsibility is to establish a foundational layer of IT systems that serves as a platform capable of rapidly integrating or operationalising new business units in Nigeria, Uganda and Ghana. The implementation of such an Enterprise Resource Planning solution across business functions is part of the best practices adopted within the Group's business units globally. It integrates varied systems, facilitates information flow, enhances process efficiency and achieves standardisation in a shorter time frame.

Together with business leaders in Africa, IT have successfully implemented several business systems to automate stock handling and procurement processes, optimise inventory turnover, increase manpower efficiency and shorten delivery time to customers.

TRANSFORMATION THROUGH CLOUD COMPUTING

In recent years, new delivery models for IT service consumption are presenting opportunities for innovation. These new delivery models are referred to as "cloud computing" and the shift to cloud is undeniable.

IT has embarked on this transformational journey with leading cloud service providers to securely extend the Group's data centers in various countries to the cloud in order to provide a scalable, robust, reliable and sustainable IT infrastructure. The speed of building servers, disaster recovery and high availability systems, as well as adopting better backup methods have been a win for IT, while the heightened agility and responsiveness to marketplace have been favourable to business units. Concurrently the consolidation of enterprise collaboration tools through cloud service in various key operating countries have improved information sharing and workflows across teams and departments, further supporting Group's strive in building a strong and cohesive team. Moving forward, IT will continue to leverage cloud capabilities with a focus on providing innovative solutions to drive operational flexibility and business responsiveness.

STAYING AHEAD OF THE CURVE

IT has been and will remain integral to business efficiency. Spread over strategic global locations, the IT team comprises expertise and experience in a wide range of industries. To stay at the forefront of technological innovations, IT believes in investing in capabilities so as to optimise resources, better fulfil the Group's IT requirements and achieve the highest level of user satisfaction.

Risk Management

OVERVIEW

Managing risks that the Group is exposed to is critical to Wilmar's business. As such, the Group has a robust risk management framework in place to identify, measure, monitor and manage its risks. The framework, including policies and procedures, is regularly enhanced in response to changes in the external environment.

The Group has, in the past year, continued to maintain a proactive approach in evaluating risks and ensuring coverage against its exposure. Its strategic and operational decision-making process continued 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 affected by factors such as weather, government policies, global demographic changes and competition from substitute products. In sourcing raw materials and selling manufactured outputs, the Group is 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, the Group carefully monitors and manage its open commodity positions by forward physical contracts and/or derivatives.

FOREIGN EXCHANGE RISK

The Group's reporting currency is U.S. Dollars (USD). The majority of the Group's exports from Indonesia and Malaysia are denominated in USD. Imports into China are denominated in either USD or Renminbi. The majority of the Group's expenses and sales elsewhere are denominated in the respective local currency. The Group is exposed to foreign exchange risk arising from volatility in currency markets.

Wilmar seeks to manage its foreign currency exposures by constructing natural hedges when it matches sales and purchases in any single currency, or through financial instruments such as foreign currency forward and option contracts. Such contracts offer protection against volatility associated with foreign currency purchases and sales of raw materials as well as other assets and liabilities arising in the normal course of business.

INTEREST RATE RISK

A substantial portion of the Group's borrowings are 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 may vary depending on 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 subsequently priced into the products. As such, short-term interest rate movements do not have a significant impact on the net contribution margin. To meet capital expenditures and working capital requirements, the Group also has term loans which are exposed to interest rate risk.

Interest rate risk arising from floating rate loans is managed through the use of interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates.

CREDIT RISK

The majority of the Group's sales are export sales in bulk, for which documentary credit from customers are required. For domestic sales in China, the Group may grant its 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, the Group benefits from the experience and local knowledge of its 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, the Group will usually require a letter of credit 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 its business relationship with the Group are taken into consideration.

RISK GOVERNANCE

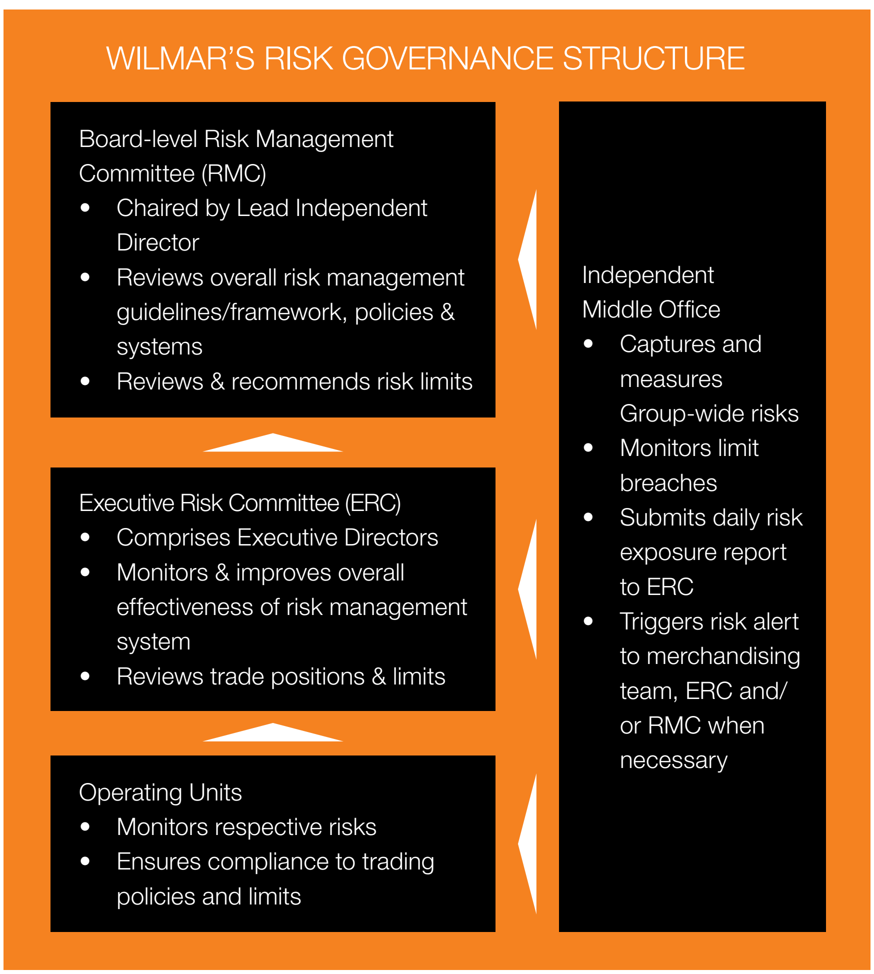
The Group's risk governance structure comprises the Risk Management Committee at the Board level, the Executive Risk Committee and risk management by the respective operating units. The Board-level Risk Management Committee, chaired by the Lead Independent Director, oversees the Executive Risk Committee, 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 Executive Directors. 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 authority and responsibility, the Group has a Middle Office which is independent of the front and back office. The Middle Office is responsible for the capture and measurement of Group-wide risks as well as for monitoring limit breaches. 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 and/or the Risk Management Committee when risk exposure is seen to be nearing trigger levels.

The documented risk management policy clearly defines the procedures for monitoring, controlling and reporting risk in a timely and accurate manner. The Group has 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 all 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 its 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.



Wilmar International Limited (the "Company" or "Wilmar" and together with its subsidiaries, the "Group") continually seeks to uphold a high standard of corporate governance to safeguard the interests of all its stakeholders. This report outlines the corporate governance practices adopted by the Company with specific reference to the Singapore Code of Corporate Governance 2012 (the "Code"). The Company has substantially adhered to the principles and guidelines set out in the Code, save as otherwise explained in this report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The primary role of the Board is to provide entrepreneurial leadership, set the overall business direction of the Group and constantly seek to protect and enhance long-term shareholder value and returns. The Board is committed to continually sustain value creation through strategic and appropriate business expansion which would broaden the Group's revenue stream by pursuing business opportunities with good prospects for long-term growth.

In addition to its statutory responsibilities, the Board's principal duties and responsibilities are to:

1. Set strategic directions and long-term goals of the Group and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
2. Ensure that decisions and investments are consistent with medium- and long-term strategic goals;
3. Oversee the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
4. Review the performance of Management and oversee succession planning for Management; and
5. Consider sustainability issues, in particular environmental and social factors, in the formulation of the business strategies and corporate policies of the Group.

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.

Executive Committee ("Exco")

The Exco is made up of Mr Kuok Khoon Hong (Chairman and Chief Executive Officer ("CEO")), Mr Martua Sitorus (Deputy Executive Chairman) and Mr Teo Kim Yong (Chief Operating Officer) ("COO"), all of whom are Executive Directors of the Company. 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 environmental and social sustainability issues, for approval by the Board;
2. Recommend proposed acquisitions and disposals of investments, businesses and assets, which exceed the Exco 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 Company's values and mission to ensure that obligations to shareholders are understood and met; and
5. Identify key stakeholder groups and recognize and mitigate adverse perceptions which would affect the Company's reputation.

Other than the Exco, the following Board committees, which are made up of a majority of Independent Directors, will provide further safeguards to prevent an uneven concentration of power, authority and decision in a single individual. Details of these Board committees are as set out below:

1. Audit Committee – (Principle 12)
2. Risk Management Committee – (Principle 11)
3. Nominating Committee – (Principle 4)
4. Remuneration Committee – (Principle 7)

Independent judgment

All Directors exercise due diligence and independent judgment, and make decisions objectively in the best interests of the Group. This is one of the performance criteria for the assessment of the contributions of the individual Directors.

Key features of board processes

The Board conducts regular scheduled meetings on a quarterly basis and ad-hoc meetings are convened, if requested by the Board or if warranted by circumstances deemed appropriate by the Board. In between scheduled meetings, matters that require the Board's approval are circulated to all Directors for their consideration and decision. As provided in the Company's Articles of Association ("AOA"), Directors may participate in Board meetings by teleconferencing and videoconferencing.

As part of the Company's corporate governance practice, all Directors are invited to attend all Board committee meetings, except for Remuneration Committee meetings. All written resolutions passed and minutes of meetings held by the Board committees are circulated to the Board for information and review, with such recommendations as the respective Board committees consider appropriate, for approval by the Board. While the Board committees have the delegated power to make decisions or make recommendations within the scope of their respective terms of reference, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

Attendance at Board and Board Committee Meetings

The attendance of Directors at the Board and Board committee meetings during the financial year ended 31 December 2014 ("FY2014") is set out as follows:

	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee
No. of meetings held	**4**	**4**	**4**	**1**	**1**
Name of Director	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**
Executive Directors					
Kuok Khoon Hong	4/4	NM	4/4	NM	1/1
Martua Sitorus	4/4	NM	NM	NM	NM
Teo Kim Yong	4/4	NM	NM	NM	NM
Non-Executive Directors					
Kuok Khoon Chen	4/4	NM	NM	NM	NM
Kuok Khoon Ean	4/4	NM	NM	1/1	NM
Juan Ricardo Luciano	4/4	NM	NM	NM	NM
George Yong-Boon Yeo (Note 1)	1/4	NM	NM	NM	NM
Independent Non-Executive Directors					
Yeo Teng Yang (Note 2)	4/4	4/4	4/4	1/1	NM
Dr Leong Horn Kee	4/4	NM	4/4	1/1	NM
Tay Kah Chye	4/4	4/4	NM	NM	1/1
Kwah Thiam Hock	4/4	4/4	NM	1/1	1/1

Note 1 – Mr George Yong Boon-Yeo was appointed on 1 November 2014 and he attended the last Board of Directors' meeting of the year which was held in November 2014.

Note 2 – Mr Yeo Teng Yang was appointed a Nominating Committee (NC) member on 20 February 2014 following the recommendation of the NC at its meeting held in January 2014.

NM – Refers to Board members who are non-committee members but who have been invited to attend these meetings (except for Remuneration Committee meetings where the CEO is the only non-committee member in attendance)

Matters Requiring Board Approval

The Company has in place internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved for the decision of the Board include:

1. Strategies and major business proposals of the Group;
2. Acquisitions and disposals of investments, businesses and assets which exceed the approved limits granted to the Exco;
3. New lines of businesses which complement the core business activities of the Group;
4. Commitment to loans and lines of credit from banks and financial institutions and market fund raising exercises for amounts exceeding the approved limits granted to the Exco;
5. Group written policies which also set out matters and limits that require various approving authorities including Management, various committees and full Board; and
6. Share issuances, interim dividends and other returns to shareholders.

Board Orientation and Updates

The Board appointed Mr George Yong-Boon Yeo as a Director of the Company on 1 November 2014. All newly appointed Directors are notified in writing of their appointments as Directors of the Company and receive a set of guidance notes and relevant materials which explain the duties and obligations of a director under the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Securities & Futures Act.

In addition, the Company provides newly appointed Directors with an orientation programme and briefings on the business, operations and financial performance of the Group. New Directors are also briefed on governance practice, in particular, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information.

The Company encourages Directors to participate in development programmes, which are considered essential in performing their roles on the Board and its committees, and funds programmes that it facilitates. During the year, the Company arranged for certain Directors, who had indicated their interests, to attend programmes which covered the following topics:

- Towards the New Capitalism;
- Types of model for good corporate governance;
- The role of the Board in major corporate decisions;
- Pay and performance and remuneration issues;
- Corporate governance of small- and medium-sized enterprises; and
- Update on the revised Guidebook for Audit Committees in Singapore

On a quarterly basis, the Board is briefed on the strategic and business development of the Group by the CEO. The Board is also briefed on changes to the accounting standards and regulatory updates by the external auditors and the Company Secretary. Board members also participated in on-site visits of the Group's key operating facilities overseas and are briefed by various Operational Heads so as to have a better understanding of the Group's businesses.

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

Principle 2: Board Composition and Guidance

Board Size and Board Composition

The Board presently has 11 members, comprising three Executive Directors and eight Non-Executive Directors, of whom four are Independent Directors.

On a yearly basis, the Nominating Committee ("NC") reviews the size and composition of the Board to ensure the Board has the appropriate balance and competencies for effective functioning and informed decision-making. The Board is made up of Directors with a wide range of skills, experience and qualifications and they bring with them expertise and knowledge in areas such as accounting, finance, business acumen, risk management and specific industry knowledge and customer-based experience relevant to the Group's business. Key information about the Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2014 ("Annual Report").

To enable the Non-Executive Directors to make informed decisions, they are well-supported with accurate, complete and timely information. The Non-Executive Directors have participated actively in the Board meetings. With their expertise and competency in their respective fields, they have, collectively, provided constructive advice and good governance guidance for effective discharge by the Board of its principal functions.

Taking into account the nature and scope of the Group's business and the number of Board committees, the Board considers a board size of between 10 to 12 members as appropriate. The Board has taken the collective view that its current size and composition provides sufficient diversity without interfering with efficient decision-making.

Board Independence

The Board considers an "independent" director as one who has no relationship with the Company, its related corporations, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of a director's independent business judgment with a view to the best interests of the Group.

Currently, the Independent Directors of the Company make up more than one-third of the Board composition. This provides a strong and independent element on the Board which facilitates the exercise of independent and objective judgment on its corporate affairs.

However, the Code recommends that where the Chairman of the Board is also the CEO as is the case with Mr Kuok Khoon Hong, who is the Chairman of the Board and CEO of the Group, half of the Board composition should be independent, no later than the date of the Company's annual general meeting to be convened in April 2018. The Board has reviewed the size and composition of the Board and will take the necessary steps to comply with this recommendation under the Code. In the interim, the four Independent Directors will continue to uphold good corporate governance at the Board level and their presence facilitates the exercise of independent and objective judgment on corporate affairs.

Principle 3: Chairman and Chief Executive Officer

The Chairman and CEO, Mr Kuok Khoon Hong, provides leadership to the Group and has been instrumental in transforming the organisation into one of Asia's largest agribusiness groups. Mr Kuok is overall in charge of the management and strategic direction of the Group.

The Chairman and CEO 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 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. The single leadership arrangement ensures that the decision-making process for seizing good growth prospects for the Group would not be unnecessarily impeded.

Mr Yeo Teng Yang, the Lead Independent Director since 14 July 2006, continues to avail himself to address shareholders' concerns and acts as a counter-balance on management issues in the decision-making process. Mr Yeo Teng Yang works closely with other Independent Directors and when necessary, meets with them, without the presence of other Directors to discuss matters that were deliberated at Board meetings.

The Board is of the opinion that there is sufficient independence in its exercise of objective judgment on business affairs of the Group.

Principle 4: Board Membership

The members of the NC are:

1. Mr Kwah Thiam Hock (NC Chairman) – Independent Director;
2. Mr Kuok Khoon Hong – Executive Director;
3. Mr Tay Kah Chye – Independent Director; and
4. Mr Yeo Teng Yang – Lead Independent Director

The NC meets at least once a year. The NC's role is set out in its written terms of reference. The key terms of reference of the NC include the following:

1. Review and recommend to the Board the appointment and re-appointment of Directors (including alternate directors, if applicable);
2. Review whether or not a Director of the Company is considered independent pursuant to the guidelines set forth in the Code;
3. Review the size and composition of the Board;
4. Evaluate whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company when he holds multiple board representations;
5. Develop a process and conduct formal assessments of the effectiveness of the Board as a whole, the Board committees and individual Directors;
6. Review the training needs for the Board;
7. Review the succession plans for the Board and Management; 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 Straits Times Index.

Directors' independence review

The NC has adopted the guidelines as set out in the Code in carrying out its assessment of the independence of the Directors of the Company. In addition, each Independent Director is required to state whether he considers himself independent, taking into consideration the existence of relationships (if any) which would affect his independence as a Director based on the guidelines in the Code.

The NC is of the view that the four Independent Directors, namely Mr Yeo Teng Yang, Dr Leong Horn Kee, Mr Tay Kah Chye and Mr Kwah Thiam Hock are considered independent in accordance with the guidelines in the Code, notwithstanding that Dr Leong was appointed as a Director of the Company since 30 June 2000. The review took into consideration the circumstance that Dr Leong was serving an entirely different Board prior to his service on the Wilmar Board, which was constituted upon the completion of the reverse takeover of Ezyhealth Asia Pacific Limited by Wilmar on 14 July 2006.

The NC has, upon its assessment, concluded that none of the Independent Directors are related and do not have any relationship with the Company or its related companies, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere with the exercise of their independent judgment with a view to the best interests of the Company. The Board has concurred with the NC that all of the above four Independent Directors are considered independent.

Directors' time commitment and multiple directorships

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to carry and has been adequately carrying out his duties as a Director of the Company.

The NC takes into account the results of the assessment of the competencies, commitment and contributions of the individual Director and is of the view that although some Directors hold other non-Group Board representations, they are nevertheless able to carry and have effectively carried out their duties as Directors of the Company.

The Board supports the view of the NC and is of the opinion that a more meaningful measure is the quality of time spent on the Company's matters at the respective Board and Board committee meetings. The Board is satisfied that each of the Directors is able to carry and has adequately carried out his duties as a Director of the Company.

Succession planning for the Board and key management

The NC recognises the need to refresh Board membership and the key management pool. The Company seeks to do it progressively and is working towards the training and development of capable staff to prepare them for key management roles.

Process for selection and nomination of new Directors

The Chairman, who is a member of the NC, takes the lead in identifying, evaluating and selecting potential candidates for new Director appointments, other than proposed appointments nominated by major shareholders of the Company. In line with the NC's guiding principle of selecting the most suitable person for Director appointments, the NC taps on its networking contacts and/or may engage external professionals to assist with identifying and shortlisting the most competent individual who is 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 and industry knowledge as well as the desired competencies of the potential candidate to supplement the existing attributes of the Board. The NC then submits its recommendations for approval by the Board taking into account an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities.

Rotation and Re-election of Directors

In accordance with the AOA of the Company, one-third of the Directors who have been longest in office since their last re-election, are required to retire by rotation at least once every three years. These Directors are eligible for re-election, subject to approval by the shareholders at the annual general meeting ("AGM"). New Directors will hold office only until the next AGM following their appointments and they will be eligible for re-election. Such 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-appointment 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 special contribution.

The Board has accepted the NC's recommendation to seek approval from shareholders at the 2015 AGM to re-elect the following Directors, who will be retiring under the respective provisions of the AOA of the Company and are eligible for re-election:

1. Dr Leong Horn Kee (retiring under Article 99);
2. Mr Tay Kah Chye (retiring under Article 99);
3. Mr Juan Ricardo Luciano (retiring under Article 99); and
4. Mr George Yong-Boon Yeo (retiring under Article 100)

Mr Yeo Teng Yang, who is subject to annual re-appointment pursuant to section 153 of the Singapore Companies Act, has also been nominated for re-appointment at the 2015 AGM.

Principle 5: Board Performance

The Company has in place the process for the evaluation of the overall effectiveness of the Board which is conducted on an annual basis. Assessments on the performance of Board committees and Directors' contributions, in terms of business and risk management perspectives and pro-activeness of participation in meetings are also included in the annual Board evaluation checklists. In view of the foregoing, there is no separate peer evaluation by individual Directors.

These evaluations are done by way of each Director completing various checklists. The purpose of the annual evaluation is to seek the respective views of the Directors on various aspects of Board performance. The responses from the respective Directors are collated and the findings are discussed at the NC meeting. The findings are then reported and recommendations are submitted to the Board for review and decision to implement appropriate actions to enhance key areas (if any) that have been identified for improvement.

In assessing the performance of the Board and Board committees for FY 2014, the NC has taken into account various factors including Board composition and size, Board access to information, Board processes, Board accountability, Board knowledge of key risk management and internal control issues, standard of conduct and performance in discharging the Board's principal functions and fiduciary duties as well as guidance to Management.

For the assessment of the contributions of individual Directors for FY2014, the evaluation is based on factors including Director's attendance, knowledge of the Group's business operations, knowledge of regulatory requirements and governance and effective contributions in Board meetings.

The findings of the NC's assessment for FY 2014 were submitted and accepted by the Board.

Principle 6: Access to Information

The Board is kept informed by Management of all material events and transactions as and when they occur. Analysts' and media reports on the Group are forwarded to the Directors on an ongoing basis to keep them abreast of current developments and enable them to make informed decisions to discharge their duties and responsibilities effectively.

The Board receives all reports and discussion papers about a week before scheduled meetings for Board meetings as well as the Board committee meetings, as all Board members are invited to attend these meetings. Amongst other reports, the Board is also provided with reports from the internal and external auditors and the Risk Management Department which include key findings arising from interim and completed financial, operations and information technology ("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, Management is required to attend meetings of the Board and Board committees to provide insight into matters being discussed and to respond to any questions that the Directors may have.

The Board has separate, independent and unrestricted access to Management of the Group, including the Company Secretary at all times. Requests for information from the Board are dealt with promptly by Management. In furtherance of the discharge of their duties, Directors may seek independent professional advice, if necessary, at the Group's expense.

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's AOA, relevant rules and regulations including requirements of the Securities and Futures Act, Singapore Companies Act and SGX-ST Listing Manual, 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 appointment and the removal of the Company Secretary are subject to the Board's approval.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") is set up to assist the Board to ensure competitive compensation policies and practices are put in place and these include share option plans which are developed in a formal and transparent manner, and remuneration packages for individual Directors and key management personnel. The RC is chaired by Mr Kwah Thiam Hock and its members comprise Mr Yeo Teng Yang and Dr Leong Horn Kee, all Independent Directors and Mr Kuok Khoon Ean, a Non-Executive Director. No Director is involved in deciding his own remuneration.

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

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

In discharging their duties, the RC members may seek advice from the Human Resource Department and external consultants, whenever necessary. Market practices and standards are taken into consideration to ensure that the remuneration packages remain competitive.

Principle 8: Level and Mix of Remuneration

The Group's remuneration philosophy is aimed to attract, retain and motivate Executive Directors of the highest calibre through a framework which aligns rewards with the performance and the achievement of strategic objectives.

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

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

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

Non-Executive Directors and Independent Directors of the Company do not receive any salary. They receive annual Directors' fees, which are subject to the approval of shareholders at the AGM. The structure of Directors' fees for FY2014 is as follows:

Fee Structure

a. A single base fee of S$80,000 for serving as Non-Executive Director;
b. Additional fee of S$20,000 for serving as Lead Independent Director; and
c. Additional fee for serving as Chairman/Member on the following Board committees:

Chairman's Fee	**S$**
Audit Committee	30,000
Risk Management Committee	30,000
Nominating Committee	10,000
Remuneration Committee	10,000

Member's Fee	**S$**
Audit Committee	10,000
Risk Management Committee	10,000
Nominating Committee	5,000
Remuneration Committee	5,000

A review of Directors' fees, which takes into account Directors' contributions and their respective responsibilities, including attendance and time spent at Board meetings and various Board committee meetings, was undertaken. The revision in the Audit Committee and Risk Management Committee Chairman's fees aims to compensate for the more complex and complicated risk-related duties undertaken by the incumbents. Such fees were benchmarked against the amounts paid by other major listed companies.

To drive Management behavior and performance as well as to reflect the Company's commitment to protecting shareholder value, the Group implemented the Clawback Scheme in May 2014. The scheme has been applied to a total of 71 Key Executives (including the Executive Directors of the Company). The Group will review the list of executives on a yearly basis.

Principle 9: Disclosure on Remuneration

The breakdown of the remuneration of the Directors and the top five (5) key executives of the Company for FY2014 is as follows:

Name of Directors	Proposed Directors' Fee	Salary**	Benefits	Amortisation of Share Option Expenses*	Variable Bonus	Total
Executive Directors	S$	S$	S$	S$	S$	S$
Kuok Khoon Hong	Nil	797,750	70,103	820,080	4,000,000	5,687,933
Martua Sitorus	Nil	371,900	550	576,060	2,000,000	2,948,510
Teo Kim Yong	Nil	665,950	44,340	510,045	2,000,000	3,220,335
Non-Executive Directors						
Kuok Khoon Chen	80,000	-	-	227,600	-	307,600
Kuok Khoon Ean	85,000	-	-	227,600	-	312,600
Juan Ricardo Luciano	80,000	-	-	227,600	-	307,600
George Yong-Boon Yeo#	13,350	-	-	-	-	13,350
Independent Non-Executive Directors						
Yeo Teng Yang	150,000	-	-	284,500	-	434,500
Leong Horn Kee	95,000	-	-	227,600	-	322,600
Tay Kah Chye	115,000	-	-	227,600	-	342,600
Kwah Thiam Hock	110,000	-	-	227,600	-	337,600

Top 5 Key Executives

Name	Salary**	Benefits	Amortisation of Share Option Expenses*	Variable Bonus	Total	Remuneration Band
Matthew John Morgenroth	27%	3%	18%	52%	100%	S$2,000,000 to S$2,250,000
Goh Ing Sing	25%	-	20%	55%	100%	S$1,750,000 to S$2,000,000
Rahul Kale	30%	-	14%	56%	100%	S$1,750,000 to S$2,000,000
Yee Chek Toong	35%	1%	18%	46%	100%	S$1,250,000 to S$1,500,000
Kenny Beh	35%	-	19%	46%	100%	S$1,250,000 to S$1,500,000

The aggregate remuneration of the top five key executives is S$8,610,940. 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 specific details of their remuneration due to the competitiveness of the industry for key talent.

Notes:

* 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.

** The salary amounts shown are inclusive of Central Provident Fund contributions.

Appointed as Non-Independent Non-Executive Director on 1 November 2014.

Relatives of the Directors

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong, the Chairman and CEO, is employed as an Executive in the Finance Department. Her remuneration is in the range of S$50,000 to S$100,000 for FY2014.

Mr Kuok Meng Wei, a Senior Executive in the Trading Department, is the son of Mr Kuok Khoon Ean, a Non-Executive Director and also a nephew of Mr Kuok Khoon Hong. His remuneration is between S$150,000 to S$200,000 for FY2014.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Management provides the Board with management reports and financial accounts on a regular basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects on a quarterly basis. The Board approves the dissemination of the Group's quarterly and full year financial results, which present a balanced and informed assessment of the Group's performance, position and prospects, via the Singapore Exchange Network ("SGXNet").

The Board is also updated on changes in legislation and regulatory compliance by Management and/or external auditors to ensure that the Group complies with the relevant regulatory requirements.

Principle 11: Risk Management and Internal Controls

The Board, with the assistance from the Risk Management Committee ("RMC") and Audit Committee ("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' interest 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 AC is responsible for making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual reports of the Company, according to the requirements as set out in the SGX-ST Listing Manual and the Code. In this regard, the AC is complemented by the RMC which was established on 14 July 2006 as part of the Group's efforts to strengthen its risk management processes and policy framework.

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 also determines and proposes to the Board, the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The RMC is chaired by Mr Yeo Teng Yang, the Lead Independent Director, who is also a member of the AC. The RMC comprises two other Board members, namely Mr Kuok Khoon Hong and Dr Leong Horn Kee. The RMC meets no less than four times a year and also holds informal meetings, as and when the need arises.

The objectives of the RMC include the following:

1. Review the overall risk management policy/guidelines/framework and in particular, the adequacy and effectiveness of the risk management policies and systems for market, credit and operational risks including environmental sustainability issues;
2. Review and recommend risk limits; and
3. Review major non-compliance with risk policies.

In carrying out its duties, the RMC is assisted by the Executive Risk Committee ("ERC"). The ERC is made up of CEO Mr Kuok Khoon Hong, COO Mr Teo Kim Yong, Chief Financial Officer ("CFO") Mr Ho Kiam Kong and Mr Thomas Lim Kim Guan, General Manager – Trading (Edible Oils), who is responsible for the Group's edible oils trading.

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; and
3. 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 environmental sustainability policies mandated by the Company) to ensure that business activities are within the risk tolerance thresholds approved by the Board.

The Internal Audit ("IA") Department, on an annual basis, prepares an audit plan which focuses on material internal control systems including financial, operations, IT and compliance controls, and risk management. The IA Department's audit plan complements the audit plan prepared by the external auditors. The IA Department also provides advice on security and controls in major new systems development, recommends improvements to effectiveness and economy of operations, and contributes to risk management processes.

Significant audit findings and recommendations made by the internal and external auditors are reported to the AC and are discussed at the AC meetings. The IA Department follows up with the respective division/unit heads on all recommendations to ensure timely remediation of audit issues and reports the status to the AC on a regular basis. In addition to the above, material non-compliance or lapses in internal controls together with the appropriate actions taken to eradicate similar incidents in the future, are reported to the AC on an ongoing basis.

Assurance from the CEO and CFO

The CEO and the CFO have given the Board the assurance that:

1. The financial records of the Group have been properly maintained and the financial statements in respect of FY2014 give a true and fair view of the Group's operations and finances; and

2. The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business and operating environment including material financial, operations, compliance and IT risks.

Opinion on the adequacy and effectiveness of internal control and risk management systems

On the basis of the internal controls established and maintained by the Group, and work performed by the internal and external auditors, and regular reviews performed by Management, the Board and relevant Board committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2014 to address financial, operations, IT and compliance risks which are relevant 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 judgment in decision-making, human error, fraud or other irregularities.

Dealings in Securities

The Group has in place a set of procedures to advise on the prohibition of dealings by all Directors and staff of the Company and its subsidiaries in:

1. The Company's securities during the period commencing two weeks prior to the announcement of the Group's quarterly results and one month prior to the announcement of the Group's full year results; and
2. The Company's securities and securities of other companies while in possession of price-sensitive information or having access to unpublished price information relating to such securities.

Directors and employees 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 internal bulletin boards. These procedures will be reviewed from time to time and further strengthened for good corporate governance.

Principle 13: Internal Audit

The IA Department 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 Group Head of IA reports direct to the AC functionally and to the CFO administratively.

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 hiring, removal, evaluation and compensation of the Group Head of IA. The scope of authority and responsibility of the IA function is defined in the AC Charter.

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 auditors and relevant Management members.

The IA Department, headed by Mr Patrick Tan, meets the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. The professional competence of the internal auditors is maintained or upgraded through training programmes, conferences and seminars that provide updates on auditing techniques, regulations, financial products and services. The IA function is staffed with suitably qualified and experienced professionals with diverse operational and financial experience, who are at the level of manager and above. The AC is satisfied that the IA function has adequate resources to perform its functions effectively.

The Group Head of IA presents the IA findings to the AC and the Board at the AC and Board meetings half yearly. The AC meets with the Group Head of IA once a year, without the presence of Management. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC.

Principle 12: Audit Committee

The AC comprises three Independent Directors, namely Mr Tay Kah Chye (AC Chairman), Mr Kwah Thiam Hock and Mr Yeo Teng Yang, all of whom have accounting or financial management qualifications, expertise and experience.

The Board is of the view that the 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 FY2014, the AC was briefed regularly by the external auditors 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 operations of the AC are regulated by the AC Charter and their duties include the following:

1. Review significant financial reporting issues and judgments 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 financial, operations, IT and compliance risks which are relevant to the Group's operations;
3. Review the adequacy and effectiveness of the Group's 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 the scope and results of the external audit work, the cost effectiveness of the audit, and the independence and objectivity of the external auditors;
5. Recommend to the Board the appointment, re-appointment and removal of the external auditors to be approved by the shareholders of the Company; and
6. Review IPTs in accordance with the requirements of the SGX-ST Listing Manual 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 authorised to obtain independent professional advice. It has full access to and the co-operation of Management as well as reasonable resources to enable it to discharge its duties properly. It 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 FY2014 are summarised below:

Financial reporting

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

The AC met four times during FY2014 to review, inter alia, the following:

1. The financial statements of the Company and the Group before each of the announcements of the Company's quarterly results. During the process, the AC reviewed, among other things, the key areas of management judgment 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 auditors' 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 auditors were discussed, and where appropriate, implementation of such recommendations was followed up with Management.

Following the review and discussions, the AC then recommended to the Board, approval of the audited annual financial statements.

During FY2014, the AC had one meeting with external auditors and internal auditors separately, without the presence of Management. These meetings enable the external auditors and Group Head of IA to raise issues encountered in the course of their work directly with the AC.

External audit processes

The AC manages the relationship with the Group's external auditors, on behalf of the Board. During FY2014, the AC carried out its annual assessment of the cost-effectiveness of the audit process, together with the external auditors' approach to audit quality and transparency. The AC concluded that the external auditors demonstrated appropriate qualifications and expertise and that the audit process was effective.

The AC has recommended to the Board the re-appointment of Ernst & Young LLP ("EY"), a firm registered with the ACRA, as the Company's external auditor at the forthcoming AGM.

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

Auditor independence

In order to maintain the independence of the external auditors, the Group has a specific policy which governs the conduct of non-audit work by the external auditors. This policy prohibits the external auditors 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 auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them. 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 as found in this Annual Report.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditors 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 auditors as a result of their existing knowledge of the business.

Internal audit

During FY2014, the AC reviewed and assessed the adequacy of the Group's system of internal controls and regulatory compliance through discussion with Management, the Group Head of IA and external auditors. The AC considered and reviewed with Management and the Group Head of IA the following:

1. Annual IA plans to ensure that the plans covered sufficiently a review of the internal controls of the Group;
2. Significant IA observations and Management's response thereto; and
3. Budget and staffing for the IA functions.

The AC reviewed the adequacy of the IA function and is satisfied that the IA team is adequately resourced. The AC also reviewed the training costs and programmes attended by the internal auditors to ensure that IA staff continue to update their technical knowledge and auditing skills.

Interested person transactions

The AC reviewed the Group's IPTs for FY2014 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 IPTs in accordance with the IPT Mandate.

The Group Head of IA informed the AC that the internal control procedures for determining the transaction prices of IPTs have not changed since the date of the last 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 SGX-ST Listing Manual for FY2014 are as follows:

Name of Interested Person	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$100,000)
	FY2014 US$'000	FY2014 US$'000
Archer Daniels Midland Group	NIL	2,872,130
Associates of Kuok Khoon Hong & Martua Sitorus	22,187	74,203
Kuok Khoon Ean's Associates#	34,909	5,611
Martua Sitorus' Associates	NIL	450,962
Kuok Khoon Hong's Associates	15,000	1,381
PPB Group Berhad	63,158	NIL
Kuok Brothers Sdn Berhad	NIL	NIL

The IP associates for Mr Kuok Khoon Chen and Mr Kuok Khoon Ean are substantially the same, and are not disclosed separately to avoid duplication.

Whistle-blowing policy

The Company has in place a Whistle-Blowing Policy ("Policy") since 2013. The objective of the Policy is to ensure that relevant processes are in place to provide guidance for staff to raise concerns about dishonesty, fraudulent acts, corruption and improper conduct that may cause financial or non-financial loss to the Group, without fear of reprisal and to facilitate independent investigations of such concerns and initiate the appropriate follow-up actions.

All whistle-blowing cases reported were objectively assessed and investigation and appropriate remedial measures were taken, where warranted. Whistle-blowing matters, if substantiated, are reported to the AC. The IA Department will report to the AC immediately on matters requiring immediate or urgent attention.

The implementation of the Policy has been communicated to employees of the Group. On an ongoing basis, the Policy is covered during staff training as part of the Group's efforts to promote awareness of fraud control.

D. SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder rights

The Company is committed to treat all shareholders fairly and equitably to facilitate the exercise of 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.

All shareholders receive the Company's annual report and notice of AGM as well as shareholders' circular(s) and notice(s) of extraordinary general meeting(s) ("EGMs") within the prescribed notice periods set out in the Company's AOA and the prevailing laws and regulations. The notices are also released via SGXNet and published in local newspapers, as well as uploaded on the Company's website.

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

Principle 15: Communication with shareholders

Disclosure of information on a timely basis

The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company values dialogue sessions with its shareholders. In addition to the AGM, which used to be the main forum for dialogue with shareholders, the Company held an "Investor Day" event after the conclusion of its 2014 AGM/EGM on 25 April 2014. The aim of this event was to provide shareholders with a better understanding of the Group's operations and offer them the opportunity to air their views and have their concerns addressed. The event was well received and the Company plans to hold another Investor Day event following its AGM in April 2015.

Material information is disclosed in a comprehensive, accurate and timely manner through the release of announcements and media releases posted on the SGX website. Shareholders and the investing public can access the Company's announcements, media releases, presentation materials disseminated at briefings and other corporate information that have been uploaded on its website www.wilmar-international.com. 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 latest corporate developments.

To ensure a level playing field and provide confidence to shareholders, unpublished price 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 media 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.

The IR team conducts road shows together with key management personnel and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance.

During FY2014, the IR team, together with senior management, engaged with close to 200 Singapore and foreign investors at conferences, as well as one-on-one and group meetings. The aims of such engagements are 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.

Dividend policy

The Company has been declaring dividends twice a year to its shareholders at half-year and final year-end. 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 financing condition. For FY2013, the Company increased its dividend payout to more than 30% of its annual profit, compared to around 20% historically. The Board aims to increase the dividend payout over time when factors are favorable to do so. For FY2014, total dividend declared was more than 30%.

Principle 16: Conduct of shareholders' meetings

The Company's AOA allows:

1. A shareholder to appoint up to two proxies to attend its general meetings and vote on his/her/its behalf.
2. Corporations which provide custodial or nominee services are not constrained by the two-proxy rule. These corporations can appoint more than two proxies. Shareholders, who hold shares through these corporations, may attend its general meetings as proxies upon the presentation of proxy forms and/or official letters issued by the said corporations.

Shareholders, who have used their monies from the Central Provident Fund ("CPF") Board to purchase shares in the Company, ("CPF Investors") should contact their CPF Approved Nominees ("Nominees") if they wish to attend as observers at the Company's general meetings. CPF Investors who also wish to vote should submit their voting instructions to their Nominees to enable the aforesaid Nominees to vote on their behalf at the Company's general meetings.

As the authentication of shareholder identity information and other related security issues still remain a concern, voting in absentia by mail, email or fax has not been implemented.

In accordance with the provisions of the Singapore Companies Act, every matter requiring approval from the shareholders is proposed as a separate resolution and is voted on individually. Each item of special business included in every Notice of AGM is accompanied by an explanation for the proposed resolution. For FY2014, all Directors of the Company, legal advisors and the external auditors were present at the AGM and EGM held by the Company to address queries from shareholders who attended the general meetings. Minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from Directors are available upon request.

While acknowledging that voting by poll is integral in the enhancement of corporate governance and leads to greater transparency of the level of support for each resolution, the Company is concerned about the cost effectiveness and efficiency of manual polling procedures which are logistically and administratively burdensome. Electronic polling is efficient in terms of speed but is expensive. The Board will comply with the requirements of the SGX-ST Listing Manual requiring all resolutions to be voted on by poll for general meetings held on or after 1 August 2015.

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 those IPTs announced via SGXNet from time to time in compliance with the SGX-ST Listing Manual.

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 FY2014 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2013.

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CAPITAL STRUCTURE

Wilmar maintains an efficient capital structure to support its business operation and maximise returns to shareholders while preserving its balance sheet strength. Given the nature of its business, the Group requires a high level of financing to fund its working capital requirements. The level of funding fluctuates in accordance with prices of agricultural commodities and business volume.

In FY2014, the Group generated positive cash flows from operating activities. It continued to invest in property, plant and equipment mainly through cash flows generated from its operations while subsidiaries and associates investments and working capital requirements are predominately funded through loans and borrowings.

Shareholders' funds of the Group increased by US$490.1 million to US$15.5 billion as at 31 December 2014. Loans and borrowings net of cash, bank deposits and other deposits with financial institutions decreased by US$390.9 million to US$12.1 billion. Correspondingly, net debt to equity ratio improved to 0.78x as at 31 December 2014 from 0.83x a year ago.

As mentioned, a significant proportion of the Group's borrowings are used for working capital financing. Its working capital comprises 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. Hence, after adjusting the net debt level for liquid working capital, the Group's net debt to equity ratio would be much lower at 0.37x.

As at 31 December	**2014**	2013
	US$ million	US$ million
Shareholders' funds	**15,494.9**	15,004.8
Net loans and borrowings	**12,055.6**	12,446.5
Net debt to equity	**0.78x**	0.83x
Liquid working capital:		
Inventories (excluding consumables)	**6,211.7**	6,823.9
Trade receivables	**4,044.8**	4,084.7
Less: Current liabilities (excluding loans and borrowings)	**(3,993.0)**	(3,799.7)
	6,263.5	7,108.9
Net loans and borrowings (excluding liquid working capital)	**5,792.1**	5,337.6
Adjusted net debt to equity	**0.37x**	0.36x

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

The Group's total net debt of US$12.1 billion comprised:

As at 31 December	**2014** **US$ million**	2013 US$ million
Short term	**15,204.2**	19,391.7
Long term	**7,158.2**	6,803.9
	22,362.4	26,195.6
Cash and bank balances	**7,399.2**	11,735.4
Other deposits with financial institutions	**2,907.6**	2,013.7
	10,306.8	13,749.1
Net Debt	**12,055.6**	12,446.5

During the year, the Group's net debt decreased by US$390.9 million, in line with lower commodity prices. More than 80% of short-term loans and borrowings were trade financing lines with minimal refinancing risks as they are backed by inventories and receivables and are self-liquidating. Long-term loans and borrowings were committed loans, due from 2016 onwards. The Group's loans and borrowings were predominantly on floating rates.

The majority of the Group's loans and borrowings were denominated in United States Dollar (US$) while the balance represented borrowings in the local currencies of the countries where it operates. These currencies consisted mainly of Chinese Renminbi (RMB), Australian Dollars (AUD), Singapore Dollars (SGD) and Euro Dollars (EUR).

Financial risk management

Wilmar operates in several countries and is 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 detail in the Risk Management chapter and Notes to the Financial Statements, and is summarised as follows:

- **Credit risk.** The majority of the Group's export sales require documentary credit from customers. Its domestic sales are executed on cash terms or where appropriate, credit terms are granted. The Group conducts thorough credit assessment before granting credit terms and limits, which 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.** The Group maintains sufficient liquidity by closely monitoring its cash flow and 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 and in different countries.

- **Interest rate risk.** The Group has minimal exposure to interest rate risk as most of its loans and borrowings are short-term and trade related, with interest costs typically priced into its products and passed on to customers. For long-term borrowings, the Group may use financial instruments such as interest rate swaps to hedge or minimise its 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, AUD and SGD. The Group seeks to manage its currency risk by constructing natural hedges where it matches sales and purchases in the same currency or through financial instruments, such as foreign currency forward contracts. The Group is also exposed to currency translation risk arising from its net investments in foreign operations, which are not hedged as these currency positions are considered long-term in nature.

- **Commodity price risk.** The prices of agricultural commodities can be very volatile, exposing the Group to commodity price risk as its sale and purchase commitments do not normally match at the end of each business day. The Group uses 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 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 quoted equity instruments. These instruments are classified as held for trading or available-for-sale financial assets.

CASH FLOW, FUNDING AND LIQUIDITY

Cash flow

Net cash flows generated from operating activities for FY2014 was US$2.0 billion compared to US$1.6 billion in FY2013, which resulted mainly from lower working capital requirement, in line with the drop in prices of agricultural commodities. However, overall cash flows decreased by US$536.2 million as a result of cash outflow in both investing activities and financing activities, due particularly to the repayment of loans and borrowings.

	FY2014 US$ million	FY2013 US$ million
Total cash and bank balances	**7,399.2**	11,735.4
Less: Fixed deposits pledged for bank facilities	**(4,271.7)**	(8,493.1)
Less: Other deposits with maturity of more than 3 months	**(1,180.4)**	(842.0)
Less: Bank overdrafts	**(246.0)**	(163.0)
Cash and cash equivalents	**1,701.1**	2,237.3
Net cash flows generated from operating activities	**1,973.3**	1,613.6
Net cash flows used in investing activities	**(1,228.3)**	(1,432.1)
Net cash flows (used in)/ generated from financing activities	**(1,281.2)**	527.3
Net (decrease)/ increase in cash held	**(536.2)**	**708.8**
Turnover days:		
Inventory	**63**	61
Trade receivables	**33**	32
Trade payables	**12**	12

Note: Turnover days for the current and preceding financial years 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 FY2014 were as follows:

- Approximately US$1.2 billion was used in investing activities, of which US$1.1 billion was applied towards plantations development, property, plant and equipment (FY2013: US$1.4 billion was used for capital expenditure).

  Major additions of property, plant and equipment during the year included refineries, oleochemicals plants and grains milling plants in China and Indonesia, as well as the construction of new vessels.

- US$1.3 billion was used in financing activities. Included here was net repayment of US$772.6 billion (net of decrease in fixed deposits pledged with financial institutions for bank facilities) of loans and borrowings, US$338.3 million placed as other deposits and US$382.9 million for the payment of dividends.

Cash and cash equivalents were held in US$ and the local currencies of the respective countries where the Group operates in, mainly RMB.

Funding and liquidity

At the end of FY2014, credit facilities in the form of short-term loans, trade finance and committed loans available to the Group added up to approximately US$38.0 billion, of which US$22.4 billion was utilised. The unutilised facilities, together with the Group's US$1.7 billion available cash and cash equivalents, brought the Group's total liquidity to approximately US$17.4 billion as at 31 December 2014.

The Group's capital expenditure for FY2015 is expected to be met mainly by internal resources.

Operationally, assuming no major movements in the prices of agricultural commodities, the Group's funding requirements coincide with the seasonality of sales. Typically, the third quarter of the year is the seasonal peak in terms of sales volume. The additional funding requirements for that quarter should be met by the Group's healthy liquidity position.

The Group's covenants with lenders are not restrictive on its ability to utilise additional credit facilities.

SHAREHOLDERS' RETURNS AND SHARE BUY-BACKS

For FY2014, the Board of Directors has proposed a final dividend of 5.5 Singapore cents per share. Together with the interim dividend of 2.0 Singapore cents per share paid on 27 August 2014, total dividend for FY2014 will amount to 7.5 Singapore cents per share or a payout ratio of approximately 31% of net profit (FY2013: 30% of net profit). The Company has been declaring dividends at half-year and final year-end to its shareholders. 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; and the Group's working capital requirements and general financing condition. The Board aims to increase the dividend payout over time when factors are favourable to do so.

Currently, Wilmar has a share buy-back mandate which will be expiring on 24 April 2015, being the date of the forthcoming Annual General Meeting. Shareholders' approval for the proposed renewal of the mandate will be sought at an Extraordinary General Meeting on the same date. Share purchases would be made only 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 Group did not reissue treasury shares pursuant to the employee share option plans.

ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The preparation of financial statements requires management to exercise judgement and to use estimates and assumptions. Significant accounting judgement, estimates and assumptions, which are discussed in greater detail in the Notes to the Financial Statements, include:

- Assessment for impairment of goodwill and brand which requires an estimate of the expected future cash flows from the cash-generating unit and a suitable discount rate for present value calculation.

- Depreciation of plant and equipment which is based on management estimates of their useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

- Provision for income 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.

- Biological assets, which are stated at fair value less point-of-sale costs, are estimated by reference to an independent valuer's assessment. Changes in the conditions of the biological assets could impact the fair value of these assets.

The directors are pleased to present their report 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 2014.

DIRECTORS

The directors of the Company in office at the date of this report are:

KUOK Khoon Hong
Martua SITORUS
TEO Kim Yong
KUOK Khoon Chen
KUOK Khoon Ean
Juan Ricardo LUCIANO
George Yong-Boon YEO (appointed on 1 November 2014)
YEO Teng Yang
Dr LEONG Horn Kee
TAY Kah Chye
KWAH Thiam Hock

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this report, 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 or debentures of the Company or any other body corporate.

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, an interest in shares and share options of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct Interest			Deemed Interest		
	As at 1.1.14 or date of appointment (if later)	**As at 31.12.14**	**As at 21.1.15**	**As at 1.1.14 or date of appointment (if later)**	**As at 31.12.14**	**As at 21.1.15**
Company						
Wilmar International Limited						
(Ordinary Shares)						
Kuok Khoon Hong	500,000	500,000	500,000	766,101,168	766,101,168	766,101,168
Martua Sitorus	4,988,000	4,988,000	4,988,000	650,321,242	590,321,242	590,321,242
Teo Kim Yong	-	-	-	33,852,274	33,852,274	33,852,274
Kuok Khoon Chen	-	-	-	33,177,600	33,177,600	33,177,600
Kuok Khoon Ean	-	-	-	33,157,479	33,217,479	33,217,479
George Yong-Boon Yeo	-	-	-	10,000	10,000	10,000
Yeo Teng Yang	100,000	100,000	100,000	-	-	-
Dr Leong Horn Kee	100,000	100,000	100,000	-	-	-
Tay Kah Chye	100,000	100,000	100,000	-	-	-
Kwah Thiam Hock	100,000	100,000	100,000	-	-	-

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Direct Interest			Deemed Interest		
	As at 1.1.14 or date of appointment (if later)	**As at 31.12.14**	**As at 21.1.15**	**As at 1.1.14 or date of appointment (if later)**	**As at 31.12.14**	**As at 21.1.15**
Wilmar International Limited						
(Share options granted at an exercise price of S$4.50 per share have expired on 21 May 2014)						
Kuok Khoon Hong	500,000	-	-	-	-	-
Martua Sitorus	400,000	-	-	-	-	-
Teo Kim Yong	250,000	-	-	-	-	-
Kuok Khoon Ean	200,000	-	-	-	-	-
Yeo Teng Yang	150,000	-	-	-	-	-
Dr Leong Horn Kee	100,000	-	-	-	-	-
Tay Kah Chye	100,000	-	-	-	-	-
Kwah Thiam Hock	100,000	-	-	-	-	-
(Share options exercisable at S$6.68 per share)						
Teo Kim Yong	500,000	500,000	500,000	-	-	-
Kuok Khoon Chen	200,000	200,000	200,000	-	-	-
Kuok Khoon Ean	200,000	200,000	200,000	-	-	-
Yeo Teng Yang	250,000	250,000	250,000	-	-	-
Dr Leong Horn Kee	200,000	200,000	200,000	-	-	-
Tay Kah Chye	200,000	200,000	200,000	-	-	-
Kwah Thiam Hock	200,000	200,000	200,000	-	-	-
(Share options exercisable at S$3.63 per share)						
Kuok Khoon Hong	1,000,000	1,000,000	1,000,000	-	-	-
Martua Sitorus	800,000	800,000	800,000	-	-	-
Teo Kim Yong	500,000	500,000	500,000	-	-	-
Kuok Khoon Chen	200,000	200,000	200,000	-	-	-
Kuok Khoon Ean	200,000	200,000	200,000	-	-	-
Yeo Teng Yang	250,000	250,000	250,000	-	-	-
Dr Leong Horn Kee	200,000	200,000	200,000	-	-	-
Tay Kah Chye	200,000	200,000	200,000	-	-	-
Kwah Thiam Hock	200,000	200,000	200,000	-	-	-
(Share options exercisable at S$3.44 per share)						
Kuok Khoon Hong	1,500,000	1,500,000	1,500,000	-	-	-
Martua Sitorus	1,000,000	1,000,000	1,000,000	-	-	-
Teo Kim Yong	1,000,000	1,000,000	1,000,000	-	-	-
Kuok Khoon Chen	400,000	400,000	400,000	-	-	-
Kuok Khoon Ean	400,000	400,000	400,000	-	-	-
Juan Ricardo Luciano	400,000	400,000	400,000	-	-	-
Yeo Teng Yang	500,000	500,000	500,000	-	-	-
Dr Leong Horn Kee	400,000	400,000	400,000	-	-	-
Tay Kah Chye	400,000	400,000	400,000	-	-	-
Kwah Thiam Hock	400,000	400,000	400,000	-	-	-

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, and at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in this report and in the financial statements, since the end of the previous financial year, no director of the Company, who held office at the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

SHARE OPTION SCHEMES

Wilmar Executives Share Option Scheme 2000 ("WILMAR ESOS 2000")

The Wilmar ESOS 2000 which was approved by shareholders of the Company on 30 June 2000, was terminated on 29 April 2009 following the adoption of a new share option scheme. Options for a total of 18,170,000 shares were granted to executives of the Group pursuant to the Wilmar ESOS 2000 on 27 November 2008 and 9 December 2008 at the relevant Market Price as defined in the aforesaid scheme. All options were exercised, except for lapsed options of a total of 760,000 shares due to resignations, before their respective expiry dates in 2013. No options were granted to directors or controlling shareholders (and their associates) of the Company under the Wilmar ESOS 2000.

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

On 29 April 2009, a new share option scheme known as the "Wilmar Executives Share Option Scheme 2009" ("Wilmar ESOS 2009"), the rules of which were set out in a circular to shareholders dated 2 April 2009, was approved by the shareholders of the Company. This new scheme was adopted in substitution of the Wilmar ESOS 2000.

Under the Wilmar ESOS 2009, the option entitles eligible participants to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") on the five trading 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%).

The maximum number of shares (in respect of the options) that may be granted under the Wilmar ESOS 2009, after taking into account of (i) the total number of new shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares delivered in respect of options granted under all other share-based incentive schemes of the Company, shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company on the date immediately preceding the relevant date of grant.

The aggregate number of shares that may be granted to controlling shareholders (and their associates) of the Company shall not exceed 25% of the total number of shares available under the Wilmar ESOS 2009, provided that the number of shares available to each controlling shareholder or each of his associates shall not exceed 10% of the total number of shares available under the aforesaid scheme.

There is no restriction on the eligibility of any participant to participate in any other share-based incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

SHARE OPTION SCHEMES (CONTINUED)

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

The Wilmar ESOS 2009 is administered by the Remuneration Committee ("RC"). The members of the RC are Mr Kwah Thiam Hock (RC Chairman), Mr Kuok Khoon Ean, Mr Yeo Teng Yang and Dr Leong Horn Kee, the majority 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 2009), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2009 (if deemed appropriate).

2009 Grant

On 21 May 2009, options for a total of 4,750,000 shares were granted to all directors (including two directors who were controlling shareholders on the date of grant) of the Company at S$4.50 per share (based on Market Price). Options for 2,300,000 shares, including options for 750,000 shares exercised by past directors, were exercised and the remaining options not exercised have expired on 21 May 2014.

2010 Grant

On 10 March 2010, the Company granted options to subscribe for a total of 25,705,000 shares at S$6.68 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of shares that were not exercised under this grant stood at 23,140,000, out of which options to subscribe for a total 1,000,000 shares held by past directors continue to be valid until the expiry period.

2012 Grant

On 12 July 2012, the Company granted options to subscribe for a total of 26,800,000 shares at S$3.63 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of outstanding option shares that were not exercised under this grant was 25,915,000.

2013 Grant

On 13 November 2013, the Company granted options to subscribe for a total of 49,315,000 shares at S$3.44 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of outstanding option shares that were not exercised under this grant was 48,440,000.

All options granted under the 2010 Grant, 2012 Grant and 2013 Grant are valid for a term 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 1st anniversary of the date of grant - 33% of options granted
- After 2nd anniversary of the date of grant - 33% of options granted
- After 3rd anniversary of the date of grant - 34% of options granted

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

All options are exercisable after 1st anniversary of the date of grant.

SHARE OPTIONS EXERCISED

No options were exercised by option holders during the financial year 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 1.1.14	No. of options granted during the year	No. of options cancelled/ lapsed	No. of options exercised	As at 31.12.14	Exercise Price	Exercise Period
Wilmar ESOS 2009							
21.05.09	225,000	-	(225,000)	-	-	S$4.50	22.5.2010 to 21.5.2014
21.05.09	2,025,000	-	(2,025,000)	-	-	S$4.50	22.5.2011 to 21.5.2014
Sub-total	2,250,000	-	(2,250,000)	-	-		
10.03.10	8,794,150	-	(186,450)	-	8,607,700	S$6.68	11.3.2011 to 10.3.2015
10.03.10	7,344,150	-	(186,450)	-	7,157,700	S$6.68	11.3.2012 to 10.3.2015
10.03.10	7,566,700	-	(192,100)	-	7,374,600	S$6.68	11.3.2013 to 10.3.2015
Sub-total	23,705,000	-	(565,000)	-	23,140,000		
12.07.12	9,496,700	-	(107,250)	-	9,389,450	S$3.63	13.7.2013 to 12.7.2017
12.07.12	8,246,700	-	(107,250)	-	8,139,450	S$3.63	13.7.2014 to 12.7.2017
12.07.12	8,496,600	-	(110,500)	-	8,386,100	S$3.63	13.7.2015 to 12.7.2017
Sub-total	26,240,000	-	(325,000)	-	25,915,000		
13.11.13	18,159,200	-	(231,000)	-	17,928,200	S$3.44	14.11.2014 to 13.11.2018
13.11.13	15,259,200	-	(231,000)	-	15,028,200	S$3.44	14.11.2015 to 13.11.2018
13.11.13	15,721,600	-	(238,000)	-	15,483,600	S$3.44	14.11.2016 to 13.11.2018
Sub-total	49,140,000	-	(700,000)	-	48,440,000		
Grand Total	101,335,000	-	(3,840,000)	-	97,495,000		

UNISSUED SHARES UNDER OPTION (CONTINUED)

The information on Directors 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 31.12.14	Aggregate options exercised since commencement of the option scheme to 31.12.14	Aggregate options lapsed since commencement of the option scheme to 31.12.14	Aggregrate options outstanding as at 31.12.14
Kuok Khoon Hong	-	3,500,000	500,000	500,000	2,500,000
Martua Sitorus	-	2,600,000	400,000	400,000	1,800,000
Teo Kim Yong	-	2,500,000	250,000	250,000	2,000,000
Kuok Khoon Chen	-	800,000	-	-	800,000
Kuok Khoon Ean	-	1,000,000	-	200,000	800,000
Juan Ricardo Luciano	-	400,000	-	-	400,000
Yeo Teng Yang	-	1,250,000	100,000	150,000	1,000,000
Dr Leong Horn Kee	-	1,000,000	100,000	100,000	800,000
Tay Kah Chye	-	1,000,000	100,000	100,000	800,000
Kwah Thiam Hock	-	1,000,000	100,000	100,000	800,000
Total	-	15,050,000	1,550,000	1,800,000	11,700,000

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

- Except for options granted on 21 May 2009 to Mr Kuok Khoon Hong (for 1,000,000 shares under option) and Mr Martua Sitorus (for 800,000 shares under option) who were controlling shareholders on the date of grant, no options have been granted to controlling shareholders of the Company and their associates;
- 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 holding company and its subsidiaries as the Company does not have a parent company; and
- No options have been granted at a discount.

^ From 14 July 2006 (completion of reverse takeover)

AUDIT COMMITTEE

The Audit Committee ("AC") members at the date of this report are Mr Tay Kah Chye (AC Chairman), Mr Kwah Thiam Hock and Mr Yeo Teng Yang.

The AC performs the functions specified in section 201B (5) of the Singapore Companies Act, Chapter 50, the Listing Manual of the SGX-ST, the Singapore Code of Corporate Governance 2012 and the revised Guidebook for Audit Committees in Singapore issued in 2014.

The principal responsibility of the AC is to assist the Board of Directors in fulfilling its oversight responsibilities. The operations of the AC are regulated by its charter. 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 AC are satisfied that such appointments do not compromise the standard and effectiveness of the audit of the Group.

During the year, the AC met four times to review, *inter alia*, the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The AC also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the AC prior to submission to the directors 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, reviewed the procedures set up by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

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 the external auditor of the Group, was satisfied with the independence and objectivity of the external auditor and has nominated Ernst & Young LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Teo Kim Yong
Director

20 March 2015

We, Kuok Khoon Hong and Teo Kim Yong, being two of the directors of Wilmar International Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) 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.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Teo Kim Yong
Director

20 March 2015

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Wilmar International Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 101 to 198, which comprise the balance sheets of the Group and the Company as at 31 December 2014, 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 a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG LLP

Public Accountants and Chartered Accountants

Singapore

20 March 2015

	Note	2014 US$'000	2013 US$'000
Revenue	4	**43,084,875**	44,085,001
Cost of sales	5	**(39,267,922)**	(40,360,104)
Gross profit		**3,816,953**	3,724,897
Other items of income			
Net loss arising from changes in fair value of biological assets		**(7,976)**	(8,554)
Finance income	6	**600,480**	520,715
Other operating income	7	**169,847**	334,341
Other items of expense			
Selling and distribution expenses		**(1,668,882)**	(1,619,993)
Administrative expenses		**(673,816)**	(681,313)
Other operating expenses	7	**(191,770)**	(90,032)
Finance costs	8	**(523,055)**	(539,098)
Non-operating items	9	**(64,900)**	30,705
Share of results of associates		**80,697**	103,823
Profit before tax	10	**1,537,578**	1,775,491
Income tax expense	11	**(313,674)**	(384,693)
Profit after tax		**1,223,904**	1,390,798
Attributable to:			
Owners of the Company		**1,156,180**	1,318,930
Non-controlling interests		**67,724**	71,868
		1,223,904	1,390,798
Earnings per share attributable to owners of the Company (US cents per share)			
- Basic	12	**18.1**	20.6
- Diluted	12	**18.1**	20.6

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

	2014 US$'000	2013 US$'000
Profit after tax	**1,223,904**	1,390,798
Other comprehensive income:		
Items that may be reclassified subsequently to income statement		
Foreign currency translation	**(498,537)**	(311,048)
Fair value adjustment on cash flow hedges	**156,411**	(100,017)
Fair value adjustment on available-for-sale financial assets	**58,394**	5,839
	(283,732)	(405,226)
Item that will not be reclassified subsequently to income statement		
(Loss)/gain on remeasurement of defined benefit plan	**(4,467)**	1,710
	(4,467)	1,710
Total other comprehensive income for the year, net of tax	**(288,199)**	(403,516)
Total comprehensive income for the year	**935,705**	987,282
Attributable to:		
Owners of the Company	**897,245**	909,134
Non-controlling interests	**38,460**	78,148
	935,705	987,282

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

	Note	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**9,477,284**	9,337,162	**1,860**	872
Biological assets	14	**1,860,821**	1,879,671	**-**	-
Plasma investments		**12,829**	12,332	**-**	-
Intangible assets	15	**4,401,908**	4,420,637	**-**	-
Investment in subsidiaries	16	**-**	-	**9,004,099**	8,744,832
Investment in associates	17	**2,153,196**	2,035,325	**170,021**	160,021
Available-for-sale financial assets	18	**592,245**	417,397	**-**	-
Deferred tax assets	19	**203,808**	219,556	**-**	-
Derivative financial instruments	20	**15,172**	5,912	**-**	-
Other financial receivables	21	**293,974**	421,194	**305,483**	258,430
Other non-financial assets	21	**31,489**	41,088	**-**	-
		19,042,726	18,790,274	**9,481,463**	9,164,155
Current assets					
Inventories	22	**6,581,020**	7,220,949	**-**	-
Trade receivables	23	**4,044,799**	4,084,679	**-**	-
Other financial receivables	21	**3,995,132**	2,981,170	**3,045,721**	1,966,454
Other non-financial assets	21	**1,478,001**	1,322,336	**1,346**	1,923
Derivative financial instruments	20	**755,826**	239,829	**-**	-
Financial assets held for trading	18	**261,470**	257,135	**-**	-
Other bank deposits	24	**5,452,091**	9,335,178	**-**	-
Cash and bank balances	24	**1,947,096**	2,400,245	**503**	873
		24,515,435	27,841,521	**3,047,570**	1,969,250
TOTAL ASSETS		**43,558,161**	46,631,795	**12,529,033**	11,133,405
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	**1,746,920**	1,403,112	**-**	-
Other financial payables	26	**1,191,558**	1,302,124	**1,250,932**	106,158
Other non-financial liabilities	26	**393,892**	494,308	**-**	-
Derivative financial instruments	20	**538,242**	486,612	**-**	-
Loans and borrowings	27	**15,204,154**	19,391,670	**-**	-
Tax payables		**122,366**	113,591	**-**	-
		19,197,132	23,191,417	**1,250,932**	106,158
NET CURRENT ASSETS		**5,318,303**	4,650,104	**1,796,638**	1,863,092

	Note	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Non-current liabilities					
Other financial payables	26	**28,282**	38,792	**-**	-
Other non-financial liabilities	26	**92,910**	88,841	**-**	-
Derivative financial instruments	20	**47,491**	1,716	**-**	-
Loans and borrowings	27	**7,158,172**	6,803,904	**420,196**	270,358
Deferred tax liabilities	19	**623,373**	620,304	**-**	-
		7,950,228	7,553,557	**420,196**	270,358
TOTAL LIABILITIES		**27,147,360**	30,744,974	**1,671,128**	376,516
NET ASSETS		**16,410,801**	15,886,821	**10,857,905**	10,756,889
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	**(19,282)**	(10,387)	**(19,282)**	(10,387)
Retained earnings		**8,767,132**	7,999,887	**1,747,814**	1,649,079
Other reserves	29	**(1,711,911)**	(1,443,669)	**234,239**	223,063
		15,494,934	15,004,826	**10,857,905**	10,756,889
Non-controlling interests		**915,867**	881,995	**-**	-
TOTAL EQUITY		**16,410,801**	15,886,821	**10,857,905**	10,756,889
TOTAL EQUITY AND LIABILITIES		**43,558,161**	46,631,795	**12,529,033**	11,133,405

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

	Note	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
		Attributable to owners of the Company						
2014								
GROUP								
Opening balance at 1 January 2014		8,458,995	(10,387)	7,999,887	(1,443,669)	15,004,826	881,995	15,886,821
Profit for the year		-	-	1,156,180	-	1,156,180	67,724	1,223,904
Other comprehensive income for the year		-	-	-	(258,935)	(258,935)	(29,264)	(288,199)
Total comprehensive income for the year		-	-	1,156,180	(258,935)	897,245	38,460	935,705
Grant of equity-settled share options	29(b)(vii)	-	-	-	15,165	15,165	-	15,165
Share capital contributed by non-controlling shareholders		-	-	-	-	-	39,471	39,471
Acquisition of treasury shares		-	(8,895)	-	-	(8,895)	-	(8,895)
Dividends on ordinary shares	38	-	-	(382,898)	-	(382,898)	-	(382,898)
Dividends paid to non-controlling shareholders by subsidiaries		-	-	-	-	-	(31,005)	(31,005)
Net transfer to other reserves		-	-	(6,037)	6,037	-	-	-
Total contributions by and distributions to owners		-	(8,895)	(388,935)	21,202	(376,628)	8,466	(368,162)
Acquisition of a subsidiary		-	-	-	-	-	9,030	9,030
Acquisition of additional interest in subsidiaries		-	-	-	-	-	(20,511)	(20,511)
Premium paid for acquisition of additional interest in subsidiaries		-	-	-	(12,572)	(12,572)	-	(12,572)
Disposal of subsidiaries		-	-	-	-	-	(19,510)	(19,510)
Dilution of interest in subsidiaries		-	-	-	-	-	17,937	17,937
Loss on dilution of interest in subsidiaries		-	-	-	(17,937)	(17,937)	-	(17,937)
Total changes in ownership interests in subsidiaries		-	-	-	(30,509)	(30,509)	(13,054)	(43,563)
Closing balance at 31 December 2014		**8,458,995**	**(19,282)**	**8,767,132**	**(1,711,911)**	**15,494,934**	**915,867**	**16,410,801**

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

	Note	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
		Attributable to owners of the Company						
2013								
GROUP								
Opening balance at 1 January 2013		8,458,995	(17,440)	6,979,373	(1,075,062)	14,345,866	849,348	15,195,214
Profit for the year		-	-	1,318,930	-	1,318,930	71,868	1,390,798
Other comprehensive income for the year		-	-	-	(409,796)	(409,796)	6,280	(403,516)
Total comprehensive income for the year		-	-	1,318,930	(409,796)	909,134	78,148	987,282
Grant of equity-settled share options	29(b)(vii)	-	-	-	10,187	10,187	-	10,187
Share capital contributed by non-controlling shareholders		-	-	-	-	-	14,631	14,631
Reissuance of treasury shares pursuant to exercise of share options		-	7,053	-	(1,293)	5,760	-	5,760
Dividends on ordinary shares	38	-	-	(280,634)	-	(280,634)	-	(280,634)
Dividends paid to non-controlling shareholders by subsidiaries		-	-	-	-	-	(31,573)	(31,573)
Net transfer to other reserves		-	-	(17,782)	17,782	-	-	-
Total contributions by and distributions to owners		-	7,053	(298,416)	26,676	(264,687)	(16,942)	(281,629)
Acquisition of additional interest in subsidiaries		-	-	-	-	-	(33,770)	(33,770)
Premium paid for acquisition of additional interest in subsidiaries		-	-	-	(4,611)	(4,611)	-	(4,611)
Disposal of subsidiaries		-	-	-	-	-	(913)	(913)
Dilution of interest in subsidiaries		-	-	-	-	-	6,124	6,124
Gain on dilution of interest in subsidiaries		-	-	-	19,124	19,124	-	19,124
Total changes in ownership interests in subsidiaries		-	-	-	14,513	14,513	(28,559)	(14,046)
Closing balance at 31 December 2013		8,458,995	(10,387)	7,999,887	(1,443,669)	15,004,826	881,995	15,886,821

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

	Note	Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Retained earnings**	**Other reserves**	**Equity attributable to owners of the Company, total**
		US$'000	US$'000	US$'000	US$'000	US$'000
2014						
COMPANY						
Opening balance at 1 January 2014		8,895,134	(10,387)	1,649,079	223,063	10,756,889
Profit for the year		-	-	477,644	-	477,644
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	477,644	-	477,644
Grant of equity-settled share options	29(b)(vii)	-	-	-	15,165	15,165
Acquisition of treasury shares		-	(8,895)	-	-	(8,895)
Dividends on ordinary shares	38	-	-	(382,898)	-	(382,898)
Transfer to retained earnings		-	-	3,989	(3,989)	-
Total transactions with owners in their capacity as owners		-	(8,895)	(378,909)	11,176	(376,628)
Closing balance at 31 December 2014		**8,895,134**	**(19,282)**	**1,747,814**	**234,239**	**10,857,905**
2013						
COMPANY						
Opening balance at 1 January 2013		8,895,134	(17,440)	1,352,730	214,169	10,444,593
Profit for the year		-	-	576,983	-	576,983
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	576,983	-	576,983
Grant of equity-settled share options	29(b)(vii)	-	-	-	10,187	10,187
Reissuance of treasury shares pursuant to exercise of share options		-	7,053	-	(1,293)	5,760
Dividends on ordinary shares	38	-	-	(280,634)	-	(280,634)
Total transactions with owners in their capacity as owners		-	7,053	(280,634)	8,894	(264,687)
Closing balance at 31 December 2013		8,895,134	(10,387)	1,649,079	223,063	10,756,889

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

	2014 US$'000	2013 US$'000
Cash flows from operating activities		
Profit before tax	**1,537,578**	1,775,491
Adjustments for:		
Net loss arising from changes in fair value of biological assets	**7,976**	8,554
Depreciation of property, plant and equipment	**659,863**	608,493
Impairment provision on available-for-sale financial assets	**-**	6,987
Gain on disposal/liquidation of associates	**(62)**	(1,688)
Gain on remeasuring investment retained in a former subsidiary at fair value upon loss of control	**-**	(436)
Amortisation of intangible assets	**553**	410
Gain on bargain purchase on business combination	**(1,057)**	-
(Gain)/loss on disposal of property, plant and equipment	**(3,151)**	7,711
Gain on disposal/liquidation of subsidiaries	**(3,422)**	(12,378)
Gain on disposal of available-for-sale financial assets	**-**	(24,000)
Loss/(gain) on disposal of financial assets held for trading	**1,214**	(26,540)
Grant of share options to employees	**15,165**	10,187
Net fair value (gain)/loss on derivative financial instruments	**(326,845)**	74,025
Net fair value loss on financial assets held for trading	**13,050**	9,441
Foreign exchange differences arising from translation	**73,277**	69,415
Interest expense	**550,857**	567,900
Interest income	**(600,480)**	(520,715)
Share of results of associates	**(80,697)**	(103,823)
Operating cash flows before working capital changes	**1,843,819**	2,449,034
Changes in working capital:		
Decrease/(increase) in inventories	**619,136**	(77,269)
Increase in receivables and other assets	**(398,493)**	(107,411)
Increase/(decrease) in payables	**202,750**	(103,299)
Cash flows generated from operations	**2,267,212**	2,161,055
Interest paid	**(558,460)**	(518,957)
Interest received	**583,027**	431,032
Income taxes paid	**(318,436)**	(459,522)
Net cash flows generated from operating activities	**1,973,343**	1,613,608

	2014 US$'000	2013 US$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries and business	**(56,964)**	(13,701)
(Increase)/decrease in plasma investments	**(522)**	2,788
Decrease in financial assets held for trading	**9,734**	58,802
Increase in other non-financial assets	**-**	(14,168)
Payments for property, plant and equipment	**(1,042,953)**	(1,322,917)
Payments for biological assets	**(50,217)**	(53,393)
(Increase)/decrease in available-for-sale financial assets	**(114,353)**	19,749
Payments for investment in associates	**(143,917)**	(310,386)
Payments for intangible assets	**-**	(18)
Dividends received from associates	**42,840**	27,592
Proceeds from disposal of property, plant and equipment	**87,804**	54,720
Proceeds from disposal of biological assets	**1,577**	6,144
Proceeds from disposal of associates	**1,226**	13,991
Net cash flow from disposal of subsidiaries	**37,466**	98,657
Net cash flows used in investing activities	**(1,228,279)**	(1,432,140)
Cash flows from financing activities		
Increase in net amount due from related parties	**(3,368)**	(5,862)
Increase in net amount due from associates	**(23,377)**	(61,389)
(Decrease)/increase in advances from non-controlling shareholders	**(1,079)**	26,995
(Repayments of)/proceeds from loans and borrowings	**(908,643)**	2,188,925
Decrease/(increase) in fixed deposits pledged with financial institutions for bank facilities	**136,068**	(867,631)
Decrease in other financial receivables	**329,900**	9,600
Increase in other deposits with maturity more than 3 months	**(338,347)**	(421,828)
Interest paid	**(37,789)**	(47,480)
Payments for acquisition of additional interest in subsidiaries	**(18,915)**	(38,381)
Shares buy-back held as treasury shares	**(8,895)**	-
Dividends paid by the Company	**(382,898)**	(280,634)
Dividends paid to non-controlling shareholders by subsidiaries	**(31,005)**	(31,573)
Proceeds from dilution of interest in subsidiaries	**-**	36,178
Proceeds from reissuance of treasury shares by the Company	**-**	5,760
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	**7,100**	14,631
Net cash flows (used in)/generated from financing activities	**(1,281,248)**	527,311
Net (decrease)/increase in cash and cash equivalents	**(536,184)**	708,779
Cash and cash equivalents at the beginning of the financial year	**2,237,232**	1,528,453
Cash and cash equivalents at the end of the financial year	**1,701,048**	2,237,232

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

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 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 ("FRS").

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) as indicated.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year except for the adoption of new and revised FRS as mentioned under Note 2.2(i).

2.2 Changes in accounting policies

(i) Adoption of new and revised FRS

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 2014. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(ii) Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 Share Based Payment	1 July 2014
(b) Amendments to FRS 103 Business Combinations	1 July 2014
(c) Amendments to FRS 108 Operating Segments	1 July 2014
(d) Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 July 2014
(e) Amendments to FRS 24 Related Party Disclosures	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014
(c) Amendments to FRS 40 Investment Property	1 July 2014
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Improvements to FRSs (November 2014)	
(a) FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
(b) FRS 107 Financial Instruments: Disclosures	1 January 2016
(c) FRS 19 Employee Benefits	1 January 2016
(d) FRS 34 Interim Financial Reporting	1 January 2016
FRS 109 Financial Instruments	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(ii) Standards issued but not yet effective (continued)

Except for Amendments to FRS 16, FRS 41, FRS 115 and FRS 109, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of Amendments to FRS 16, FRS 41, FRS 115 and FRS 109 are described below:

Amendments to FRS 16 Property, Plant and Equipment & FRS 41 Agriculture

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, FRS 16 will apply. After initial recognition, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 41 and measured at fair value less costs to sell. For government grants related to bearer plants, FRS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group is currently assessing the impact of these amendments to the financial position and financial performance of the Group.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115.

FRS 109 Financial Instruments

In December 2014, the Accounting Standards Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation and business combinations

(a) Basis of consolidation

Basis of consolidation from 1 January 2010

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.

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

Acquisition of non-controlling interests, prior to 1 January 2010, was accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.

Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 has not been restated.

(b) Business combinations

Business combinations from 1 January 2010

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation and business combinations (continued)

(b) Business combinations (continued)

Business combinations from 1 January 2010 (continued)

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 FRS.

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 2.11(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 merger 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.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) is measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages are accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation and business combinations (continued)

(b) Business combinations (continued)

Business combinations before 1 January 2010 (continued)

Contingent consideration is recognised if, and only if, the Group has a present obligation, the economic outflow is more likely than not and a reliable estimate is determinable. Subsequent adjustments to the contingent consideration are recognised as part of goodwill.

2.4 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.

2.5 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 year. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Subsidiaries

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

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

2.7 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee.

The Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in associates is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate 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 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 in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses once its interest in the associate is reduced to zero, unless it has incurred obligations or made payments on behalf of the associate. If the associate 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.

The Group's profit or loss reflects its share of the associates' profit or loss after tax and non-controlling interests in the subsidiaries of associates. Where there has been a change recognised in other comprehensive income by the associates, 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 are eliminated to the extent of the interest in the associates.

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. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous 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 over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Associates (continued)

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

If the Group's ownership interest in an associate 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.

2.8 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:

Land and land rights	–	amortised over the period of leases (25 to 70 years)
Buildings	–	10 to 40 years
Plant and machineries	–	4 to 40 years
Furniture, fittings and office equipment	–	2 to 20 years
Vessels	–	5 to 30 years
Motor vehicles, trucks and aircrafts	–	4 to 15 years

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (continued)

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.

2.9 Biological assets

Biological assets mainly include mature and immature oil palm plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilizing and maintenance, capitalization 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 fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the income statement. In general, oil palms are considered mature 30 to 36 months after field planting. Point-of-sale costs include all costs that would be necessary to sell the assets.

2.10 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets

(a) Goodwill

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

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

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

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

(b) Other intangible assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets (continued)

(b) Other intangible assets (continued)

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 amortization and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 20 years.

2.12 Financial assets

Financial assets 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 asset at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised when the Group's 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 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 is recognised in the income statement.

When continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

(a) Financial assets at fair value through profit or loss

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling or repurchasing in the near term.

The Group does not designate any financial assets upon initial recognition as financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modified the cash flows that would otherwise be required.

(b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in the income statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised initially in other comprehensive income and accumulated under fair value reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments 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 the income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.13 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets (continued)

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from other comprehensive income and recognised in the income statement. Reversals of impairment losses in respect of equity instruments are not recognised in the income statement, increase in their fair value after impairment is recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income.

Reversals of impairment losses on debt instruments are recognised in the income statement if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

2.14 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of non-financial asset (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 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 2.12(b), under loans and receivables.

2.16 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Inventories (continued)

(b) Other inventories

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

2.17 Financial liabilities

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.

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

Subsequent to initial recognition, all financial liabilities that are not carried at fair value through profit or loss or derivatives are measured at amortised cost using the effective interest method.

For financial liabilities, other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.18 Borrowing

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Borrowing cost

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 assets 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.

2.20 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.

2.21 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits (continued)

(b) Employee share option plans (continued)

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 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
- 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 retained earnings within equity and are not reclassified to the income statement in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are recognised.

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(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 significant risks and rewards of ownership of goods are transferred to the customer.

(b) Ship charter income

Revenue from time charters is recognised on a time apportionment basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue (continued)

(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.

2.24 Income taxes

(a) Current tax

Current 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 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.

(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 and associates, 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 and associates, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Income taxes (continued)

(b) Deferred tax (continued)

The carrying amount of deferred tax asset is reviewed at each end of the 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.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in 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.

2.25 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Derivative financial instruments and hedging activities (continued)

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.

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. The Group has elected not to apply basis adjustments to hedges of forecast transactions that result in the recognition of a non-financial asset or a non-financial 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 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.

2.27 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 as gain or loss on reissuance of treasury shares.

2.28 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.

2.29 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 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).

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 2014 were approximately US$3,295,975,000 (2013: US$3,317,904,000) and US$1,099,235,000 (2013: US$1,100,118,000) respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 40 years. These are common life expectancies applied in the industry. Changes in the expected level of the usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment as at 31 December 2014 was approximately US$4,420,361,000 (2013: US$4,365,085,000).

(c) Income 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 2014 were approximately US$122,366,000 (2013: US$113,591,000), US$203,808,000 (2013: US$219,556,000) and US$623,373,000 (2013: US$620,304,000) respectively.

(d) Biological assets

The Group's biological assets are stated at fair value less point-of-sale costs. This is estimated by reference to an independent valuer's assessment of the fair value of the biological assets. Changes in the conditions of the biological assets could impact the fair value of the assets. The carrying amount of the Group's biological assets as at 31 December 2014 was approximately US$1,860,821,000 (2013: US$1,879,671,000).

4. REVENUE

	Group 2014 US$'000	Group 2013 US$'000
Sales of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities	**42,759,741**	43,754,609
Ship charter income	**260,098**	196,598
Others	**65,036**	133,794
	43,084,875	44,085,001

5. COST OF SALES

	Group 2014 US$'000	Group 2013 US$'000
Cost of inventories recognised as expense - physical deliveries	**35,250,069**	35,991,239
Labour and other overhead expenses	**4,562,733**	4,588,191
Net gain on fair value of derivative financial instruments	**(544,880)**	(219,326)
	39,267,922	40,360,104

6. FINANCE INCOME

	Group 2014 US$'000	Group 2013 US$'000
Finance income:		
- From associates	**16,103**	11,204
- From bank balances	**9,118**	8,768
- From fixed deposits	**337,263**	365,898
- From other deposits with financial institutions	**208,580**	118,448
- From other sources	**23,333**	7,634
- From related parties	**386**	537
- Late interest charges pertaining to trade receivables	**5,697**	8,226
	600,480	520,715

7. OTHER OPERATING INCOME OTHER OPERATING EXPENSES

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

	Group	
	2014	2013
	US$'000	US$'000
Amortisation of intangible assets	**(553)**	(410)
Allowance for advances to suppliers	**(62)**	(4,813)
Bad debts written off (non-trade)	**(155)**	(985)
Compensation/penalty income	**1,352**	5,331
Energy/Power/Steam income	**26,087**	25,389
Fair value (loss)/gain of derivative financial instruments	**(6,207)**	3,274
Foreign exchange (loss)/gain, excluding net foreign exchange (loss)/gain on shareholders' loans to subsidiaries	**(111,930)**	143,889
Gain on bargain purchase on business combination	**1,057**	-
Gain/(loss) on disposal of property, plant and equipment	**3,151**	(7,711)
Gain on disposal/liquidation of associates	**62**	1,688
Gain on liquidation/disposal of subsidiaries	**3,422**	12,378
Government grants/incentive income	**42,958**	29,481
Grant of share options to employees	**(15,165)**	(10,187)
Income from sales cancellation	**9,025**	4,490
Pre-operating expenses	**(4,576)**	(8,478)
Processing fee income/tolling income	**840**	3,976
Project expenses	**(5,491)**	(6,070)
Rental and storage income	**7,142**	14,911
Scrap sales	**17,143**	19,175
Service fees/management fees/commission income	**8,672**	5,720
Impairment of property, plant and equipment	**(1,379)**	(1,799)

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 our plants and machineries, technical skill transfomation 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 consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

8. FINANCE COSTS

	Group 2014 US$'000	2013 US$'000
Interest expense:		
- Loans and borrowings	**516,002**	523,179
- Loans from associates	**1,032**	542
- Interest rate swaps	**14,958**	30,127
- Others	**1,050**	3,928
	533,042	557,776
Less: Amount capitalised		
- Biological assets	**(1,363)**	(2,648)
- Property, plant and equipment	**(8,624)**	(16,030)
	523,055	539,098

9. NON-OPERATING ITEMS

	Group 2014 US$'000	2013 US$'000
Net foreign exchange (loss)/gain on shareholders' loans to subsidiaries	**(43,143)**	15,981
Finance costs on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries	**(27,802)**	(28,802)
Gain on disposal of available-for-sale financial assets	**-**	24,000
(Loss)/gain on disposal of financial assets held for trading	**(1,214)**	26,540
Investment income from equity instruments	**20,137**	439
Net fair value loss on financial assets held for trading	**(13,878)**	(8,412)
Reversal of pre-acquisition hedging loss	**1,000**	7,946
Impairment provision on available-for-sale financial assets	**-**	(6,987)
	(64,900)	30,705

10. PROFIT BEFORE TAX

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

	Group 2014 US$'000	2013 US$'000
Audit fees paid to:		
- Auditor of the Company	**648**	753
- Other auditors	**4,548**	4,901
Non-audit fees paid to:		
- Auditor of the Company	**196**	43
- Other auditors	**999**	868
Depreciation of property, plant and equipment:	**660,105**	607,279
Less: Amount capitalised as part of costs of biological assets	**(1,621)**	(585)
Add: Impairment loss	**1,379**	1,799
Depreciation of property, plant and equipment - net	**659,863**	608,493
Employee benefits expense	**1,105,726**	1,100,791
Operating lease expense	**51,587**	48,290

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 2014 and 31 December 2013 are:

	Group	
	2014	2013
	US$'000	US$'000
Consolidated Income Statement		
Current income tax		
Current year	**288,153**	371,837
Under/(over) provision in respect of previous years	**7,285**	(3,157)
	295,438	368,680
Deferred income tax		
Origination and reversal of temporary differences	**24,424**	8,283
(Over)/under provision in respect of previous years	**(6,188)**	7,730
Income tax expense recognised in the income statement	**313,674**	384,693
Deferred income tax related to other comprehensive income:		
Net tax charges/(credit) in fair value of derivative financial instruments designated as cash flow hedges and others	**25,551**	(35,165)

(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 2014 and 31 December 2013 are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Accounting profit before income tax	**1,537,578**	1,775,491
Tax calculated at tax rate of 17% (2013: 17%)	**261,388**	301,833
Adjustments:		
Effect of different tax rates in other countries	**82,976**	100,698
Effect of tax incentives	**(35,130)**	(63,935)
Income not subject to taxation	**(35,679)**	(34,050)
Non-deductible expenses	**28,550**	58,890
Deferred tax assets not recognised	**31,358**	43,792
Under provision in respect of previous years	**1,097**	4,573
Share of results of associates	**(14,097)**	(19,777)
Others	**(6,789)**	(7,331)
Income tax expense recognised in the consolidated income statement	**313,674**	384,693

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	
	2014	2013
Profit for the year attributable to owners of the Company (US$'000)	**1,156,180**	1,318,930
Weighted average number of ordinary shares ('000)	**6,398,280**	6,396,523
Basic earnings per share (US cents per share)	**18.1**	20.6

(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	
	2014	2013
Profit for the year attributable to owners of the Company (US$'000)	**1,156,180**	1,318,930
Weighted average number of ordinary shares ('000)	**6,398,280**	6,396,523
Effects of dilution		
- Grant of equity-settled share options ('000)	**-**	2,196
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,398,280**	6,398,719
Diluted earnings per share (US cents per share)	**18.1**	20.6

97,495,000 (2013: 101,335,000) share options granted to employees (including directors) under existing employee share option plans have not been included in the calculation of diluted earnings per share for the financial years ended 31 December 2014 and 31 December 2013 because they are anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land, land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircrafts US$'000	Construction in-progress US$'000	Total US$'000
Group								
Costs								
At 1 January 2013	1,085,495	2,467,576	5,713,082	178,186	529,058	204,926	1,387,857	11,566,180
Acquisition of subsidiaries	1,587	63	8,923	1	-	-	-	10,574
Disposal of subsidiaries	(4,791)	(26,739)	(62,794)	(882)	-	(4,152)	(216)	(99,574)
Additions	35,271	46,241	90,660	18,763	108,245	23,096	1,063,514	1,385,790
Disposals	(6,618)	(6,589)	(45,317)	(2,707)	(83,515)	(10,302)	(6,762)	(161,810)
Transfers	4,024	381,208	822,517	10,630	71,280	8,470	(1,298,129)	-
Reclassifications	1,997	(18,885)	15,567	(560)	-	2,148	502	769
Currency translation differences	(18,846)	(25,585)	(302,156)	(1,218)	(19,150)	(4,007)	(37,732)	(408,694)
At 31 December 2013 and 1 January 2014	**1,098,119**	**2,817,290**	**6,240,482**	**202,213**	**605,918**	**220,179**	**1,109,034**	**12,293,235**
Acquisition of subsidiaries	**9,015**	**9,274**	**41,239**	**79**	**-**	**42,713**	**-**	**102,320**
Disposal of subsidiaries	**(7,801)**	**(16,020)**	**(23,710)**	**(1,984)**	**(80,680)**	**(4,820)**	**(21,932)**	**(156,947)**
Additions	**168,689**	**26,539**	**37,448**	**15,340**	**57,073**	**18,387**	**887,747**	**1,211,223**
Disposals	**(1,595)**	**(9,789)**	**(97,506)**	**(5,217)**	**(73,708)**	**(21,399)**	**(213)**	**(209,427)**
Transfers	**935**	**274,640**	**606,112**	**8,074**	**133,889**	**2,775**	**(1,026,425)**	**-**
Reclassifications	**8,958**	**(18,414)**	**8,444**	**(1,248)**	**6**	**1,135**	**(1,220)**	**(2,339)**
Currency translation differences	**(45,179)**	**(91,674)**	**(297,167)**	**(6,870)**	**4,204**	**(5,183)**	**(41,307)**	**(483,176)**
At 31 December 2014	**1,231,141**	**2,991,846**	**6,515,342**	**210,387**	**646,702**	**253,787**	**905,684**	**12,754,889**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land, land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircrafts US$'000	Construction in-progress US$'000	Total US$'000
Group								
Accumulated depreciation								
At 1 January 2013	97,001	462,598	1,727,746	114,369	114,699	126,029	-	2,642,442
Disposal of subsidiaries	(528)	(8,146)	(11,825)	(731)	-	(2,739)	-	(23,969)
Depreciation charge for the year	15,035	104,561	404,682	25,043	34,805	23,153	-	607,279
Disposals	(101)	(1,337)	(27,459)	(2,352)	(57,255)	(9,412)	-	(97,916)
Impairment loss	-	589	1,210	-	-	-	-	1,799
Currency translation differences	29	(9,689)	(152,422)	(651)	(8,183)	(2,646)	-	(173,562)
At 31 December 2013 and 1 January 2014	**111,436**	**548,576**	**1,941,932**	**135,678**	**84,066**	**134,385**	**-**	**2,956,073**
Disposal of subsidiaries	**(2,267)**	**(6,063)**	**(10,403)**	**(1,563)**	**(23,452)**	**(2,260)**	**-**	**(46,008)**
Depreciation charge for the year	**21,518**	**118,657**	**441,298**	**24,893**	**31,237**	**22,502**	**-**	**660,105**
Disposals	**(229)**	**(5,728)**	**(79,250)**	**(4,588)**	**(21,223)**	**(13,473)**	**-**	**(124,491)**
Impairment loss	**-**	**1,117**	**262**	**-**	**-**	**-**	**-**	**1,379**
Reclassifications	**-**	**-**	**1,242**	**(1,248)**	**6**	**-**	**-**	**-**
Currency translation differences	**(4,155)**	**(22,096)**	**(137,517)**	**(5,368)**	**1,078**	**(1,395)**	**-**	**(169,453)**
At 31 December 2014	**126,303**	**634,463**	**2,157,564**	**147,804**	**71,712**	**139,759**	**-**	**3,277,605**
Net carrying amount								
At 31 December 2013	986,683	2,268,714	4,298,550	66,535	521,852	85,794	1,109,034	9,337,162
At 31 December 2014	**1,104,838**	**2,357,383**	**4,357,778**	**62,583**	**574,990**	**114,028**	**905,684**	**9,477,284**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, fittings and office equipment US$'000	Motor vehicles US$'000	Total US$'000
Company			
Costs			
At 1 January 2013	2,161	183	2,344
Additions	18	-	18
Disposals	(21)	-	(21)
At 31 December 2013 and 1 January 2014	**2,158**	**183**	**2,341**
Additions	**1,473**	**459**	**1,932**
Disposals	**(25)**	**-**	**(25)**
At 31 December 2014	**3,606**	**642**	**4,248**
Accumulated depreciation			
At 1 January 2013	830	20	850
Depreciation charge for the year	608	18	626
Disposals	(7)	-	(7)
At 31 December 2013 and 1 January 2014	**1,431**	**38**	**1,469**
Depreciation charge for the year	**880**	**60**	**940**
Disposals	**(21)**	**-**	**(21)**
At 31 December 2014	**2,290**	**98**	**2,388**
Net carrying amount			
At 31 December 2013	727	145	872
At 31 December 2014	**1,316**	**544**	**1,860**

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$8,624,000 (2013: US$16,030,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US$50,421,000 (2013: US$323,185,000) are pledged as security for bank borrowings.

14. BIOLOGICAL ASSETS

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**1,879,671**	1,970,311
Disposal of subsidiaries	**(15,625)**	(88,393)
Additions	**44,987**	45,808
Disposals	**(1,433)**	(4,681)
Capitalisation of interest	**1,363**	2,648
Capitalisation of depreciation	**1,621**	585
Capitalisation of employee benefits	**5,230**	7,585
Currency translation differences	**(47,017)**	(45,638)
	1,868,797	1,888,225
Decrease in fair value less point-of-sale costs	**(7,976)**	(8,554)
At 31 December	**1,860,821**	1,879,671

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,324,000 tonnes (2013: 4,041,000 tonnes) of FFB, which had a fair value less estimated point-of-sale costs of approximately US$643,135,000 (2013: US$598,367,000). The fair value of FFB was determined with reference to their monthly average market prices during the year.

(b) Analysis of biological assets

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	
	2014	2013
Area	Hectares	Hectares
Planted area:		
- Mature	**215,345**	219,921
- Immature	**28,224**	25,791
	243,569	245,712

	Group	
	2014	2013
Value	US$'000	US$'000
Planted area:		
- Mature	**1,747,908**	1,769,096
- Immature	**112,913**	110,575
	1,860,821	1,879,671

* Mature planted areas include rubber and sugar cane plantations.

14. BIOLOGICAL ASSETS (CONTINUED)

(c) At 31 December 2014, the fair value of biological assets of the Group mortgaged as securities for bank borrowings amounted to approximately US$85,600,000 (2013: US$72,782,000).

(d) The interest capitalised is actual interest incurred on the bank borrowings to finance the development of oil palm plantations.

(e) The fair value of biological assets has been determined based on valuations by an independent professional valuer using discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations are determined using 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 of the oil palm plantations 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
Oil palm trees have an average life of 25 (2013: 25) years, with the first three years as immature and remaining years as mature	The estimated fair value increases as the estimated average life increases.
No new planting or replanting activities are assumed	The estimated fair value decreases with replanting activities.
Discount rate per annum of 7.5% to 13.0% (2013: 7.9% to 13.0%)	The estimated fair value increases as the estimated discount rate per annum decreases.
FFB average selling price of US$115 to US$154 (2013: US$104 to US$157) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield is 20.6 (2013: 18.8) metric tonne per hectare	The estimated fair value increases as the estimated average yield increases.

15. INTANGIBLE ASSETS

	Goodwill	Trademarks & licenses and others	Brands	Total
	US$'000	US$'000	US$'000	US$'000
Group				
Cost				
At 1 January 2013	3,352,810	4,936	1,101,906	4,459,652
Additions	5,503	18	-	5,521
Written off to income statement	-	(420)	-	(420)
Currency translation differences	(40,409)	(149)	(1,788)	(42,346)
At 31 December 2013 and 1 January 2014	**3,317,904**	**4,385**	**1,100,118**	**4,422,407**
Additions	**1,682**	**-**	**-**	**1,682**
Acquisition of subsidiaries	**-**	**5,276**	**-**	**5,276**
Disposal of subsidiaries	**(1,609)**	**-**	**-**	**(1,609)**
Currency translation differences	**(22,002)**	**(688)**	**(883)**	**(23,573)**
At 31 December 2014	**3,295,975**	**8,973**	**1,099,235**	**4,404,183**
Accumulated amortisation				
At 1 January 2013	-	1,386	-	1,386
Amortisation during the year	-	410	-	410
Currency translation differences	-	(26)	-	(26)
At 31 December 2013 and 1 January 2014	**-**	**1,770**	**-**	**1,770**
Amortisation during the year	**-**	**553**	**-**	**553**
Currency translation differences	**-**	**(48)**	**-**	**(48)**
At 31 December 2014	**-**	**2,275**	**-**	**2,275**
Net carrying amount				
At 31 December 2013	3,317,904	2,615	1,100,118	4,420,637
At 31 December 2014	**3,295,975**	**6,698**	**1,099,235**	**4,401,908**

Amortisation expense

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

Brands

Brands relate to both the 'Arawana' and 'CSR' brand names that were acquired in 2007 and 2010 respectively. As explained in Note 2.11(b)(i), the useful lives of the brands are estimated to be indefinite.

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.

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill and brands (continued)

The carrying amounts of goodwill and brands allocated to each CGU are as follows:

	Palm and Laurics US$'000	Oilseeds and Grains US$'000	Consumer Products US$'000	Plantations and Palm Oil Mills US$'000	Milling US$'000	Sugar Merchandising and Processing US$'000	Others US$'000	Total US$'000
2014								
Goodwill	**614,865**	**738,725**	**28,986**	**1,612,000**	**182,465**	**105,971**	**12,963**	**3,295,975**
Brands	**-**	**-**	**1,089,247**	**-**	**-**	**9,988**	**-**	**1,099,235**
2013								
Goodwill	626,897	738,725	28,986	1,604,453	185,937	121,206	11,700	3,317,904
Brands	-	-	1,089,247	-	-	10,871	-	1,100,118

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-year period for palm and laurics, oilseeds and grains, consumer products, sugar milling and sugar merchandising and processing segments. For plantations and palm oil mills, 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 period are as follows:-

	Palm and Laurics %	Oilseeds and Grains %	Consumer Products %	Plantations and Palm Oil Mills %	Sugar Milling %	Sugar Merchandising and Processings %
2014						
Terminal growth rates	**2.0-3.0**	**3.0**	**3.0**	**N.A.**	**2.6**	**2.0-2.6**
Pre-tax discount rates	**12.0-14.0**	**14.0**	**12.0**	**12.0**	**7.9**	**7.9-12.0**
2013						
Terminal growth rates	2.0-3.0	3.0	3.0	N.A.	2.5	2.0-2.5
Pre-tax discount rates	12.0-14.0	14.0	12.0	12.0	8.0	8.0-12.0

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross 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	
	2014	2013
	US$'000	US$'000
Unquoted equity shares, at cost	**9,004,099**	8,744,832

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

Acquisition of subsidiaries

The Group acquired the following subsidiaries during the financial year:

Name of subsidiaries acquired	Equity interest acquired	Consideration	Month of acquisition
	%	US$'000	
Full Wing Holdings Limited	50	- *	February 2014
Wilmar France Holdings S.A.S.	100	13,057	April 2014
Great Wall - Wilmar Holdings Limited	80	36,121	June 2014
PT Permata Prima Nabati	100	5	November 2014
Nexsol (Malaysia) Sdn. Bhd.	100	7,999	December 2014
		57,182	

** Consideration is less than US$1,000*

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

	Fair value recognised on acquisition
	US$'000
Property, plant and equipment	102,320
Intangibles	5,276
Inventories	2,180
Trade receivables and other assets	649
Cash and cash equivalents	218
	110,643
Trade and other payables	50,245
Deferred tax liabilities	112
	50,357
Net identifiable assets	60,286
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(9,030)
Identifiable net assets acquired	51,256
Add: Transfer from investment in associates	5,301
	56,557
Positive goodwill arising from acquisition recognised as part of intangible assets	1,682
Gain on bargain purchase taken to the other operating income	(1,057)
Total consideration for acquisitions	**57,182**

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
Consideration for acquisitions - cash paid	**57,182**
The effects of acquisitions on cash flow are as follows:	
Consideration settled in cash	57,182
Less: Cash and cash equivalents of subsidiaries acquired	(218)
Net cash outflow on acquisitions	**56,964**

Impact of acquisitions on consolidated income statement

From the respective date of acquisition, the acquirees have contributed additional revenue and net losses approximately US$3,647,000 and US$8,554,000 respectively for the financial year ended 31 December 2014. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US$43,084,878,000 and net profit would have been approximately US$1,154,876,000.

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of non-controlling interests

During the year, the Group acquired additional interests in the following subsidiaries from the existing non-controlling shareholders:

Acquirer	Acquiree	Additional interest	Proportion of ownership interest after additional acquisition	Consideration	Book value	Premium/ (discount) arising from acquisition	Month of acquisition
		%	%	US$'000	US$'000	US$'000	
Wilmar Yihai Flour Investments Pte. Ltd./ Yihai Kerry Investments Co., Ltd.	Yihai (Shijiazhuang) Oils & Grains Industries Co., Ltd	20	100	14,168	13,114	1,054	January 2014
Siteki Investments Pte Ltd	Cai Lan Oils & Fats Industries Company Ltd	8	76	8,000	3,488	4,512	March 2014
Yihai Kerry Investments Co., Ltd.	Qinhuangdao Goldensea Grain and Oil Industry Co., Ltd	5	85	10,915	10,938	(23)	April 2014
Wilmar International Limited	Wilmar Consultancy Services Pte. Ltd.	25	100	- *	(1,012)	1,012	June 2014
Wilmar Europe Holdings B.V.	Wilmar Africa Limited	11 +	67 +	- #	(6,017)	6,017	September 2014

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

Deemed acquisition of non-controlling interests

* Consideration is less than US$1,000

Disposal of interests in subsidiaries without loss of control

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

Immediate holding company	Name of subsidiary	Disposal of interest	Proportion of ownership interest after disposal	Consideration	Book value	Increase/ (decrease) in equity attributable to the owners of the Company	Month of disposal
		%	%	US$'000	US$'000	US$'000	
Wilmar Shipping (Mauritius) Limited	PT Tirta Arung Intiniaga	100	95	- #	(109)	109	April 2014
Wilmar Sugar Holdings Pte. Ltd.	Wilmar Sugar (Myanmar) Pte. Ltd.	31 +	69 +	- #	18,046	(18,046)	June 2014

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

Deemed disposal

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal of subsidiaries

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

	Cashflow on disposal
	US$'000
Property, plant and equipment	110,939
Biological assets	15,625
Trade receivables and other assets	45,239
Inventories	19,687
Cash and cash equivalents	1,838
	193,328
Trade and other payables	137,823
	137,823
Net carrying amounts of assets disposed	55,505
Less: Non-controlling interest	(19,510)
Net assets disposed	35,995
Net assets disposed	35,995
Less: Foreign currency translation reserves realised upon disposal of subsidiaries	(113)
Gain on disposal	3,422
Sales proceeds, net	39,304
Less: Cash and cash equivalents of subsidiaries disposed	(1,838)
Net cash inflow on disposal of subsidiaries	**37,466**

17. INVESTMENT IN ASSOCIATES

The Group's investments in associates are summarised below:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	**623,134**	620,226	**-**	-
Cosumar S.A.	**275,087**	279,153	**-**	-
Other associates	**1,254,975**	1,135,946	**170,021**	160,021
	2,153,196	2,035,325	**170,021**	160,021
Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)	**317,262**	336,222	**15,831**	16,016

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

17. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of the material associates is as follows:

	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd		Cosumar S.A.	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities:				
Current assets	**1,659,454**	2,490,074	**524,950**	555,461
Non-current assets	**327,038**	376,344	**463,863**	508,785
Total assets	**1,986,492**	2,866,418	**988,813**	1,064,246
Current liabilities	**1,266,577**	2,134,344	**399,561**	543,853
Non-current liabilities	**4,569**	23,177	**187,696**	104,347
Total liabilities	**1,271,146**	2,157,521	**587,257**	648,200
Shareholders' equity	**700,771**	694,162	**398,439**	413,224
Proportion of the Group's ownership interest	**44%**	44%	**28%+**	28%+
Group's share	**308,339**	305,431	**109,571**	113,637
Goodwill on acquisition	**314,795**	314,795	**165,516**	165,516
Carrying amount of the investment	**623,134**	620,226	**275,087**	279,153
Revenue	**3,545,049**	3,365,310	**517,722**	544,562
Profit for the year	**23,932**	64,949	**51,560**	55,565
Total comprehensive income	**23,932**	64,949	**51,560**	55,565

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

The activities of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd and Cosumar S.A. are strategic to the Group's activities. Dividends of approximately US$14,466,000 (2013: US$Nil) were received from Cosumar S.A. during the financial year ended 31 December 2014.

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

	Group	
	2014	2013
	US$'000	US$'000
Share of the associates' profit for the year	**49,187**	63,993
Share of the associates' total comprehensive income	**49,187**	63,993

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS FINANCIAL ASSETS HELD FOR TRADING

	Group	
	2014	2013
	US$'000	US$'000
Available-for-sale financial assets		
Non-current:		
Quoted equity instruments *	**324,288**	169,384
Unquoted equity instruments, at cost	**46,478**	111,512
Unquoted non-equity instruments	**221,479**	136,501
	592,245	417,397
Financial assets held for trading		
Current:		
Quoted equity instruments	**261,470**	257,135
	261,470	257,135

* 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 by Sugar Terminals Limited, the valuation is determined using discounted cash flow projections.

The Group's non-equity investments comprise investment funds.

Unquoted equity instruments are valued at cost as these instruments have no market prices and the fair value cannot be reliably measured using valuation techniques.

19. DEFERRED TAX

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Provisions	**68,581**	76,268	**5,208**	21,208
Unutilised tax losses	**71,105**	73,287	**(1,643)**	(15,603)
Differences in depreciation for tax purposes	**11,395**	15,435	**(211)**	(507)
Fair value adjustments on derivatives classified as cash flow hedges	**8,623**	22,788	**-**	-
Other items	**44,104**	31,778	**(5,481)**	7,495
	203,808	219,556	**-**	-
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**195,768**	194,725	**16,205**	15,813
Fair value adjustments on acquisition of subsidiaries	**56,577**	63,738	**(5,822)**	(4,512)
Fair value adjustments on derivatives classified as cash flow hedges	**13,896**	5,352	**-**	-
Fair value adjustments on biological assets	**280,619**	288,596	**(1,994)**	(176)
Undistributed earnings	**49,129**	45,322	**3,807**	12,910
Other items	**27,384**	22,571	**8,167**	(20,615)
	623,373	620,304	**-**	-
Deferred income tax expense			**18,236**	16,013

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US$487,975,000 (2013: US$465,861,000) 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 (2013: US$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$4,521,708,000 (2013: US$3,951,844,000). The deferred tax liability is estimated to be approximately US$484,530,000 (2013: US$443,666,000).

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2014			2013		
	Contract/ Notional amount	**Assets**	**Liabilities**	Contract/ Notional amount	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Forward currency contracts, options and cross currency interest rate swaps	**24,562,813**	**219,232**	**225,880**	13,611,543	77,040	272,653
Futures, options and swap contracts	**7,440,962**	**477,710**	**282,373**	6,035,090	138,476	132,318
Interest rate swap	**925,789**	**22**	**6,348**	5,616,635	268	12,041
Forward freight agreements	**2,694**	**930**	**-**	2,978	1,817	-
Fair value of firm commitment contracts	**1,056,110**	**73,104**	**71,132**	1,071,023	28,140	71,316
Total derivative financial instruments		**770,998**	**585,733**		245,741	488,328
Less: Current portion		**(755,826)**	**(538,242)**		(239,829)	(486,612)
Non-current portion		**15,172**	**47,491**		5,912	1,716

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

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 and swap and forward currency contracts in order to hedge the financial risks related to the purchases and sales of commodity products. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain/(loss) of approximately US$95,973,000 (2013: US$(61,196,000)), with related deferred tax (charges)/credit of approximately US$(5,273,000) (2013: US$17,436,000), 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$107,457,000 and US$(11,484,000) (2013: US$(78,212,000) and US$17,016,000).

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$18,077,000 (2013: US$21,363,000) 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 loss of approximately US$5,028,000 (2013: US$6,760,000) 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	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Non-current:				
Loans to non-controlling shareholders of a subsidiary	**27,900**	27,900	**-**	-
Other non-trade receivables	**11,480**	10,014	**24**	14
Other deposits with financial institutions	**58,806**	210,750	**-**	-
Amounts due from subsidiaries - non-trade	**-**	-	**240,122**	205,749
Amounts due from associates - non-trade	**176,800**	157,536	**65,337**	52,667
Amounts due from related parties - non-trade	**18,988**	14,994	**-**	-
Other financial receivables	**293,974**	421,194	**305,483**	258,430
Current:				
Deposits	**40,113**	51,477	**13**	8
Loans to non-controlling shareholders of subsidiaries	**72,189**	38,491	**-**	-
Other non-trade receivables	**557,417**	451,884	**8,626**	8,342
Other deposits with financial institutions	**2,907,602**	2,013,662	**-**	-
Amounts due from subsidiaries - non-trade	**-**	-	**3,030,460**	1,950,083
Amounts due from associates - non-trade	**408,935**	416,134	**6,622**	8,021
Amounts due from related parties - non-trade	**8,876**	9,522	**-**	-
Other financial receivables	**3,995,132**	2,981,170	**3,045,721**	1,966,454
Non-current:				
Prepayments	**31,489**	41,088	**-**	-
Other non-financial assets	**31,489**	41,088	**-**	-
Current:				
Prepayments and other non-financial assets	**161,266**	266,524	**267**	703
Tax recoverables	**158,794**	131,369	**-**	-
Advances for property, plant and equipment	**182,526**	233,696	**1,079**	1,220
Advances for acquisition of a subsidiary	**-**	14,168	**-**	-
Advances to suppliers	**975,415**	676,579	**-**	-
Other non-financial assets	**1,478,001**	1,322,336	**1,346**	1,923

21. OTHER FINANCIAL RECEIVABLES OTHER NON-FINANCIAL ASSETS (CONTINUED)

Amounts due from subsidiaries, associates and related parties (non-current)

Other than the non-current non-trade receivables from associates and related parties, which bear interest rates from 2.3% to 4.2% (2013: 2.5% to 6.0%), 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.

The Company has provided impairment for amounts due from a subsidiary amounting to approximately US$26,200,000 (2013: US$26,200,000).

Amounts due from subsidiaries, associates and related parties (current)

The current non-trade receivables from subsidiaries, associates and related parties are unsecured, non-interest bearing and repayable on demand except for amounts due from associates and related parties of approximately US$167,705,000 (2013: US$180,938,000) and US$3,034,000 (2013: US$6,477,000) respectively, which bear interest ranging from 2.8% to 10.0% (2013: 3.0% to 9.5%) per annum. These are expected to be settled in cash.

The Company has provided impairment for amounts due from subsidiaries amounting to approximately US$17,360,000 (2013: US$18,100,000).

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 amounts of approximately US$71,514,000 (2013: US$29,237,000), which bear interest ranging from 6.0% to 7.5% (2013: 5.6% to 6.0%) per annum and are expected to be settled in cash.

The non-current loans to non-controlling shareholders bear interest at US Prime rate and are expected to be settled in cash within 2 years. These loans are secured over the non-controlling shareholders' interests in the subsidiaries.

Advances to suppliers

Included in the advances to suppliers is an amount of approximately US$200,000,000 paid to a related party for the purchase of commodities.

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 2.0% to 6.6% (2013: 1.5% to 6.5%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US$1,221,000,000 (2013: US$812,889,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2014	2013
	US$'000	US$'000
Balance Sheet		
At cost:		
Raw materials	**2,558,803**	2,626,462
Consumables	**364,235**	390,539
Finished goods	**2,005,190**	2,373,332
Stock in transit	**277,364**	369,673
	5,205,592	5,760,006
At net realisable value:		
Raw materials	**545,933**	453,091
Consumables	**5,095**	6,464
Finished goods	**824,400**	1,001,388
	1,375,428	1,460,943
	6,581,020	7,220,949
Income Statement		
Inventories recognised as an expense in cost of sales	**35,250,069**	35,991,239
- Addition/(write back) of provision for net realisable value	**15,395**	(10,564)

23. TRADE RECEIVABLES

	Group	
	2014	2013
	US$'000	US$'000
Trade receivables	**2,746,049**	2,719,472
Notes receivables	**178,923**	320,010
Value added tax recoverable	**644,353**	574,434
Amounts due from associates - trade	**460,872**	446,102
Amounts due from related parties - trade	**20,877**	30,099
	4,051,074	4,090,117
Less: Allowance for doubtful receivables	**(6,275)**	(5,438)
	4,044,799	4,084,679

Trade receivables, including amounts due from associates and related parties, are non-interest bearing and the average turnover is 33 days (2013: 32 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Notes receivables are non-interest bearing and have a maturity period ranging from 1 to 180 days for the financial years ended 31 December 2014 and 31 December 2013.

The Group has pledged trade receivables amounting to approximately US$185,100,000 (2013: US$67,489,000) as security for bank borrowings.

23. TRADE RECEIVABLES (CONTINUED)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to approximately US$533,415,000 (2013: US$670,032,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2014	2013
	US$'000	US$'000
Trade receivables past due but not impaired:		
Less than 30 days	**316,470**	388,034
30 - 60 days	**100,048**	111,985
61 - 90 days	**26,172**	25,474
91 - 120 days	**17,221**	24,045
More than 120 days	**73,504**	120,494
	533,415	670,032

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance account:

	Group	
	2014	2013
Individually impaired	US$'000	US$'000
At 1 January	**(5,438)**	(22,119)
Additional allowance during the year	**(1,400)**	(2,132)
Bad debts written off against allowance	**359**	18,115
Currency translation differences	**204**	698
At 31 December	**(6,275)**	(5,438)

The above trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Loans and receivables

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Trade receivables	**4,044,799**	4,084,679	**-**	-
Other financial receivables - current	**3,995,132**	2,981,170	**3,045,721**	1,966,454
Other financial receivables - non-current	**293,974**	421,194	**305,483**	258,430
Total cash and bank balances	**7,399,187**	11,735,423	**503**	873
Loans and receivables	**15,733,092**	19,222,466	**3,351,707**	2,225,757

24. OTHER BANK DEPOSITS
CASH AND BANK BALANCES

	Group	
	2014	2013
	US$'000	US$'000
Fixed deposits pledged with financial institutions for bank facilities	**4,271,699**	8,493,133
Other deposits with maturity more than 3 months	**1,180,392**	842,045
Other bank deposits	**5,452,091**	9,335,178

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Cash at banks and on hand	**1,392,794**	2,102,031	**503**	873
Short term and other deposits	**554,302**	298,214	**-**	-
Cash and bank balances	**1,947,096**	2,400,245	**503**	873

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 3.3% (2013: 3.4%) per annum.

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Other bank deposits	**5,452,091**	9,335,178	**-**	-
Cash and bank balances	**1,947,096**	2,400,245	**503**	873
Total cash and bank balances	**7,399,187**	11,735,423	**503**	873

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

	Group	
	2014	2013
	US$'000	US$'000
Cash and bank balances	**1,947,096**	2,400,245
Bank overdrafts	**(246,048)**	(163,013)
Cash and cash equivalents	**1,701,048**	2,237,232

25. TRADE PAYABLES

	Group	
	2014	2013
	US$'000	US$'000
Trade payables	**1,414,072**	1,050,028
Value added tax payable	**30,346**	47,730
Amounts due to associates - trade	**149,881**	82,971
Amounts due to related parties - trade	**152,621**	222,383
	1,746,920	1,403,112

Trade payables, including amounts due to associates and related parties, are non-interest bearing and the average turnover is 12 days (2013: 12 days).

Total financial liabilities

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Trade payables	**1,746,920**	1,403,112	**-**	-
Other financial payables - current	**1,191,558**	1,302,124	**1,250,932**	106,158
Other financial payables - non-current	**28,282**	38,792	**-**	-
Loans and borrowings	**22,362,326**	26,195,574	**420,196**	270,358
Total financial liabilities carried at amortised cost	**25,329,086**	28,939,602	**1,671,128**	376,516

26. OTHER FINANCIAL PAYABLES OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Current:				
Advances from non-controlling shareholders of subsidiaries	**59,944**	93,796	**-**	-
Accrued operating expenses	**607,837**	660,147	**10,355**	10,394
Amounts due to subsidiaries - non-trade	**-**	-	**1,225,475**	86,036
Amounts due to associates - non-trade	**102,996**	57,613	**14,360**	9,261
Amounts due to related parties - non-trade	**8,230**	8,250	**89**	90
Deposits from third parties	**124,100**	144,775	**-**	-
Payable for property, plant and equipment	**67,619**	83,630	**-**	-
Other tax payables	**12,581**	19,302	**-**	-
Other payables	**208,251**	234,611	**653**	377
Other financial payables	**1,191,558**	1,302,124	**1,250,932**	106,158
Non-current:				
Advances from non-controlling shareholders of subsidiaries	**27,627**	38,792	**-**	-
Other payables	**655**	-	**-**	-
Other financial payables	**28,282**	38,792	**-**	-
Current:				
Advances from customers and others	**393,892**	494,308	**-**	-
Other non-financial liabilities	**393,892**	494,308	**-**	-
Non-current:				
Provision for employee gratuity	**58,204**	45,239	**-**	-
Deferred income - government grants	**34,706**	43,602	**-**	-
Other non-financial liabilities	**92,910**	88,841	**-**	-

The current amounts due to subsidiaries by the Company and the current amounts due to associates and related parties by the Group are unsecured, non-interest bearing and repayable on demand except for amounts due to associates of approximately US$24,219,000, which bear interest rate at 4.3%. These 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$23,415,000, which bear interest rates from 2.8% to 3.5%. These are expected to be settled in cash.

There are no unfulfilled conditions or contingencies attached to the deferred government grants.

27. LOANS AND BORROWINGS

	Note	Maturity	Weighted average interest rate 2014 %	Weighted average interest rate 2013 %	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Current:								
Bank term loans	(a)	**2015**	**2**	2	**2,699,781**	3,833,778	-	-
Short term/pre-shipment loans	(a)	**2015**	**3**	3	**6,089,449**	9,984,205	-	-
Trust receipts/bill discounts	(a)	**2015**	**2**	2	**6,168,876**	5,410,674	-	-
Bank overdrafts	(b)	**2015**	**3**	2	**246,048**	163,013	-	-
					15,204,154	19,391,670	-	-
Non-current:								
Bank term loans	(a)	**2016-2019**	**3**	2	**6,737,976**	6,533,546	-	-
Medium term notes	(c)	**2017-2021**	**4**	4	**420,196**	270,358	**420,196**	270,358
					7,158,172	6,803,904	**420,196**	**270,358**
Total loans and borrowings					**22,362,326**	26,195,574	**420,196**	**270,358**

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, biological assets, fixed deposits, trade receivables, other deposits with financial institutions and corporate guarantees from the Company and certain subsidiaries.

(b) Bank overdrafts

Certain bank overdrafts are secured by trade receivables and corporate guarantees from the Company.

(c) Medium term notes

During the financial year ended 31 December 2012, the Company issued a 5-year Medium Term Note of S$250 million at a fixed rate of 3.50% per annum and a 7-year Medium Term Note of S$100 million at a fixed rate of 4.10% per annum.

The Company issued the following notes during the financial year ended 31 December 2014:
- on 17 April 2014, a 7-year Medium Term Note of HK$300 million at a fixed rate of 4.70% per annum; and
- on 17 July 2014, a 7-year Medium Term Note of Euro 100 million at a fixed rate of 3.03% per annum.

(d) The bank facilities, up to a limit of approximately US$11,292,036,000 (2013: US$8,332,291,000), are guaranteed by the Company and certain subsidiaries.

27. LOANS AND BORROWINGS (CONTINUED)

(e) The Group has bank loans and other bank deposits amounting to approximately US$7,497,348,000 (2013: US$4,489,708,000), disclosed off-balance sheet for the financial year ended 31 December 2014 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.

28. SHARE CAPITAL TREASURY SHARES

(a) Share capital

	Group		Company	
	Number of Shares		**Number of Shares**	
	'000	US$'000	'000	US$'000
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	**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 2013	(7,258)	(17,440)
Reissued pursuant to employee share option plans:		
- For cash on exercise of employee share options	2,934	5,760
- Transferred from employee share option reserve	-	3,196
- Transferred to general reserve on reissuance of treasury shares	-	(1,903)
	2,934	7,053
At 31 December 2013 and 1 January 2014	**(4,324)**	**(10,387)**
Acquired during the financial year	**(3,779)**	**(8,895)**
At 31 December 2014	**(8,103)**	**(19,282)**

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

The Company acquired 3,779,000 (2013: Nil) shares in the Company through purchases on the Singapore Exchange Securities Trading Limited during the financial year. The total amount paid to acquire the shares was approximately US$8,895,000 (2013: Nil) and this was presented as a component within shareholders' equity.

29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2014	2013	**2014**	2013
	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	**(228,373)**	241,745	**-**	-
General reserve	**242,139**	236,493	**1,989**	1,989
Equity transaction reserve	**(176,829)**	(146,320)	**-**	-
Hedging reserve	**95,973**	(61,196)	**-**	-
Employee share option reserve	**86,871**	75,695	**86,871**	75,695
Fair value reserve	**52,239**	(6,155)	**-**	-
Total other reserves	**(1,711,911)**	(1,443,669)	**234,239**	223,063

(b) Movements:

(i) Capital reserve

	Group		Company	
	2014	2013	**2014**	2013
	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 shares granted to employees and the equity component of convertible bonds.

Capital reserve arising from granting of 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	
	2014	2013
	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.

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(iii) Foreign currency translation reserve

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**241,745**	559,450
Currency translation differences of foreign operations	**(470,005)**	(316,464)
Disposal of subsidiaries	**(113)**	(1,241)
At 31 December	**(228,373)**	241,745

(iv) General reserve

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
At 1 January	**236,493**	215,255	**1,989**	86
Transferred from retained earnings	**10,148**	17,782	**-**	-
Gain on reissuance of treasury shares	**-**	1,903	**-**	1,903
(Loss)/gain on remeasurement of defined benefit plan	**(4,502)**	1,553	**-**	-
At 31 December	**242,139**	236,493	**1,989**	1,989

(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.

(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 on reissuance of treasury shares reserve represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares.

(d) (Loss)/gain on remeasurement 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 profit or loss in subsequent periods.

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(v) Equity transaction reserve

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**(146,320)**	(160,833)
Acquisition of additional interest in subsidiaries	**(12,572)**	(4,611)
Dilution of interest in subsidiaries	**(17,937)**	19,124
At 31 December	**(176,829)**	(146,320)

(vi) Hedging reserve

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**(61,196)**	38,287
Fair value adjustment on cash flow hedges	**128,672**	(135,338)
Recognised in the income statement on derivatives contracts realised	**28,497**	35,855
At 31 December	**95,973**	(61,196)

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	
	2014	2013
	US$'000	US$'000
At 1 January	**75,695**	68,704
Grant of equity-settled share options	**15,165**	10,187
Expiry of employee share options transfer to retained earnings	**(3,989)**	-
Reissuance of treasury shares pursuant to exercise of equity-settled share options	**-**	(3,196)
At 31 December	**86,871**	75,695

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.

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(viii) Fair value reserve

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**(6,155)**	(11,994)
Fair value adjustment on available-for-sale financial assets	**58,394**	29,839
Recognised in the income statement on disposal of available-for-sale financial assets	**-**	(24,000)
At 31 December	**52,239**	(6,155)

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

30. PROVISION FOR EMPLOYEE GRATUITY

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

	Group	
	2014	2013
Discount rate	**8.5 % per annum**	9% per annum
Wages and salaries increase	**8% per annum**	8% - 10% per annum
Retirement age	**55 years of age**	55 years of age
Mortality rate	**TMI 2011**	CSO - 1980
Method	**Projected unit credit**	Projected unit credit

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

	Group	
	2014	2013
	US$'000	US$'000
Current service costs	**6,235**	8,767
Adjustment of new entrant employees/transfers	**2,744**	2,818
Interest costs	**3,924**	3,066
Curtailment loss	**(955)**	(1,131)
Others	**19**	(209)
	11,967	13,311

30. PROVISION FOR EMPLOYEE GRATUITY (CONTINUED)

The details of the provision for employee gratuity at the balance sheet date are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Present value of benefit obligation	**58,985**	46,170
Immediate recognition on effect of changes in actuarial assumption	**(937)**	(931)
Others	**156**	-
Provision for employee gratuity	**58,204**	45,239

Movement in provision for employee gratuity is as follows:

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**45,239**	47,047
Provision made for the year	**11,967**	13,311
Payments during the year	**(2,172)**	(1,192)
Currency translation differences	**(447)**	(9,317)
Disposal of subsidiaries	**(1,726)**	(2,171)
Remeasurements of defined benefit plan during the year	**5,748**	(2,345)
Others	**(405)**	(94)
At 31 December	**58,204**	45,239

31. EMPLOYEE BENEFITS

	Group	
	2014	2013
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**907,070**	919,108
Defined contribution plans	**92,181**	83,717
Share-based payments	**15,165**	10,187
Other short term benefits	**84,565**	82,006
Other long term benefits	**11,975**	13,358
	1,110,956	1,108,376
Less: Amount capitalised as biological assets	**(5,230)**	(7,585)
	1,105,726	1,100,791

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes

Wilmar ESOS 2000

The Wilmar ESOS 2000 which was approved by shareholders of the Company on 30 June 2000, was terminated on 29 April 2009 following the adoption of a new share option scheme. Options for a total of 18,170,000 shares were granted to executives of the Group pursuant to the Wilmar ESOS 2000 on 27 November 2008 and 9 December 2008 at the relevant Market Price as defined in the aforesaid scheme. All options were exercised, except for lapsed options of a total of 760,000 shares due to resignations, before their respective expiry dates in 2013. No options were granted to directors or controlling shareholders (and their associates) of the Company under the Wilmar ESOS 2000.

The options are exercisable in the following manner:

- After 1st anniversary of the date of grant – 50% of options granted
- After 2nd anniversary of the date of grant – the remaining 50% of options granted

Wilmar ESOS 2009

On 29 April 2009, a new share option scheme known as the "Wilmar Executives Share Option Scheme 2009" ("Wilmar ESOS 2009"), the rules of which were set out in a circular to shareholders dated 2 April 2009, was approved by the shareholders of the Company. This new scheme was adopted in substitution of the Wilmar ESOS 2000.

Under the Wilmar ESOS 2009, the option entitles eligible participants to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares on SGX-ST on the five trading days immediately preceding the date of the grant of the option ("Market Price") or at discount to the Market Price (up to a maximum of 20%).

The maximum number of shares (in respect of the options) that may be granted under the Wilmar ESOS 2009, after taking into account of (i) the total number of new shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares delivered in respect of options granted under all other share-based incentive schemes of the Company, shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company on the date immediately preceding the relevant date of grant.

The aggregate number of shares that may be granted to controlling shareholders (and their associates) of the Company shall not exceed 25% of the total number of shares available under the Wilmar ESOS 2009, provided that the number of shares available to each controlling shareholder or each of his associates shall not exceed 10% of the total number of shares available under the aforesaid scheme.

There is no restriction on the eligibility of any participant to participate in any other share-based incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

2009 Grant

On 21 May 2009, options for a total of 4,750,000 shares were granted to all directors (including two directors who were controlling shareholders on the date of grant) of the Company at S$4.50 per share (based on Market Price). Options for 2,300,000 shares, including options for 750,000 shares exercised by past directors, were exercised and the remaining options not exercised have expired on 21 May 2014. The options are valid for a term of five years from the date of grant, of which 50% are exercisable after the 1st anniversary and the remaining 50% after the 2nd anniversary of the date of grant.

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

2010 Grant

On 10 March 2010, the Company granted options to subscribe for a total of 25,705,000 shares at S$6.68 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of shares that were not exercised under this grant stood at 23,140,000, out of which options to subscribe for a total 1,000,000 shares held by past directors continue to be valid until the expiry period.

2012 Grant

On 12 July 2012, the Company granted options to subscribe for a total of 26,800,000 shares at S$3.63 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of outstanding option shares that were not exercised under this grant was 25,915,000.

2013 Grant

On 13 November 2013, the Company granted options to subscribe for a total of 49,315,000 shares at S$3.44 per share (based on Market Price) to directors and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2014 the number of outstanding option shares that were not exercised under this grant was 48,440,000.

All options granted under the 2010 Grant, 2012 Grant and 2013 Grant are valid for a term 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 1st anniversary of the date of grant – 33% of options granted
- After 2nd anniversary of the date of grant – 33% of options granted
- After 3rd anniversary of the date of grant – 34% of options granted

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

All options are exercisable after 1st anniversary of the date of grant.

As at 31 December 2014, the total number of shares exercisable under the options granted pursuant to the Wilmar ESOS 2009 was 97,495,000 shares (2013: 101,335,000 shares).

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Date of grant	Opening balance	Options granted	Options cancelled/ lapsed	Options exercised	Closing balance	Exercise price	Exercise period
2014							
Wilmar ESOS 2009							
21.05.2009	225,000	-	(225,000)	-	-	S$4.50	22.05.2010 to 21.05.2014
21.05.2009	2,025,000	-	(2,025,000)	-	-	S$4.50	22.05.2011 to 21.05.2014
	2,250,000	-	(2,250,000)	-	-		
10.03.2010	8,794,150	-	(186,450)	-	8,607,700	S$6.68	11.03.2011 to 10.03.2015
10.03.2010	7,344,150	-	(186,450)	-	7,157,700	S$6.68	11.03.2012 to 10.03.2015
10.03.2010	7,566,700	-	(192,100)	-	7,374,600	S$6.68	11.03.2013 to 10.03.2015
	23,705,000	-	(565,000)	-	23,140,000		
12.07.2012	9,496,700	-	(107,250)	-	9,389,450	S$3.63	13.07.2013 to 12.07.2017
12.07.2012	8,246,700	-	(107,250)	-	8,139,450	S$3.63	13.07.2014 to 12.07.2017
12.07.2012	8,496,600	-	(110,500)	-	8,386,100	S$3.63	13.07.2015 to 12.07.2017
	26,240,000	-	(325,000)	-	25,915,000		
13.11.2013	18,159,200	-	(231,000)	-	17,928,200	S$3.44	14.11.2014 to 13.11.2018
13.11.2013	15,259,200	-	(231,000)	-	15,028,200	S$3.44	14.11.2015 to 13.11.2018
13.11.2013	15,721,600	-	(238,000)	-	15,483,600	S$3.44	14.11.2016 to 13.11.2018
	49,140,000	-	(700,000)	-	48,440,000		
Total	101,335,000	-	(3,840,000)	-	97,495,000		

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Date of grant	Opening balance	Options granted	Options cancelled/ lapsed	Options exercised	Closing balance	Exercise price	Exercise period
2013							
Wilmar ESOS 2000							
27.11.2008	803,000	-	-	(803,000)	-	S$2.45	28.11.2009 to 26.11.2013
27.11.2008	2,096,500	-	(15,000)	(2,081,500)	-	S$2.45	28.11.2010 to 26.11.2013
09.12.2008	25,000	-	-	(25,000)	-	S$2.63	10.12.2009 to 08.12.2013
09.12.2008	25,000	-	-	(25,000)	-	S$2.63	10.12.2010 to 08.12.2013
	2,949,500	-	(15,000)	(2,934,500)	-		
Wilmar ESOS 2009							
21.05.2009	225,000	-	-	-	225,000	S$4.50	22.05.2010 to 21.05.2014
21.05.2009	2,025,000	-	-	-	2,025,000	S$4.50	22.05.2011 to 21.05.2014
	2,250,000	-	-	-	2,250,000		
10.03.2010	8,980,600	-	(186,450)	-	8,794,150	S$6.68	11.03.2011 to 10.03.2015
10.03.2010	7,530,600	-	(186,450)	-	7,344,150	S$6.68	11.03.2012 to 10.03.2015
10.03.2010	7,758,800	-	(192,100)	-	7,566,700	S$6.68	11.03.2013 to 10.03.2015
	24,270,000	-	(565,000)	-	23,705,000		
12.07.2012	9,681,500	-	(184,800)	-	9,496,700	S$3.63	13.07.2013 to 12.07.2017
12.07.2012	8,431,500	-	(184,800)	-	8,246,700	S$3.63	13.07.2014 to 12.07.2017
12.07.2012	8,687,000	-	(190,400)	-	8,496,600	S$3.63	13.07.2015 to 12.07.2017
	26,800,000	-	(560,000)	-	26,240,000		
13.11.2013	-	18,216,950	(57,750)	-	18,159,200	S$3.44	14.11.2014 to 13.11.2018
13.11.2013	-	15,316,950	(57,750)	-	15,259,200	S$3.44	14.11.2015 to 13.11.2018
13.11.2013	-	15,781,100	(59,500)	-	15,721,600	S$3.44	14.11.2016 to 13.11.2018
	-	49,315,000	(175,000)	-	49,140,000		
Total	56,269,500	49,315,000	(1,315,000)	(2,934,500)	101,335,000		

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

No options had been granted during the financial year ended 31 December 2014. The weighted average fair value of options granted during the financial year ended 2013 was S$0.73.

No options were exercised during the financial year ended 31 December 2014. The weighted average share price at the date of exercise of the options during the financial year ended 31 December 2013 was S$3.38.

The range of exercise prices for options outstanding at the end of the year was from S$3.44 to S$6.68 (2013: S$3.44 to S$6.68). The weighted average contractual life for these options was 2.6 years (2013: 3.6 years).

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, taking into account the terms and conditions upon which the options were granted. The inputs to the models used are as follows:

Grant year	2013	2012	2010
Dividend (S$ per share)	0.06	0.06	0.05
Expected volatility	0.29	0.44	0.55
Risk-free interest rate (% p.a.)	0.42 to 0.59	0.23 to 0.37	0.77 to 1.30
Expected life of option (years)	2.00	2.00	2.00
Weighted average share price at date of grant (S$)	3.47	3.53	6.86

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

32. 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	
	2014	2013
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**439,048**	672,717

32. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Operating lease commitments – as lessee

The Group has entered into commercial leases on certain premises and equipment. Future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Not later than one year	**21,227**	14,021
Later than one year but not later than five years	**34,660**	26,223
Later than five years	**25,481**	27,863
	81,368	68,107

(c) 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:

	2014	2013
	US$'000	US$'000
Committed contracts		
Purchase	**2,647,285**	2,507,209
Sales	**4,713,710**	4,502,518

(d) Commitments for the development of oil palm plantations

The Group has commitments in relation to the development of oil palm plantations amounting to approximately US$22,599,000 (2013: US$28,923,000).

(e) Corporate guarantees

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

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Subsidiaries	**-**	-	**10,462,288**	8,145,800
Associates	**476,927**	315,680	**460,176**	303,456
	476,927	315,680	**10,922,464**	8,449,256

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	
	2014	2013
	US$'000	US$'000
Related Parties		
Dividend income	**360**	627
Freight charges	**3,182**	3,445
Interest income	**386**	537
Other income	**256**	630
Other expense	**646**	1,752
Purchase of goods	**2,344,408**	3,011,561
Sales of goods	**1,039,972**	432,228
Ship charter income	**35,230**	23,254
Associates		
Dividend income	**44,811**	27,690
Freight charges	**179,503**	178,510
Interest expense	**1,032**	542
Interest income	**16,103**	11,204
Other income	**16,450**	14,226
Other expense	**14,510**	12,686
Purchase of goods	**1,664,212**	1,547,246
Sales of goods	**1,769,969**	1,966,516
Ship charter income	**74,203**	76,276

B. Compensation of key management personnel

	Group	
	2014	2013
	US$'000	US$'000
Defined contribution plans	**191**	132
Salaries and bonuses	**19,854**	20,423
Short term employee benefits (including grant of share options)	**4,805**	3,180
	24,850	23,735
<u>*Comprise amounts paid to:*</u>		
Directors of the Company	**10,784**	10,949
Other key management personnel	**14,066**	12,786
	24,850	23,735

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 2014 US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	**284,518**	**221,479**	**39,770**	**545,767**
Financial assets held for trading	**261,470**	**-**	**-**	**261,470**
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	**-**	**219,232**	**-**	**219,232**
- Futures, options, swap contracts, forward freight agreements and firm commitment contracts	**432,475**	**119,291**	**-**	**551,766**
At 31 December 2014	**978,463**	**560,002**	**39,770**	**1,578,235**
Non-financial assets:				
Biological assets	**-**	**-**	**1,860,821**	**1,860,821**
At 31 December 2014	**-**	**-**	**1,860,821**	**1,860,821**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	**-**	**225,880**	**-**	**225,880**
- Futures, options, swap contracts and firm commitment contracts	**243,976**	**115,877**	**-**	**359,853**
At 31 December 2014	**243,976**	**341,757**	**-**	**585,733**

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

	Group 2013 US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	126,100	136,501	43,284	305,885
Financial assets held for trading	257,135	-	-	257,135
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	-	77,040	-	77,040
- Futures, options, swap contracts, forward freight agreements and firm commitment contracts	137,005	31,696	-	168,701
At 31 December 2013	520,240	245,237	43,284	808,761
Non-financial assets:				
Biological assets	-	-	1,879,671	1,879,671
At 31 December 2013	-	-	1,879,671	1,879,671
Liabilities measured at fair value				
Financial liabilities:				
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	-	272,653	-	272,653
- Futures, options, swap contracts, forward freight agreements and firm commitment contracts	175,354	40,321	-	215,675
At 31 December 2013	175,354	312,974	-	488,328

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

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).

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 34B, 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.
• Unquoted non-equity instruments	The fair value is determined by reference to valuation provided by non-related fund managers.
• 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, firm commitment contracts and forward freight agreements	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 valuations by an independent professional valuer using discounted cash flows of the underlying biological assets. Please refer to Note 14(e) for more details.

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 US$'000		
	Available-for-sale financial assets	**Biological assets**	**Total**
At 1 January 2013	50,405	1,970,311	2,020,716
Total loss recognised in the income statement			
- Net loss arising from changes in fair value of biological assets	-	(8,554)	(8,554)
Total loss recognised in other comprehensive income			
- Foreign currency translation	(7,121)	(45,638)	(52,759)
Movement in biological assets (Note 14)	-	(36,448)	(36,448)
At 31 December 2013 and 1 January 2014	**43,284**	**1,879,671**	**1,922,955**
Total loss recognised in the income statement			
- Net loss arising from changes in fair value of biological assets	**-**	**(7,976)**	**(7,976)**
Total loss recognised in other comprehensive income			
- Foreign currency translation	**(3,514)**	**(47,017)**	**(50,531)**
Movement in biological assets (Note 14)	**-**	**36,143**	**36,143**
At 31 December 2014	**39,770**	**1,860,821**	**1,900,591**

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2014 and 31 December 2013.

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			
	2014		2013	
	US$'000		US$'000	
	Carrying amount	**Effect of reasonably possible alternative assumptions**	Carrying amount	Effect of reasonably possible alternative assumptions
Available-for-sale financial assets				
- Quoted equity instruments	**39,770**	**-**	43,284	-

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.

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			
	2014		2013	
	US$'000		US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**293,974**	**#**	421,194	#
Equity instruments, at cost	**46,478**	*****	111,512	*
Financial liabilities:				
Other financial payables	**28,282**	**#**	38,792	#

	Company			
	2014		2013	
	US$'000		US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**305,483**	**#**	258,430	#

Fair value information has not been disclosed for these financial instruments because fair value cannot be measured reliably.

* Fair value information has not been disclosed for the Group's investments in equity instruments that are carried at cost because fair value cannot be measured reliably. These equity instruments represent ordinary shares in the companies that are not quoted on any market and do not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

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 2014 and 31 December 2013.

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 Executive Directors 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.

(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 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

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 financial 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 doubtful receivables) at the balance sheet date is as follows:

	Group			
	2014		2013	
	US$'000	%	US$'000	%
By country:				
South East Asia	**1,229,474**	**30**	942,147	23
People's Republic of China	**1,298,700**	**32**	1,483,788	37
India	**210,793**	**5**	208,343	5
Europe	**336,861**	**8**	296,487	7
Australia/New Zealand	**305,480**	**8**	376,860	9
Africa	**195,752**	**5**	130,622	3
Others	**467,739**	**12**	646,432	16
	4,044,799	**100**	4,084,679	100

	Group			
	2014		2013	
	US$'000	%	US$'000	%
By segment:				
Palm and Laurics	**1,865,245**	**46**	2,009,996	49
Oilseeds and Grains	**921,724**	**23**	1,024,611	25
Consumer Products	**270,512**	**7**	269,315	7
Plantations and Palm Oil Mills	**45,001**	**1**	33,093	1
Sugar				
- Milling	**207,327**	**5**	261,266	6
- Merchandising and Processing	**354,058**	**9**	239,306	6
Others	**380,932**	**9**	247,092	6
	4,044,799	**100**	4,084,679	100

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, available-for-sale financial assets, financial assets held for trading 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 either past due or impaired

Information regarding financial assets that are either past due or 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.

	2014 US$'000				2013 US$'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:								
Available-for-sale financial assets	**-**	**592,245**	**-**	**592,245**	-	417,397	-	417,397
Financial assets held for trading	**261,470**	**-**	**-**	**261,470**	257,135	-	-	257,135
Trade and other financial receivables	**8,116,910**	**308,415**	**-**	**8,425,325**	7,153,120	447,303	-	7,600,423
Derivative financial instruments	**755,826**	**15,172**	**-**	**770,998**	239,829	5,912	-	245,741
Total cash and bank balances	**7,517,493**	**-**	**-**	**7,517,493**	12,485,798	-	-	12,485,798
Total undiscounted financial assets	**16,651,699**	**915,832**	**-**	**17,567,531**	20,135,882	870,612	-	21,006,494

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2014 US$'000				2013 US$'000			
	Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Group								
Financial liabilities:								
Trade and other financial payables	**2,940,349**	**28,282**	**-**	**2,968,631**	2,705,236	38,792	-	2,744,028
Derivative financial instruments	**538,242**	**47,491**	**-**	**585,733**	486,612	1,716	-	488,328
Loans and borrowings	**15,298,074**	**7,328,995**	**163,026**	**22,790,095**	19,441,088	7,063,360	77,245	26,581,693
Total undiscounted financial liabilities	**18,776,665**	**7,404,768**	**163,026**	**26,344,459**	22,632,936	7,103,868	77,245	29,814,049
Total net undiscounted financial liabilities	**(2,124,966)**	**(6,488,936)**	**(163,026)**	**(8,776,928)**	(2,497,054)	(6,233,256)	(77,245)	(8,807,555)

	2014 US$'000				2013 US$'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:								
Trade and other financial receivables	**3,046,548**	**305,483**	**-**	**3,352,031**	1,968,400	258,593	-	2,226,993
Total cash and bank balances	**503**	**-**	**-**	**503**	873	-	-	873
Total undiscounted financial assets	**3,047,051**	**305,483**	**-**	**3,352,534**	1,969,273	258,593	-	2,227,866
Financial liabilities:								
Trade and other financial payables	**1,250,932**	**-**	**-**	**1,250,932**	106,158	-	-	106,158
Loans and borrowings	**-**	**257,170**	**163,026**	**420,196**	-	193,113	77,245	270,358
Total undiscounted financial liabilities	**1,250,932**	**257,170**	**163,026**	**1,671,128**	106,158	193,113	77,245	376,516
Total net undiscounted financial assets/ (liabilities)	**1,796,119**	**48,313**	**(163,026)**	**1,681,406**	1,863,115	65,480	(77,245)	1,851,350

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Group 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.

	2014				2013			
	US$'000				US$'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	**199,251**	**277,676**	**-**	**476,927**	134,716	180,964	-	315,680
Company								
Financial guarantees	**2,232,609**	**8,651,172**	**38,683**	**10,922,464**	3,255,400	5,193,856	-	8,449,256

(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 associates, related parties and non-controlling shareholders of subsidiaries and fixed deposits with financial institutions.

At the balance sheet date, if the interest rates had been 50 (2013: 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$85,596,000 (2013: US$81,459,000), 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 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) 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 Group entities in consultation with Group Treasury 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 and Vietnam. 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% (2013: 5%) strengthening of the United States dollar against the following currencies at the balance sheet date would have increased/(decreased) profit before tax and equity by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax		Equity (Hedging Reserve)	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
Chinese Renminbi	**(30,567)**	(98,275)	**63,808**	67,061
Malaysian Ringgit	**(6,815)**	12,193	**(12,559)**	(29,457)
Indonesian Rupiah	**(12,612)**	7,501	**(6,798)**	(16,603)
Others	**8,472**	(48,222)	**(3,698)**	(5,630)

(e) Commodity price risk

The price 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 subject to price fluctuations in the commodities market.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise their 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) *Commodity price risk (continued)*

At the balance sheet date, a 5% (2013: 5%) 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	
	2014	2013
	US$'000	US$'000
Effect of increase in commodities price indices on		
Profit before tax	**(91,137)**	(150,304)
Equity (hedging reserve)	**(61,869)**	(20,697)
Effect of decrease in commodities price indices on		
Profit before tax	**91,137**	150,304
Equity (hedging reserve)	**61,869**	20,697

(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 quoted equity instruments. These instruments are classified as financial assets held for trading or available-for-sale financial assets.

<u>Sensitivity analysis for equity price risk</u>

At the balance sheet date, if the market price had been 5% (2013: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US$13,073,000 (2013: US$12,648,000) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments, and the Group's other reserves in equity would have been approximately US$14,229,000 (2013: US$6,306,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale financial assets.

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 shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

36. CAPITAL MANAGEMENT (CONTINUED)

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	
	2014	2013
	US$'000	US$'000
Shareholders' funds	**15,494,934**	15,004,826
Loans and borrowings	**22,362,326**	26,195,574
Less: Cash and bank balances	**(7,399,187)**	(11,735,423)
Less: Other deposits with financial institutions - current	**(2,907,602)**	(2,013,662)
Net debt	**12,055,537**	12,446,489
Net gearing ratio (times)	**0.78**	0.83

(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	
	2014	2013
	US$'000	US$'000
Shareholders' funds	**15,494,934**	15,004,826
Liquid working capital:		
Inventories (excluding consumables)	**6,211,690**	6,823,946
Trade receivables	**4,044,799**	4,084,679
Less: Current liabilities (excluding loans and borrowings)	**(3,992,978)**	(3,799,747)
Total liquid working capital	**6,263,511**	7,108,878
Adjusted net debt	**5,792,026**	5,337,611
Adjusted net gearing ratio (times)	**0.37**	0.36

37. SEGMENT INFORMATION

Reporting format

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable operating segments as follows:

Palm and Laurics

This segment comprises the merchandising and processing of palm oil and laurics related products. Processing includes refining, fractionation and other down-stream processing.

Oilseeds and Grains

This segment comprises the merchandising and processing of a wide range of edible oils, oilseeds and grains from the crushing and milling, further processing and refining of soybean as well as other oilseeds and grains.

Consumer Products

This segment comprises packaging and sales of consumer pack edible oils, rice, flour, grains and others.

Plantations and Palm Oil Mills

This segment comprises oil palm cultivation and milling.

Sugar

Milling

This segment comprises milling of sugar cane to produce raw sugar and also by-products, such as molasses and ethanol.

Merchandising & Processing

This segment comprises the merchandising and processing of sugar and its related products. The processing of sugar produces food-grade products such as white sugar, brown sugar, caster sugar and syrups.

Others

This segment includes the manufacturing and distribution of fertiliser products and ship-chartering services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, 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.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax, deferred tax assets and liabilities, loans and borrowings, corporate assets and related expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

37. SEGMENT INFORMATION (CONTINUED)

2014

	Palm and Laurics US$'000	Oilseeds and Grains US$'000	Consumer Products US$'000	Plantations and Palm Oil Mills US$'000	Sugar Milling US$'000	Sugar Merchandising and Processing US$'000	Others US$'000	Eliminations US$'000	Per Consolidated Financial Statements US$'000
Revenue:									
Sales to external customers	19,785,488	11,017,117	6,967,629	70,963	938,016	3,122,302	1,183,360	-	43,084,875
Inter-segment	482,762	3,464,162	336	1,436,893	2	55	1,193,721	(6,577,931)	-
Total revenue	20,268,250	14,481,279	6,967,965	1,507,856	938,018	3,122,357	2,377,081	(6,577,931)	43,084,875
Results:									
Segment results	588,125	86,692	261,763	381,087	(13,700)	148,086	19,993	-	1,472,046
Share of results of associates	5,440	64,328	1,218	4,687	12,557	(12,635)	5,102	-	80,697
Unallocated expenses									(15,165)
Profit before tax									1,537,578
Income tax expense									(313,674)
Profit after tax									1,223,904
Assets and Liabilities:									
Segment assets	13,200,314	14,109,476	5,680,038	4,533,937	1,614,528	1,522,656	8,537,103	(8,155,689)	41,042,363
Investment in associates	368,191	1,138,248	31,917	108,479	300,014	37,390	168,957	-	2,153,196
Unallocated assets									362,602
Total assets									43,558,161
Segment liabilities	11,507,477	11,321,906	2,877,715	303,423	2,144,570	1,244,150	4,737,873	(8,155,689)	25,981,425
Unallocated liabilities									1,165,935
Total liabilities									27,147,360
Other segment information									
Additions to non-current assets	361,597	203,601	106,383	103,832	163,423	48,556	378,096	-	1,365,488
Depreciation, impairment and amortisation	203,491	159,296	46,166	56,874	97,629	30,177	66,783	-	660,416
Finance income	317,827	377,879	93,242	8,950	1,124	4,037	154,722	(357,301)	600,480
Finance cost	(319,190)	(247,472)	(121,008)	(4,888)	(26,879)	(12,645)	(176,076)	357,301	(550,857)#

 # Including non-operating finance costs amounting to approximately US$27,802,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

37. SEGMENT INFORMATION (CONTINUED)

2013	Palm and Laurics	Oilseeds and Grains	Consumer Products	Plantations and Palm Oil Mills	Milling	Sugar Merchandising and Processing	Others	Eliminations	Per Consolidated Financial Statements
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue:									
Sales to external customers	19,456,572	11,678,714	7,554,963	62,597	999,975	2,964,052	1,368,128	-	44,085,001
Inter-segment	469,389	1,953,112	336	1,369,552	66,946	281	1,298,779	(5,158,395)	-
Total revenue	19,925,961	13,631,826	7,555,299	1,432,149	1,066,921	2,964,333	2,666,907	(5,158,395)	44,085,001
Results:									
Segment results	855,698	231,714	219,412	269,707	18,516	108,076	(21,268)	-	1,681,855
Share of results of associates	41,071	55,442	(1,370)	(181)	11,253	-	(2,392)	-	103,823
Unallocated expenses									(10,187)
Profit before tax									1,775,491
Income tax expense									(384,693)
Profit after tax									1,390,798
Assets and Liabilities:									
Segment assets	11,213,515	16,213,118	7,922,157	4,383,228	1,516,410	823,127	12,088,011	(9,914,021)	44,245,545
Investment in associates	373,678	1,123,327	4,135	107,976	279,153	-	147,056	-	2,035,325
Unallocated assets									350,925
Total assets									46,631,795
Segment liabilities	9,622,911	13,845,270	4,966,390	308,898	1,708,300	806,864	8,396,109	(9,914,021)	29,740,721
Unallocated liabilities									1,004,253
Total liabilities									30,744,974
Other segment information									
Additions to non-current assets	540,572	301,456	80,228	130,552	102,307	42,867	249,711	-	1,447,693
Depreciation, impairment and amortisation	166,303	157,324	40,467	50,839	85,391	41,663	66,916	-	608,903
Finance income	253,460	371,774	144,108	10,678	1,565	5,250	138,702	(404,822)	520,715
Finance cost	(277,884)	(288,320)	(179,583)	(5,473)	(25,688)	(21,011)	(174,763)	404,822	(567,900)#

 # Including non-operating finance costs amounting to approximately US$28,802,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

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 items are deducted from segment results to arrive at "Profit before tax" presented in the consolidated income statement:

	2014 US$'000	2013 US$'000
Share-based payments (executive share options)	**(15,165)**	(10,187)
	(15,165)	(10,187)

C Additions to non-current assets consist of additions to property, plant and equipment, intangible assets and biological assets.

D The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	2014 US$'000	2013 US$'000
Deferred tax assets	**203,808**	219,556
Tax recoverable	**158,794**	131,369
	362,602	350,925

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

	2014 US$'000	2013 US$'000
Deferred tax liabilities	**623,373**	620,304
Tax payable	**122,366**	113,591
Medium term notes	**420,196**	270,358
	1,165,935	1,004,253

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	
	2014	2013	**2014**	2013
	US$'000	US$'000	US$'000	US$'000
South East Asia	**10,024,158**	9,645,254	**8,329,102**	8,152,648
People's Republic of China	**19,621,981**	22,000,210	**7,012,578**	7,011,523
India	**1,462,619**	1,244,612	**133,153**	67,185
Europe	**3,390,131**	3,479,008	**308,316**	347,042
Australia / New Zealand	**1,723,797**	1,800,170	**1,705,404**	1,861,522
Africa	**2,036,050**	1,502,916	**637,146**	604,841
Others	**4,826,139**	4,412,831	**105,802**	102,648
	43,084,875	44,085,001	**18,231,501**	18,147,409

Non-current assets information presented above consists of property, plant and equipment, investment in associates, plasma investments, biological assets, intangible assets and other receivables as presented in the consolidated balance sheet.

38. DIVIDENDS

	Group and Company	
	2014	2013
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final tax-exempt (one-tier) dividend for 2013: S$0.055 (2012: S$ 0.03) per share	**280,143**	155,142
- Interim tax-exempt (one-tier) dividend for 2014: S$0.02 (2013: S$0.025) per share	**102,755**	125,492
	382,898	280,634
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 2014: S$0.055 (2013: S$0.055) per share	**266,309**	278,661

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 2014 %	2013 %
Cai Lan Oils & Fats Industries Company Ltd (3)	Vietnam	Manufacture and sale of vegetable oils and related products	**76**	68
Equatorial Trading Limited (2) & its subsidiaries	Malaysia	Investment holding and trading in vegetable oils	**78+**	78+
PGEO Group Sdn Bhd (2) & its subsidiaries	Malaysia	Investment holding, processing, manufacture and sale of edible oils and related products	**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 and provision of air transportation services	**100**	100
PT AMP Plantation (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Buluh Cawang Plantations (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Kencana Sawit Indonesia (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Multimas Nabati Asahan (2)	Indonesia	Edible oils refining	**100**	100
PT Mustika Sembuluh (2)	Indonesia	Oil palm cultivation and palm oil milling	**90**	90
PT Perkebunan Milano (2)	Indonesia	Palm oil milling and oil palm cultivation	**100**	100
PT Sinar Alam Permai (2)	Indonesia	Edible oils refining	**100**	100
PT Wilmar Nabati Indonesia (2)	Indonesia	Edible oils refining	**100**	100
Wilmar Africa Limited (2) & its subsidiary	Ghana	General trading in agricultural products, oil palm plantations and manufacturing of crude palm oil	**67+**	57+
Wilmar Sugar Australia Limited (2) & its subsidiaries	Australia	Investment holding, processing and merchandising of sugar products, distilling ethanol and distribution of it, its by-products and packaged oils	**100**	100

39. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest	
			2014	2013
			%	%
Wii Pte. Ltd. (1)	Singapore	Finance and treasury centre	**100**	100
Wilmar China Limited (2) & its subsidiaries	Hong Kong	Investment holding, processing and merchandising of oilseeds, edible oils and grains	**100**	100
Wilmar Europe Holdings B.V. (2) & its subsidiaries	The Netherlands	Investment holding, manufacturing, trading and sale of edible oil products	**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

(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. ASSOCIATES OF THE GROUP

The following is the list of the significant associates of the Group.

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Adani Wilmar Limited (3)	India	Manufacturing and trading of edible and non-edible oils and trading of various agro based products	**50**	50
Bidco Uganda Limited (3)	Uganda	Manufacture and sale of edible vegetable oils, fats and soaps	**39**	39
Changshu Luhua Edible Oil Co., Ltd (3)	People's Republic of China	Edible oils refining and packaging	**33+**	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 sugar cane and sugar beet, refining of imported raw sugar and marketing and distribution of such products	**28+**	28+
DelMar Pte. Ltd. (1)	Singapore	Investment holding	**48**	48
FFM Berhad (3)	Malaysia	Investment holding, grains trading, flour milling, feed milling and bakery products manufacturing	**20**	20
Galaxy Shipping Ltd (4)	British Virgin Islands	Ship owning & chartering	**50**	50
Global Amines Company Pte. Ltd. (1)	Singapore	Investment holding and production and sale of fatty amines and selected amine derivatives	**50**	50
Josovina Commodities Pte Ltd (3)	Singapore	Investment holding and vegetable oils trading	**50**	50
Kencana Agri Limited (3)	Singapore	Investment holding	**20**	20
Lahad Datu Edible Oils Sdn Bhd (2)	Malaysia	Edible oils refining and palm kernel crushing	**45**	45
Laiyang Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Nauvu Investments Pte. Ltd. (1)	Singapore	Invesment holding	**50**	50
Sethal Holdings Limited (3)	Cyprus	Invesment holding	**48**	48

40. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Shandong Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Shree Renuka Sugars Limited (3)	India	Refining of raw sugar, production of sugar & ethanol derived from sugarcane, sale, distribution, trading and/or branding of sugar & ethanol and generation, distribution, sale and trading of electricity/power	**28+**	-
TSH-Wilmar Sdn. Bhd. (2)	Malaysia	Palm oil refining and kernel crushing	**50**	50
Wilmar Gavilon Pty Ltd (2)	Australia	Commodity trading and importer and distributor of edible oils	**50**	50
Xiang Yang Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**33**	33
Zhoukou Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**49**	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

(4) Not required to be audited by the law of its country of incorporation

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

41. SUBSEQUENT EVENTS

On 28 April 2014, the Group and First Pacific Company Limited ("First Pacific") proposed to acquire the entire issued share capital of Goodman Fielder Limited ("Goodman Fielder") by way of a scheme of arrangement ("Scheme"). This Scheme, which was approved by shareholders of Goodman Fielder, was implemented on 17 March 2015. Accordingly, the Group and First Pacific now hold all of the issued shares in Goodman Fielder.

42. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 20 March 2015.

SHARE CAPITAL AS AT 10 MARCH 2015

Number of Shares (excluding treasury shares)	: 6,395,298,606
Number of Shareholders	: 27,459
Number of Treasury Shares Held	: 8,102,500
Class of Shares	: Ordinary shares ("Shares")
Voting Rights	: One vote per share

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 to 99	57	0.21	1,117	0.00
100 to 1,000	4,725	17.21	4,194,335	0.07
1,001 to 10,000	17,586	64.04	79,336,907	1.24
10,001 to 1,000,000	5,010	18.25	222,861,633	3.48
1,000,001 and above	81	0.29	6,088,904,614	95.21
Total	**27,459**	**100.00**	**6,395,298,606**	**100.00**

SUBSTANTIAL SHAREHOLDERS

As at 10 March 2015

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total Interest	%
Kuok Khoon Hong(1)	500,000	766,101,168	766,601,168	11.99
Martua Sitorus(2)	4,988,000	505,321,242	510,309,242	7.98
Longhlin Asia Limited(3)	129,009,921	207,000,000	336,009,921	5.25
Golden Parklane Limited(4)	-	495,870,365	495,870,365	7.75
Archer Daniels Midland Company(5)	-	1,156,986,850	1,156,986,850	18.09
Archer Daniels Midland Asia-Pacific Limited(6)	425,625,280	374,961,795	800,587,075	12.52
ADM Ag Holding Limited	374,961,795	-	374,961,795	5.86
Global Cocoa Holdings Ltd	356,399,775	-	356,399,775	5.57
Kuok Brothers Sdn Berhad(7)	230,000	1,174,011,955	1,174,241,955	18.36
PPB Group Berhad	1,172,614,755	-	1,172,614,755	18.34
Kerry Group Limited (8)	-	639,958,201	639,958,201	10.01
Kerry Holdings Limited(9)	-	323,813,248	323,813,248	5.06

Notes:

1. Mr Kuok Khoon Hong is deemed to be interested in 179,204,971 Shares held by Hong Lee Holdings (Pte) Ltd, 230,461,271 Shares held by HPR Investments Limited, 13,630,073 Shares held by HPRY Holdings Limited, 336,009,921 Shares held by Longhlin Asia Limited, 6,650,932 Shares held by Pearson Investments Limited and 144,000 Shares held by Kuok Hock Swee & Sons Sdn Bhd.

2. Mr Martua Sitorus is deemed to be interested in 450,877 Shares held by his spouse, 51,267,514 Shares held by Bonoto Investments Limited, 174,801,372 Shares held by Bolney Enterprises Limited, 244,801,479 Shares held by Firefly Limited, 9,000,000 Shares held by Burlingham International Ltd and 25,000,000 Shares held by Success Premium Limited.

3. Longhlin Asia Limited is deemed to be interested in 207,000,000 Shares held in the names of nominee companies.

4. Golden Parklane Limited is deemed to be interested in 51,267,514 Shares held by Bonoto Investments Limited, 174,801,372 Shares held by Bolney Enterprises Limited, 244,801,479 Shares held by Firefly Limited and 25,000,000 Shares held by Success Premium Limited.

5. Archer Daniels Midland Company is deemed to be interested in 425,625,280 Shares held by Archer Daniels Midland Asia-Pacific Limited ("ADMAP"), 374,961,795 Shares held by ADM Ag Holding Limited ("ADM Ag") and 356,399,775 Shares held by Global Cocoa Holdings Ltd.

6. ADMAP is deemed to be interested in 374,961,795 Shares held by ADM Ag.

7. 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 and 23,000 Shares held by Hoe Sen (Mersing) Sdn Bhd.

8. Kerry Group Limited is deemed to be interested in 23,021,377 Shares held by Ace Time Holdings Limited, 10,979,049 Shares held by Alpha Model Limited, 500,000 Shares held by Athena Equities Holding Limited, 30,991,220 Shares held by Bright Magic Investments Limited, 593,899 Shares held by Crystal White Limited, 30,705,900 Shares held by Dalex Investments Limited, 256,211,778 Shares held by Harpole Resources Limited, 2,635,215 Shares held by Kerry Asset Management Limited, 7,755,853 Shares held by Macromind Investments Limited, 203,555 Shares held by Marsser Limited, 33,760,355 Shares held by Natalon Company Limited and 242,600,000 Shares held by Noblespirit Corporation.

9. Kerry Holdings Limited is deemed to be interested in 500,000 Shares held by Athena Equities Holding Limited, 30,705,900 Shares held by Dalex Investments Limited, 256,211,778 Shares held by Harpole Resources Limited, 2,635,215 Shares held by Kerry Asset Management Limited and 33,760,355 Shares held by Natalon Company Limited.

TWENTY LARGEST SHAREHOLDERS

As at 10 March 2015

(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	18.34
2.	Citibank Nominees Singapore Pte Ltd	570,268,456	8.92
3.	HSBC (Singapore) Nominees Pte Ltd	447,505,174	7.00
4.	Archer Daniels Midland Asia-Pacific Limited	425,625,280	6.66
5.	ADM Ag Holding Limited	374,961,795	5.86
6.	Global Cocoa Holdings Ltd	356,399,775	5.57
7.	Raffles Nominees (Pte) Ltd	322,224,728	5.04
8.	DBS Nominees Pte Ltd	318,661,557	4.98
9.	Kuok (Singapore) Limited	256,951,112	4.02
10.	Harpole Resources Limited	256,211,778	4.01
11.	Noblespirit Corporation	238,796,000	3.73
12.	DB Nominees (Singapore) Pte Ltd	215,145,598	3.36
13.	DBSN Services Pte Ltd	188,046,387	2.94
14.	Longhlin Asia Limited	129,009,921	2.02
15.	United Overseas Bank Nominees Pte Ltd	87,479,731	1.37
16.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	60,606,942	0.95
17.	RHB Bank Nominees Pte Ltd	60,000,000	0.94
18.	OCBC Securities Private Ltd	48,769,138	0.76
19.	BNP Paribas Securities Services Singapore Branch	38,624,077	0.60
20.	Hong Lee Holdings (Pte) Ltd	36,204,971	0.57
	Total	**5,604,107,175**	**87.64**

Shareholding Held By The Public

Based on the information available to the Company as at 10 March 2015, 28.33% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

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 held at Tower Ballroom, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on Friday, 24 April 2015 at 2.30 p.m. for the following businesses:

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 Audited Accounts for the year ended 31 December 2014 and the Reports of the Directors and Auditor thereon. **(Resolution 1)**

2. To approve the payment of a proposed final tax exempt (one-tier) dividend of S$0.055 per ordinary share for the year ended 31 December 2014. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$728,350 for the year ended 31 December 2014 (2013: S$675,000).

   (See Explanatory Note 1) **(Resolution 3)**

4. (a) To re-elect the following Directors:

   (i) Dr Leong Horn Kee (Retiring by rotation under Article 99)

   Note: Dr Leong Horn Kee will, upon his re-election as a Director of the Company, continue to serve as a member of the Remuneration Committee and Risk Management Committee. **(Resolution 4)**

   (ii) Mr Tay Kah Chye (Retiring by rotation under Article 99)

   Note: Mr Tay Kah Chye will, upon his re-election as a Director of the Company, continue to serve as the Chairman of the Audit Committee and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Mr Tay Kah Chye will also continue to serve as a member of the Nominating Committee upon his re-election. **(Resolution 5)**

   (iii) Mr Juan Ricardo Luciano (Retiring by rotation under Article 99) **(Resolution 6)**

   (iv) Mr George Yong-Boon Yeo (Retiring under Article 100) **(Resolution 7)**

   (b) To re-appoint, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore ("**Act**"), Mr Yeo Teng Yang, who will be retiring under Section 153 of the Act, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.

   Note: Mr Yeo Teng Yang will, upon his re-appointment as a Director of the Company, remain as a member of the Audit Committee and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Mr Yeo Teng Yang will also continue to serve as the Chairman of the Risk Management Committee and a member of the Remuneration Committee and Nominating Committee upon his re-appointment.

   (See Explanatory Note 2) **(Resolution 8)**

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. **Authority to issue and allot shares in the capital of the Company**

   That, pursuant to Section 161 of the Act, and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (including any supplemental measures thereto from time to time), approval be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company 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 or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued, while the authority conferred by shareholders was in force, in accordance with the terms of issue of such Instruments, (notwithstanding that such authority conferred by shareholders may have ceased to be in force);

   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) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force or any additional Instruments referred to in (a)(iii) above,

   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) in the capital of the Company at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of shares issued other than on a *pro rata* basis to existing shareholders (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) in the capital of the Company at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below);

   (II) (subject to such manner of calculation as may be prescribed by SGX-ST for the purpose of determining the aggregate number of shares that may be issued under subparagraph (I) above), the percentage of the issued shares is based on the Company's total number of issued shares (excluding treasury shares) at the time of the passing of this Resolution after adjusting for:

   (i) new shares arising from the conversion or exercise of convertible securities;

   (ii) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and

   (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(III) the authority conferred by this Resolution shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 3) **(Resolution 10)**

7. **Authority to grant options and issue and allot shares under Wilmar Executives Share Option Scheme 2009**

That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Wilmar Executives Share Option Scheme 2009 of the Company ("**Wilmar ESOS 2009**") and, pursuant to Section 161 of the Act, to 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 options granted (while the authority conferred by this Resolution is in force) under the Wilmar ESOS 2009, notwithstanding that the authority conferred by this Resolution may have ceased to be in force, PROVIDED ALWAYS THAT:

(a) the aggregate number of shares over which the committee may offer to grant options on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of the options granted under the Wilmar ESOS 2009 and in respect of all other share-based incentive schemes of the Company, if any, shall not exceed 5% of the total number of issued shares (excluding treasury shares) from time to time; and

(b) the authority conferred by this Resolution shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 4) **(Resolution 11)**

8. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given, for the renewal of the mandate for the purposes of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and associated companies (within the meaning of the said Chapter 9) or any of them to enter into any of the transactions falling within the categories of interested person transactions as set out in the Company's Addendum dated 2 April 2015 to the Company's Annual Report 2014 (the "**Addendum**"), with any party who is of the class or classes of Interested Persons described in the Addendum, 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 procedures as set out in the Addendum (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or 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 may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(See Explanatory Note 5) **(Resolution 12)**

9. **Proposed Renewal of Share Purchase Mandate**

That:

(a) For the purposes of Sections 76C and 76E of the 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 Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Share Purchase Committee from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-

(i) on-market purchases (each an "**On-Market Share Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Share Purchase Committee as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST 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 Shareholders 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; or

(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 purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Ordinary Resolution:-

"**Prescribed Limit**" means 10% of the total number of issued Shares excluding Treasury Shares as at the date of the passing of this Ordinary Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, 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 (as defined below); and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price, where:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**") being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days; 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 as they and/or he 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 Ordinary Resolution.

All capitalized terms used in this Resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum dated 2 April 2015 to the Company's Annual Report 2014.

(See Explanatory Note 6) **(Resolution 13)**

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE is also hereby given that the Share Transfer Register and Register of Members of the Company will be closed from 6 May 2015, 5.00 p.m. to 7 May 2015, both dates inclusive, for the purpose of determining shareholders' entitlement to the Company's proposed final tax exempt (one-tier) dividend of S$0.055 per ordinary share for the financial year ended 31 December 2014 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's registrar, Tricor Barbinder Share Registration Services, of 80 Robinson Road #02-00, Singapore 068898 up to 5.00 p.m. on 6 May 2015 will be registered to determine shareholders' entitlement to the Proposed Final Dividend. The Proposed Final Dividend, if approved at the Annual General Meeting to be held on 24 April 2015, will be paid on 15 May 2015.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5.00 p.m. on 6 May 2015 will be entitled to the Proposed Final Dividend.

By Order of the Board
Teo La-Mei
Company Secretary

Singapore
2 April 2015

Explanatory Notes:

1. The Ordinary Resolution 3 proposed in item no. 3 above is to approve the payment of Directors' fees of S$728,350 (2013: S$675,000) for the financial year ended 31 December 2014 for services rendered by Non-Executive Directors (including the proposed payment of pro-rated fee to Mr George Yong-Boon Yeo who was appointed as a Director on 1 November 2014). The amount of proposed Directors' fees is based on the following fee structure: (1) base fee of S$80,000 per year for each Non-Executive Director; (2) Lead Independent Director (S$20,000); (3) supplemental fees for serving on the following Board committees:

   (a) Audit Committee - as Chairman: S$30,000 (2013: S$20,000), as Member: S$10,000 (2013: S$5,000);
   (b) Risk Management Committee - as Chairman: S$30,000 (2013: S$20,000), as Member: S$10,000 (2013: S$5,000);
   (c) Remuneration Committee - as Chairman: S$10,000, as Member: S$5,000 (no change in fee structure); and
   (d) Nominating Committee - as Chairman: S$10,000, as Member: S$5,000 (no change in fee structure).

2. The Ordinary Resolutions proposed in items nos. 4 (a)(i), (ii), (iii), (iv) and 4(b) above are to approve the re-election/re-appointment of the respective Directors retiring and seeking re-election/re-appointment at the forthcoming Annual General Meeting ("Meeting"). Pursuant to Guideline 4.7 of the Singapore Code of Corporate Governance 2012, key information on these directors, including their dates of first appointment, dates of last re-election/re-appointment and other listed directorships and principal commitments, are found in the "Board of Directors" section in the Company's Annual Report 2014.

3. The Ordinary Resolution 10 proposed in item no. 6 above, if passed, will authorise the Directors of the Company from the date of this Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares at the time that Ordinary Resolution 10 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and any subsequent bonus issue or consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

4. The Ordinary Resolution 11 proposed in item no. 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the next Annual General Meeting to offer and grant options under the Wilmar ESOS 2009 and to issue and allot shares pursuant to the exercise of such options under the aforesaid option scheme, provided that the aggregate number of shares over which the committee may offer to grant options on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of the options granted under the Wilmar ESOS 2009 and in respect of all other share-based incentive schemes of the Company, if any, shall not exceed 5% of the total number of issued shares (excluding treasury shares) 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 12 proposed in item no. 8 above, if passed, will renew the IPT Mandate for the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Interested Persons set out in the Addendum. Such resolution, if passed, will take effect from the date of this Meeting until the next Annual General Meeting (unless revoked or varied by the Company in general meeting). The IPT Mandate, the renewal of which was approved by shareholders at the last Annual General Meeting of the Company held on 25 April 2014, will be expiring at this Meeting. Information relating to the renewal of the IPT Mandate can be found in the Addendum dated 2 April 2015 accompanying this Notice of Annual General Meeting.

6. The Ordinary Resolution 13 proposed in item 9 above, if passed, will empower the Directors from the date of this Meeting until the date 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, or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to repurchase ordinary issued Shares of the Company by way of market purchase(s) or off-market purchase(s) of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Resolution. 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 greater detail in the Addendum dated 2 April 2015 accompanying this Notice of Annual General Meeting.

Notes:

1. A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one proxy or two proxies to attend and vote in his stead, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies.
2. A proxy need not be a Member of the Company.
3. If the appointor is a corporation, the proxy form must be executed under seal or the hand of its attorney or officer duly authorised.
4. The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's registrar, **Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00 (if sent by post) or #11-02 (if sent by hand), Singapore 068898** not less than 48 hours before the time appointed for the holding of the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

PROXY FORM

IMPORTANT:-
1. For investors who have used their CPF monies to buy shares in **WILMAR INTERNATIONAL LIMITED**, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, ______________________________ NRIC/Passport No./Company Registration No. ____________________

of ____ (Address)

being a member/members of Wilmar International Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (please delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Tower Ballroom, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350, on Friday, 24 April 2015 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1	To receive and adopt the Audited Accounts for the year ended 31 December 2014 and the Reports of the Directors and Auditor thereon.				
2	To approve the payment of Proposed Final Dividend.				
3	To approve the payment of Directors' Fees.				
4	To re-elect Dr Leong Horn Kee as a Director.				
5	To re-elect Mr Tay Kah Chye as a Director.				
6	To re-elect Mr Juan Ricardo Luciano as a Director.				
7	To re-elect Mr George Yong-Boon Yeo as a Director.				
8	To re-appoint Mr Yeo Teng Yang as a Director.				
9	To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration.				
10	To authorise Directors to issue and allot shares in the Company.				
11	To authorise Directors to offer and grant options under the Wilmar ESOS 2009 and to issue and allot shares in accordance with the provisions of the Wilmar ESOS 2009.				
12	To approve the proposed renewal of Shareholders' Mandate for Interested Person Transactions.				
13	To approve the proposed renewal of Share Purchase Mandate.				

* Please indicate your vote "For" or "Against" with an "X" within the box provided.
** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.

Dated this _________ day of ___________________ 2015

Total Number of Shares Held	
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT – Please read notes overleaf

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or officer duly authorised.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the office of the Company's registrar, **Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00 (if sent by post) or # 11-02 (if sent by hand) Singapore 068898** not less than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 2 April 2015.

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c/o Tricor Barbinder Share Registration Services

80 Robinson Road, #02-00,
Singapore 068898

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