WILMAR IN ASIA

WILMAR INTERNATIONAL LIMITED
ANNUAL REPORT 2015

CONTENTS

ABOUT WILMAR

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, oleochemicals, biodiesel and fertiliser manufacturing as well as flour and rice milling. At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing of a wide range of branded agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group has a multinational workforce of about 92,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African countries. 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 is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

CHAIRMAN'S MESSAGE

▲ *Wilmar is the largest oilseed crusher, edible oils refiner, specialty fats, oleochemicals and consumer pack edible oils manufacturer in China.*

FY2015 IN REVIEW

FY2015 was a year of subdued global economic growth marked by turmoil in the financial markets and a prolonged decline in commodity prices. Amid macro headwinds, Wilmar has performed satisfactorily in FY2015.

The Group recorded US$1.06 billion net profit and US$38.78 billion revenue in FY2015, with earnings per share of 16.6 US cents. Revenue fell 10% to US$38.78 billion, mainly due to lower commodity prices but was partially offset by the 10% increase in sales volume and improved overall margins. As a result, the Group's core net profit for FY2015 declined only 4% to US$1.17 billion, mainly due to translation losses on the back of weaker regional currencies against the US Dollar. The Group's balance sheet remains strong, with total assets standing at US$37.94 billion while shareholders' funds amounted to US$15.13 billion.

Despite headwinds in the operating environment, we achieved record volumes in various key business segments, including oilseeds, flour, rice, consumer products, specialty fats and sugar. Our Oilseeds & Grains segment rebounded strongly to achieve pre-tax profit of US$689.8 million on the back of record volume of soybean crushed and stable margins as well as higher volume from the Consumer Products business. The year was particularly challenging for the Tropical Oils segment. Impacted by declining crude palm oil (CPO) prices, weak demand and compressed margins in the downstream operations, the Tropical Oils segment posted a lower pre-tax profit of US$545.6 million. The Sugar segment posted an 8% increase in revenue to US$4.4 billion. However due to weaker performances from the merchandising and manufacturing businesses and lower translated profits from the Group's Australian operations as a result of the weakening Australian Dollar, it reported a lower pre-tax profit of US$83.3 million.

FY2015 was a year of pronounced volatility in the foreign exchange market, especially in Asian currencies. The Group has fully hedged all its operating exposure in Indonesia Rupiah, Malaysia Ringgit and Chinese Renminbi against USD since the beginning of 2015, thereby effectively minimising foreign exchange risk.

Share Buybacks

During the year, the Group bought back about 72.5 million shares representing 1.18% of the total shares at an average price of S$2.79. This is a demonstration of Management's confidence in the value of the company which we believe will grow significantly as emerging markets such as China, India and Indonesia demand better quality processed agri commodities.

In another vote of confidence, Archer Daniels Midland (ADM), one of Wilmar's largest shareholders and a strategic partner, increased its stake from 18.07% to 20.02%. The business relationship between ADM and Wilmar dates back to the early 1990s when ADM first invested in Wilmar. Today the two companies continue to have significant supplier relationships with each other and also collaborate on sales and marketing of tropical oils in Europe.

2015 HIGHLIGHTS

In FY2015, we continue to drive growth by investing selectively in projects that are complementary to our core business, have long-term potential and offer value-add to customers.

Goodman Fielder

The 50:50 joint acquisition, with Hong Kong-listed First Pacific Company Limited, of Goodman Fielder was completed on 17 March 2015. Goodman Fielder is Australasia's leading food company with a portfolio of well-known consumer brands. This acquisition is an opportunity for the Group to create a leading Asia-Pacific consumer foods business. Through the distribution networks of Wilmar and First Pacific, there is potential to grow export sales in emerging Asian economies.

Since March 2015, Goodman Fielder has been gaining momentum in building its presence in China, Southeast Asia, Papua New Guinea and Fiji, while improving business performance in Australia and New Zealand.

Global Leader in Animal Feed Fats

In July 2015, we partnered Volac International Limited to establish a joint venture to supply sustainable and traceable fat nutrition ingredients which will help improve the productivity of livestock production across world markets. Combining the nutritional reputation, global brand and sales network of Volac with the operational raw material logistics and scale of Wilmar, Volac Wilmar Feed Ingredients is set to become a global leader in animal feed fats.

Enhancing Product Offering in Vietnam

Vietnam's growth in GDP in the past decade has led to the rise of the middle class who has a growing preference for quality and branded food products. Wilmar is currently the largest producer of consumer pack edible oils and a leading flour manufacturer in Vietnam.

In October 2015, we formed a joint venture, Nam Duong International Foodstuff Corporation, with Saigon Union of Trading Cooperatives (Saigon Co-op) for the manufacture of sauces and condiments as well as to construct a new factory in the Hiep Phuoc Industrial Park, Nha Be District, Ho Chi

▲ *Goodman Fielder is Australasia's leading food company with a portfolio of well-known consumer brands.*

Minh City for the manufacture of sauces and condiments sold under the Nam Duong brand. This new joint venture will leverage Saigon Co-op's strength in distribution and Wilmar's experience in manufacturing operations, research and development in food technology.

Creating Value for European Customers

In a strategic step to create value for our customers in Europe, ADM and Wilmar entered into an agreement in December 2015 whereby Olenex, an existing partnership to market oils and fats, will become a full-function joint venture with its own integrated assets. In addition to ADM and Wilmar each transferring two plants to Olenex, the joint venture will also integrate raw materials sourcing, trading, and sales and marketing operations. This transaction, which is subject to regulatory approvals, is expected to close in the middle of 2016.

WILMAR IN ASIA

In this Annual Report, we highlight our deep roots in Asia. Wilmar's growth has been synonymous with the rise of Asia. Starting with palm oil trading, we expanded into oil palm cultivation and refining in Indonesia and Malaysia – the world's two largest palm producing countries. We grew rapidly on the back of soaring production and global demand for palm oil, particularly in Asia. Our growth was further fueled by the economic and population growth in Indonesia, China and India which enabled us to expand aggressively into the processing of other agri commodities.

Asia is not only the largest and most populous continent but also the second fastest growing in population today. Our presence in Asia, especially in the three most populous countries of China, India and Indonesia, puts us in good stead to capture growth opportunities arising from urbanisation, increasing affluence and shifts in consumers' consumption preferences.

China ended 2015 with 6.9% growth, 7.3% in 2014 and 7.7% in 2013. There are concerns in the market over China's slowdown, however, for an economy of China's size today at about US$11 trillion, it is still recording very robust growth. Long-term structural shift from the manufacturing to service sector has been going on for some years and is aimed at putting the country on a more sustainable growth path. Consumer spending remains strong which bodes well for our consumer products.

We are the largest oilseed crusher, edible oils refiner, specialty fats, oleochemicals and consumer pack edible oils manufacturer in China. We are also a leading rice and flour producer. Through subsidiaries and associates, we operate more than 300 manufacturing plants in China, many of which are housed within large-scale integrated complexes. We produce a wide range of consumer products marketed under a portfolio of brands and distributed through an extensive network comprising more than 1,200 distributors. Our flagship brand "Arawana" is the hallmark of quality and enjoys the largest market share at around 45% in the consumer pack edible oils market. Further leveraging our distribution network and expanding our product portfolio, Wilmar entered into joint venture agreements in January 2016 with Singapore Food Industries to supply safe and high quality food to the Chinese market. Implementation of these joint ventures are pending satisfaction of certain conditions precedent.

Adani Wilmar Limited's flagship brand "Fortune" is the top selling edible oil brand in India.

India is the third largest Asian economy, and at an average growth rate of 7.5% in 2015, is the fastest growing economy in the world. The Group entered India in 1999 through a 50:50 joint venture, Adani Wilmar Limited (AWL), that was formed with the Adani Group which is the leader in international trading and private infrastructure. AWL operates refineries and crushing plants in 17 strategic locations nationwide today. AWL is also engaged in the merchandising and distribution of rice, besan, pulses, soya value-added products, packed basmati rice, specialty fats, castor and its derivatives and oleochemicals. AWL is one of India's fastest growing food companies with the largest distribution network among all branded edible oil players. Its flagship brand "Fortune" is the country's top selling edible oil brand.

In Indonesia and Malaysia, we are one of the largest oil palm plantation owners and the largest palm oil refiner, palm kernel and copra crusher and manufacturer of specialty fats, oleochemicals and biodiesel. We are also the largest producer of branded consumer pack oils in Indonesia.

Food is the biggest business in Asia and our footprint spanning 12 countries in Asia including the emerging markets of Myanmar, Vietnam, Sri Lanka and Bangladesh, gives us a huge advantage. Our business model and the infrastructure we have built in Asia will be difficult to replicate. Unlike many agri-companies, we have an integrated business model with a huge and growing business in consumer products in the fastest growing countries in the world. We believe our value will grow significantly as these countries develop and demand better quality processed agri commodities.

SIGNIFICANT PROGRESS ON SUSTAINABILITY GOALS

Two years ago, we made a bold commitment to an integrated policy of "No Deforestation, No Peat and No Exploitation". Since then, we have been working tirelessly to delink our entire supply chain from deforestation and exploitation by 2015. On the traceability front, we have achieved 97% of our direct supplying mills. We also set new benchmarks in transparency and accountability with the launch of the Sustainability Dashboard and Grievance Procedure as well as being the first company to publish the list of known CPO mill sources that supply our refineries.

I am proud of the progress our team has achieved thus far and grateful for the support from our stakeholders on this challenging journey. However, we recognise that much remains to be done and we have lined up programmes that we believe will help address ongoing challenges and bring the industry closer to its sustainability goals.

OUTLOOK AND PROSPECTS

We anticipate challenging macro factors to persist in the short term, however we continue to set our sights on the long term. Our investments over the years in building a vertically integrated business model, supported by our healthy balance sheet, will provide the resilience needed to weather external adversities.

Wilmar is a significant player in agriculture-related businesses in Asia where many attractive opportunities arise from rapid economic and population growth. Our presence and scale give us an advantage in capturing these new business opportunities. We will continue to adopt a long-term strategy which we believe is key to paving a sustainable growth path.

DIVIDENDS

The Board has recommended a final dividend of S$0.055 per share for FY2015. Including the interim dividend of S$0.025 per share paid in August 2015, the total dividend for FY2015 is S$0.080 per share (FY2014: S$0.075 per share), representing a dividend payout of more than 30%.

LEADERSHIP RENEWAL

On 31 December 2015, Dr Leong Horn Kee, who has served on the Wilmar Board for the past nine years, stepped down as Independent Non-Executive Director, while Mr Teo Kim Yong retired from his position as Chief Operating Officer and Executive Director. On behalf of the Board, I wish to thank both Dr Leong and Mr Teo for their dedicated service and invaluable contributions to the Group.

On 1 January 2016, Professor Kishore Mahbubani was appointed an Independent Non-Executive Director of the Company. Professor Mahbubani brings with him vast knowledge and expertise in the public sector and valuable insights on global issues. We are also very pleased to welcome Mr Pua Seck Guan as the Group's Chief Operating Officer and Executive Director. He has extensive leadership, management and entrepreneurial skills and experience in growing businesses locally and overseas, especially in China where Wilmar has significant operations, which will be useful in helping Wilmar develop existing and new businesses.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our stakeholders including our shareholders, customers, business partners, and committed employees for their support over the years. 2016 marks Wilmar's 25th anniversary. Over a quarter of a century, Wilmar has grown from a trading company with a start-up capital of S$100,000 to a listed global company with a market capitalisation of S$20.92 billion[1]. To achieve such growth has only been possible with your support and belief in the strategy of building an integrated business model. The next 25 years will be even more exciting as Wilmar continues to leverage the breadth and scale of our operations in Asia to become one of the largest players in the global food industry.

Kuok Khoon Hong
Chairman & Chief Executive Officer
18 March 2016

[1] *As at 18 March 2016*

WILMAR IN ASIA

MORE THAN
86,000
EMPLOYEES

LEADING
AGRIBUSINESS GROUP

PRESENT IN
11
COUNTRIES

MORE THAN
480
MANUFACTURING PLANTS

WILMAR IN ASIA

Riding the Asian Wave

Wilmar was formed in April 1991. In its early years, Wilmar's business was primarily focused on oil palm cultivation and palm oil processing in Indonesia and Malaysia – the world's two largest palm producing countries. The soaring production and demand for palm oil, particularly in Asia drove the company's rapid growth.

The high economic and population growth of Asia in the last three decades and the resultant huge increase in per capita consumption and demand for high quality processed agri products enabled Wilmar to expand aggressively into the processing of other agri commodities.

Wilmar was listed on the Singapore Exchange in August 2006. Shortly after in 2007, a merger with Kuok Group-related companies, namely Kuok Oils and Grains Pte Ltd, PGEO Group Sdn Bhd and PPB Oil Palms Berhad, and a restructuring exercise to acquire the edible oils, grains and related businesses of Wilmar Holdings Pte Ltd transformed Wilmar into the largest integrated agribusiness in Asia. The Group became the leading merchandiser of consumer pack edible oils as well as the leading oilseed crusher, edible oils refiner, specialty fats and oleochemicals in China, one of the largest plantation companies in Indonesia and Malaysia as well as one of the largest edible oils refiners and the leading producer of consumer pack edible oils in India and Vietnam through joint ventures.

In many ways, Wilmar's growth is synonymous with the rise of Asia. Over the years, Wilmar has continued to invest and broaden its manufacturing infrastructure in Asia to build leading market positions for its agriproducts and brands. The solid foundation Wilmar has built in Asia has enabled the Group to leverage these strengths to expand into new emerging markets with strong agribusiness potential such as Africa, Russia/CIS/Eastern Europe and new businesses such as sugar milling and refining.

Global Growth Leader

According to the IMF, Asia's gross domestic product (GDP) growth is forecast to reach 5.4% in both 2015 and 2016, remaining the global growth leader. Despite moderated growth and some downside risks, Asia's outlook is expected to remain robust and will continue to outperform the rest of the global economy.

Asia: Real GDP
(Year-on-year percent change)

	Actual Data			Projections as at October 2015	
	2012	2013	2014	2015	2016
Asia	**5.7**	**5.8**	**5.6**	**5.4**	**5.4**
Emerging Asia[1]	**6.8**	**7.0**	**6.8**	**6.5**	**6.3**
World	**3.4**	**3.3**	**3.4**	**3.1**	**3.6**
Australia	3.6	2.1	2.7	2.4	2.9
Japan	1.7	1.6	-0.1	0.6	1.0
New Zealand	2.9	2.5	3.3	2.2	2.4
China	7.7	7.7	7.3	6.8	6.3
Bangladesh	6.3	6.0	6.3	6.5	6.8
India	5.1	6.9	7.3	7.3	7.5
Sri Lanka	6.3	7.3	7.4	6.5	6.5
Indonesia	6.0	5.6	5.0	4.7	5.1
Malaysia	5.5	4.7	6.0	4.7	4.5
Myanmar	7.3	8.4	8.5	8.5	8.4
Philippines	6.7	7.1	6.1	6.0	6.3
Singapore	3.4	4.4	2.9	2.2	2.9
Vietnam	5.2	5.4	6.0	6.5	6.4

Sources: IMF, World Economic Outlook database; and IMF projections.

[1] Emerging Asia includes China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam.

Rise of the Asian Consumer

Asia is the largest and most populous continent comprising 30% of the world's land area and 60% of global population. It is also the second fastest growing major area after Africa and its population is projected to reach 5.3 billion people by 2050[1].

The top three most populous countries in Asia are China (1.36 billion), India (1.26 billion) and Indonesia (248.4 million) – all of which Wilmar has a considerable footprint in. In these countries, per capita consumption of food has been rising rapidly and is expected to sustain strong growth for many years to come. With rising affluence and accelerating urbanisation, consumers' consumption preferences will shift towards better quality, safer and more nutritious food products. Having established a portfolio of trusted brands in a wide range of consumer products, Wilmar is well positioned to capture the growth opportunities in Asia.

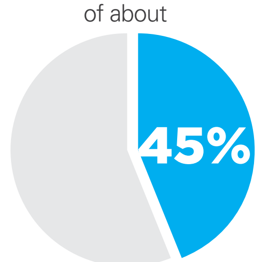
China

TOP oilseed crusher, edible oils refiner, manufacturer of consumer pack edible oils, rice and flour, and producer of oleochemicals and specialty fats, as well as a leading rice and flour miller.

> 300 manufacturing plants and over **22,000 employees**.

Flagship brand **ARAWANA** made its debut in the consumer market in 1991, pioneering packaged cooking oil. Arawana has been ranked the top edible oil in China for **16 CONSECUTIVE YEARS**.

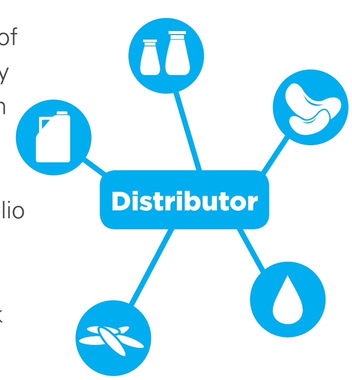
LARGEST MARKET SHARE of about



in consumer pack edible oils.

Global Research & Development Centre located in Shanghai applies next generation technology to elevate product quality and expand product diversity.

Today, the Group produces various types of edible oils, rice, flour, dry noodles, grains, soybean powder, condiments, soaps and detergents, marketed under a portfolio of more than 10 leading brands and supported by an extensive network of more than 1,200 distributors.



[1] United Nations, Department of Economic and Social Affairs, Population Division (2015). *World Population Prospects: The 2015 Revision, Key Findings and Advance Tables*. Working Paper No. ESA/P/WP.241.

Indonesia and Malaysia

One of the **LARGEST OIL PALM PLANTATION** owners with planted area of about **167,000 ha** in **Indonesia** and about **58,000 ha** in **Malaysia**.

TOP palm oil refiner, palm kernel and copra crusher, manufacturer of oleochemicals, specialty fats and palm biodiesel.

> 180 manufacturing plants and over **60,000 employees**.

Largest producer of branded consumer pack oils with **over 30% market share** and one of the top two sugar refineries in Indonesia.

India

Adani Wilmar Limited (www.adaniwilmar.com), 50:50 joint venture with Adani Group, was established in 1999. It is today:

LEADING manufacturer of consumer pack edible oils with over 20% market share and a leading edible oils refiner and oilseed crusher.

> 40 manufacturing plants with the largest distribution network among all branded edible oil players.

Fortune

Largest portfolio of 11 brands in the edible oil industry, of which **Fortune Cooking Oil** has been the **no. 1 brand** in India since 2002.

Acquired in 2014 a 27.72% stake in **Shree Renuka Sugars Limited** (www.renukasugars.com), the leading sugar company in India.

Bangladesh

Bangladesh Edible Oil Limited (www.beol-bd.com), a subsidiary of Adani Wilmar Ltd, manufactures consumer pack edible oils and rice under the brands Rupchanda, King's, Meizan, Fortune, Olivoila and Lucky. Since inception in 1993, the company has become one of the leading producers of consumer pack edible oils with over **20% market share**.

Sri Lanka

Established in 2004, **Pyramid Wilmar (Pvt) Ltd** (www.pyramidwilmar.com) is a joint venture with Pyramid Oil Mills engaging in the production of specialty fats, consumer pack edible oils and bulk oil, as well as sugar trading.

TOP producer of consumer pack edible oils under the **Fortune** brand.

Largest manufacturer of bakery shortening and margarine under the well-known **Masterline** brand.

Vietnam

Engages in edible oils refining, rice bran oil extraction, specialty fats production, manufacture of consumer pack edible oils and flour milling.

TOP

producer of consumer pack edible oils.

In 2015, **Wilmar** and **Saigon Union of Trading Cooperatives**, Vietnam's largest supermarket chain, formed a 51:49 joint venture Nam Duong International Foodstuff Corporation to manufacture sauces and condiments.

Myanmar

In April 2014, Wilmar formed a 55:45 joint venture with **Great Wall Food Stuff Industry Company Limited** to acquire and expand Great Wall's existing sugar-related business, two sugar mills, a bioethanol plant and an organic compound fertiliser plant. The joint venture company is the largest sugar producer in Myanmar.

LARGEST

seller of palm oil to Myanmar.

Wilmar is currently constructing a **flour mill**, **edible oils refinery** and **packing plant** in Thilawa port.

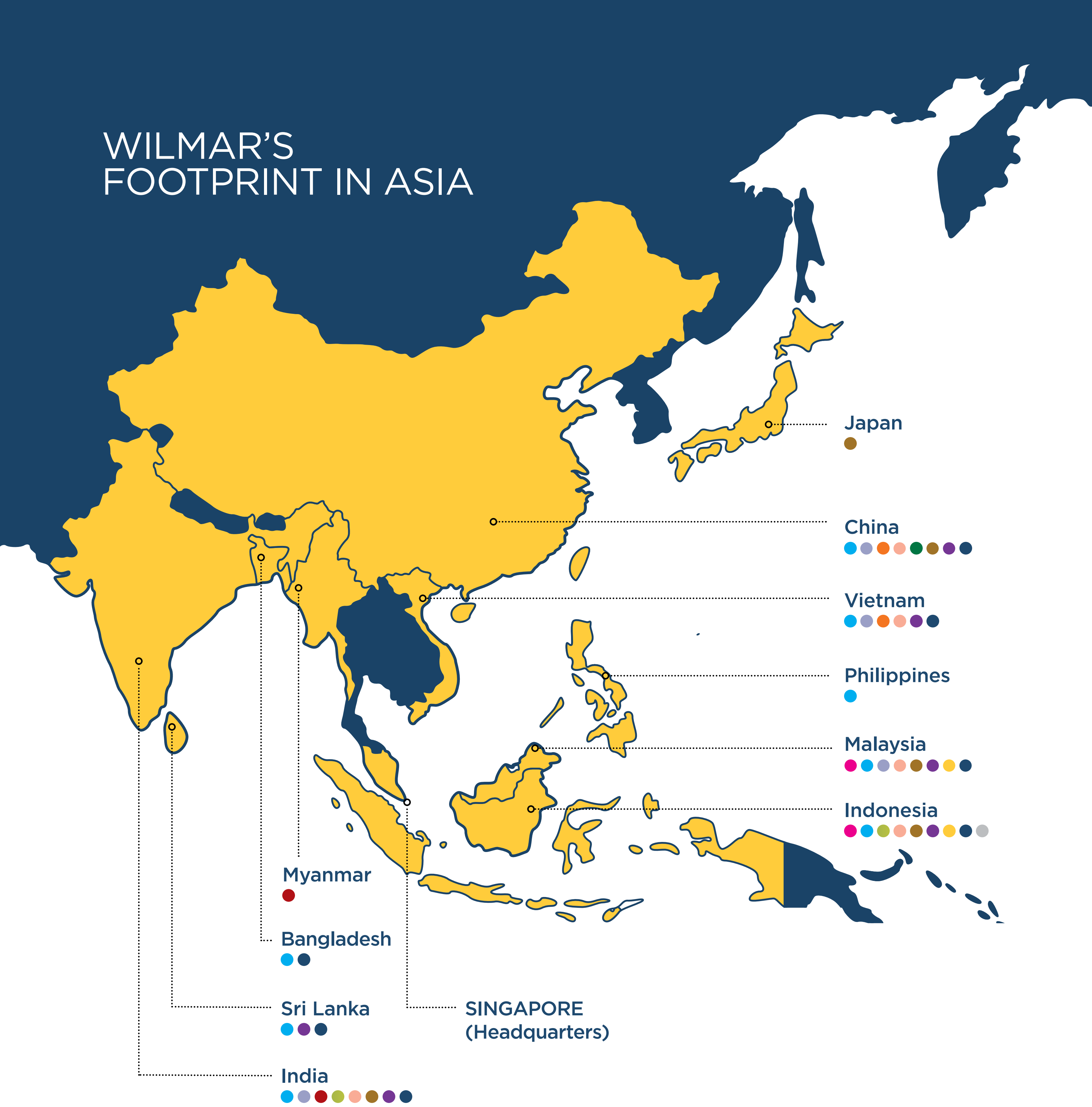
Philippines

Operates **two edible oils refineries** and **two copra crushing plants**.

LARGEST

exporter of coconut oil and seller of palm oil to the Philippines.

WILMAR'S FOOTPRINT IN ASIA



- Oil Palm Plantations & Mills
- Edible Oils Refining
- Oilseed Crushing
- Rice Bran Extraction
- Sugar Mills
- Sugar Refining
- Flour Mills
- Rice Mills
- Oleochemicals
- Specialty Fats
- Biodiesel
- Consumer Products
- Fertiliser

GLOBAL LEADING MANUFACTURER OF CONSUMER PRODUCTS

Wilmar is the largest manufacturer of consumer pack edible oils worldwide. Besides consumer pack edible oils, the Group also produces rice, flour, noodles, sauces, sugar, margarine shortening, soaps and detergents.

Across Asia, it is the largest merchandiser of consumer pack edible oils in China, India, Indonesia, Sri Lanka and Vietnam where its brands are trusted household names. In the three most populous countries in Asia, Wilmar is a market leader with the largest market share at around 45% in China, 20% in India and 30% in Indonesia. To stay at the forefront, the Group engages in brand building, research and development to create products that are adapted to the taste and preference of local consumers, as well as continuously strengthens its distribution networks. Riding on economic growth, low per capita consumption and the steady shift of consumption from loose to quality branded consumer pack products in key markets, Wilmar's consumer products business will continue to enjoy rapid growth.

GLOBAL PRESENCE

India

- Leading branded consumer pack oils producer, oilseed crusher and edible oils refiner

#1 Player in China

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

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

Over **500** manufacturing plants in 17 countries*

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

Multinational workforce of about **92,000** staff

Africa

- Leading supplier of edible oils
- Operates oil palm plantations, refineries and produces consumer pack oils, soaps and detergents
- Third largest sugar producer in Africa

Indonesia & Malaysia

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

Australia

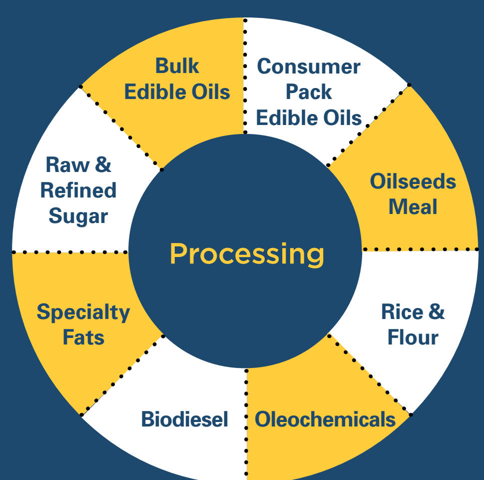
- Largest raw sugar producer and refiner
- Leading consumer brands in sugar and sweetener market
- Top 10 global raw sugar producers

** Subsidiaries only, not including associates*

VERTICALLY INTEGRATED BUSINESS MODEL

At the core of Wilmar's strategy is a resilient business model encompassing the entire value chain of the agricultural commodity business, from 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.

Origination



Merchandising & Distribution

Customers

Tropical Oils		Oilseeds and Grains		Sugar	Others
Plantation	**Manufacturing**	**Manufacturing**	**Consumer Products**	**Merchandising, Manufacturing and Consumer Products**	
One of the largest listed palm plantation companies in the world	Largest global processor and merchandiser of palm and lauric oils with distribution network in more than 50 countries	Largest soybean crusher in China and one of the largest flour mills globally	World's largest producer of consumer pack edible oils with leading positions in many Asian and African countries	Largest raw sugar producer and refiner in Australia and leading sugar refiner in Indonesia Leading consumer pack sugar manufacturer in Australia and New Zealand	Fertiliser Shipping
Almost 100% of output is supplied to Manufacturing		*Almost 100% of edible oil is supplied to Consumer Products*			

Strong Volumes and Profitability Across All Segments (FY2015)

Tropical Oils		Oilseeds and Grains		Sugar	Others
FFB: 4.5 m MT Revenue: US$56.5 m	Volume: 23.5 m MT Revenue: US$15.55 b	Volume: 23.6 m MT Revenue: US$11.54 b	Volume: 5.1 m MT Revenue: US$6.16 b	Volume: 13.1 m MT Revenue: US$4.40 b	Revenue: US$2.25 b
Results: US$545.6 m		Results: US$689.8 m		Results: US$83.3 m	Results: US$17.4 m

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

Net Profit
US$**1.06**B

Revenue
US$**38.78**B

Core Net Profit
US$**1.17**B

EBITDA
US$**2.10**B

Earnings Per Share
16.6 US cents

Total Assets
US$**37.94**B

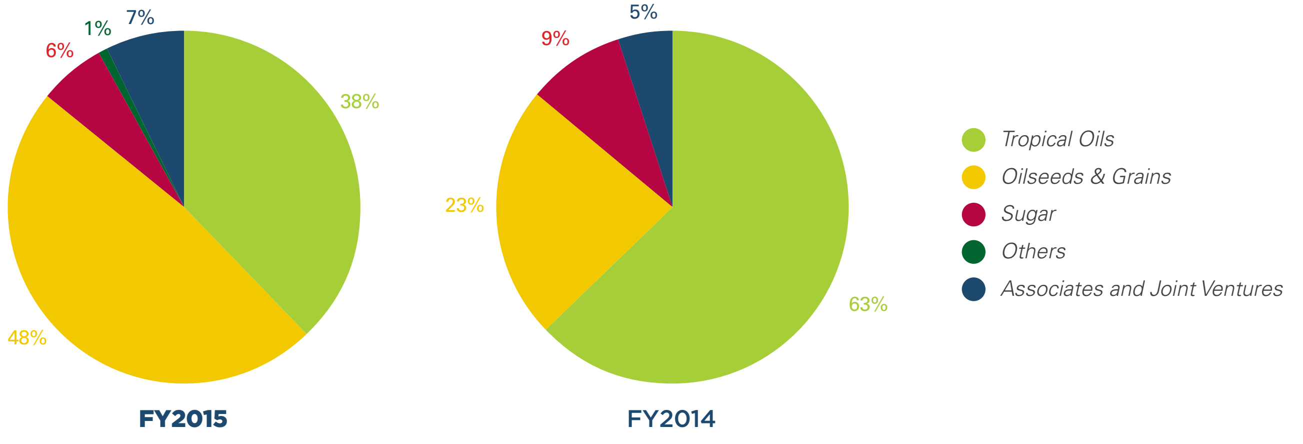
Net Asset per share
US$**2.39**

Dividend per share
S$**0.080**

FINANCIAL HIGHLIGHTS

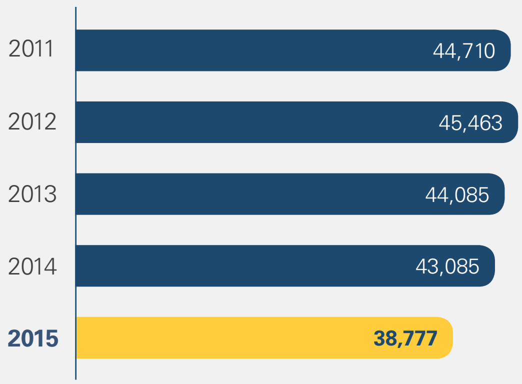
	FY2015	FY2014	FY2013	FY2012	FY2011
INCOME STATEMENT (*US$ million*)					
Revenue	**38,777**	43,085	44,085	45,463	44,710
EBITDA	**2,102**	2,148	2,432	2,406	2,789
Profit before tax	**1,429**	1,538	1,775	1,655	2,079
Net profit	**1,056**	1,156	1,319	1,255	1,601
Earnings per share – fully diluted (*US cents*)	**16.6**	18.1	20.6	19.6	25.0
Dividends per share (*Singapore cents*)	**8.0**	7.5	8.0	5.0	6.1
CASH FLOW (*US$ million*)					
Operating cash flows before working capital changes	**2,042**	1,844	2,449	2,201	2,459
Capital expenditure	**865**	1,093	1,376	1,735	1,554
Working capital changes	**398**	423	(288)	(581)	22
Investment in subsidiaries, joint ventures and associates	**511**	220	362	300	356
BALANCE SHEET (*US$ million*)					
Shareholders' funds	**15,127**	15,495	15,005	14,346	13,370
Total assets	**37,939**	43,558	46,632	41,920	39,640
Total liabilities	**21,860**	27,147	30,745	26,725	25,391
Net loans and borrowings	**11,817**	12,056	12,446	12,209	10,530
Net gearing (x)	**0.78**	0.78	0.83	0.85	0.79
Net asset value per share (*US cents*)	**239.3**	242.3	234.5	224.3	208.9
Net tangible assets per share (*US cents*)	**170.2**	173.5	165.4	154.6	140.0

PROFIT BEFORE TAX BY BUSINESS SEGMENT

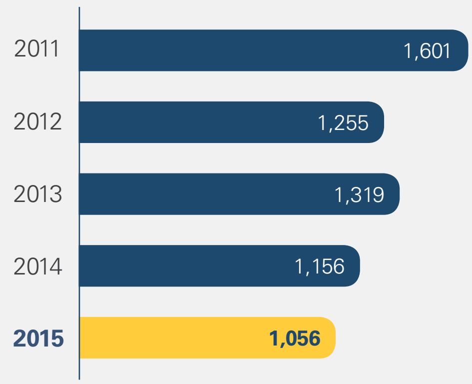


Note:
Segmental breakdown calculation excludes unallocated expenses and gains from biological asset revaluation.

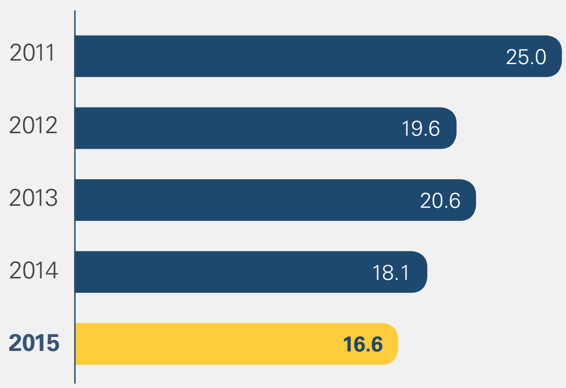
REVENUE
(US$ million)



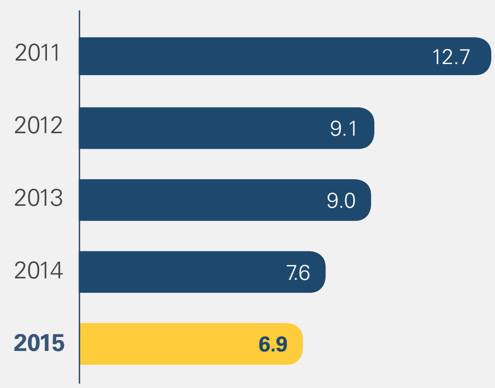
NET PROFIT
(US$ million)



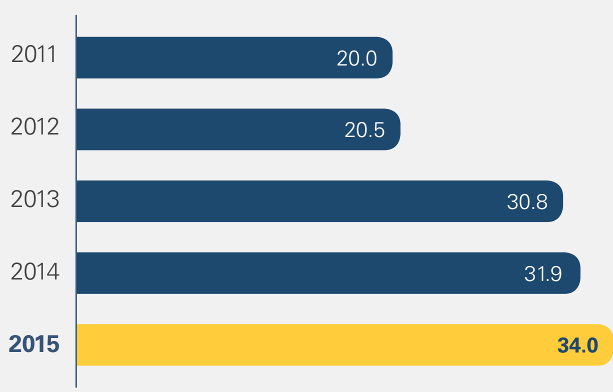
EARNINGS PER SHARE
(US cents)



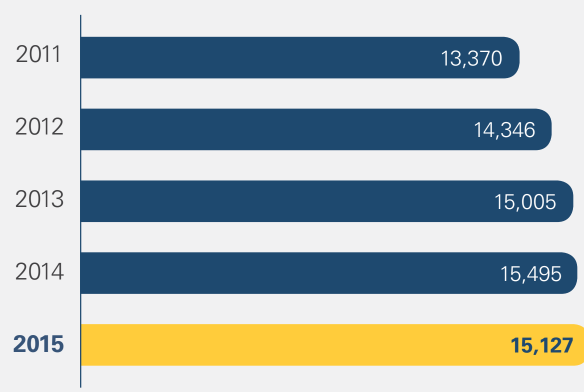
RETURN ON AVERAGE EQUITY
(%)



DIVIDEND PAYOUT RATIO ON NET PROFIT
(%)



SHAREHOLDERS' FUNDS
(US$ million)



BOARD OF DIRECTORS

KUOK KHOON HONG

MARTUA SITORUS

PUA SECK GUAN

KUOK KHOON CHEN

KUOK KHOON EAN

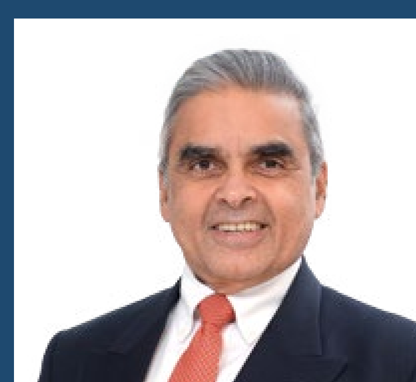
JUAN RICARDO LUCIANO

GEORGE YONG-BOON YEO

YEO TENG YANG

TAY KAH CHYE

KWAH THIAM HOCK



KISHORE MAHBUBANI

KUOK KHOON HONG

Chairman and Chief Executive Officer

Mr Kuok Khoon Hong, 66, 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, 56, 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.

PUA SECK GUAN

Chief Operating Officer and Executive Director

Mr Pua Seck Guan, 52, oversees and manages the business divisions of the Group and assists CEO Mr Kuok Khoon Hong in the development of new businesses. Concurrently, he is the Chief Executive Officer and Executive Director of Perennial Real Estate Holdings Limited, an integrated real estate owner, developer and manager listed on the Singapore Stock Exchange. Mr Pua has over 25 years of real estate experience in property investment, development and management across various asset classes, as well as in the creation and management of both private and listed real estate funds. Widely regarded as a Real Estate Investment Trust ("REIT") pioneer in Singapore, Mr Pua was instrumental in establishing REITs listed on the Singapore Stock Exchange such as CapitaMall Trust and CapitaRetail China Trust. Earlier, Mr Pua held concurrent positions as the Chief Executive Officer of CapitaLand Retail Limited, CapitaMall Trust Management Pte. Ltd., and CapitaLand Financial Limited. He holds a Master of Science degree in Civil Engineering from the Massachusetts Institute of Technology, USA and a Bachelor of Science degree in Building (First Class Honours) from the National University of Singapore. Mr Pua was appointed on 1 January 2016.

KUOK KHOON CHEN

Non-Executive Director

Mr Kuok Khoon Chen, 61, 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, 60, 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, 54, is the Chairman of the Board of Directors and Chief Executive Officer of Archer Daniels Midland Company (ADM). ADM is one of the world's leading agricultural processors and food-ingredient providers. Mr Luciano joined ADM in 2011 as executive vice president and chief operating officer. He was named president of the company in February 2014, and was appointed CEO in January 2015. In November 2015, he added Chairman of the company's Board of Directors to his responsibilities. Mr Luciano previously spent 25 years at The Dow Chemical Company, where he last served as executive vice president and president of the performance division. Mr Luciano is a member of the board of directors of Eli Lilly and Company, and a Governor of the Boys and Girls Clubs of America, where he serves as 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 24 April 2015.

GEORGE YONG-BOON YEO

Non-Executive Director

Mr George Yong-Boon Yeo, 61, 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, who was appointed the Chancellor of Nalanda University in July 2015 for a three-year term, chairs the International Advisory Panel of the Nalanda University Governing Board. Mr Yeo is a member of the Board of Trustees of the World Economic Forum, the Berggruen Institute on Governance, the Panel of Advisers to the Dean 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, the International Advisory Committee of Mitsubishi Corporation and the International Advisory Panel of China Eco-Forum Global. In 2013, he was appointed a member of the Pontifical Commission for Reference on the Economic-Administrative Structure of the Holy See and became a member of the newly-formed Vatican Council for the Economy in May 2014. 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 and was last re-elected on 24 April 2015.

YEO TENG YANG

Lead Independent Director

Mr Yeo Teng Yang, 74, 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 24 April 2015 to hold office until the conclusion of the next Annual General Meeting of the Company.

TAY KAH CHYE

Independent Director

Mr Tay Kah Chye, 69, 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 24 April 2015.

KWAH THIAM HOCK

Independent Director

Mr Kwah Thiam Hock, 69, 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.

KISHORE MAHBUBANI

Independent Director

Professor Kishore Mahbubani, 67, had a long career in government while at the same time, writing extensively on public issues. He was with the Singapore Foreign Service for 33 years (1971-2004) where he had postings in Cambodia (1973-74), Malaysia, Washington DC and New York, where he served two postings as Singapore's Ambassador to the UN and as President of the UN Security Council in January 2001 and May 2002. He was Permanent Secretary at the Foreign Ministry from 1993 to 1998. Currently, he is the Dean and Professor in the Practice of Public Policy at the Lee Kuan Yew School of Public Policy of the National University of Singapore. In the world of ideas, he has spoken and published globally. Prof Mahbubani was appointed on 1 January 2016.

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#
Executive Directors			
KUOK Khoon Hong	1. Wilmar International Limited – Chairman & Chief Executive Officer 2. Perennial Real Estate Holdings Limited – Chairman & Non-Independent Non-Executive Director	Cosumar S.A., a Wilmar associated company	Wilmar International Limited and its group of companies
Martua SITORUS	Wilmar International Limited – Executive Deputy Chairman		1. Wilmar International Limited and its group of companies 2. Aastar Trading Pte Ltd – Managing Director 3. WH Investments Pte Ltd – Managing Director 4. ICC Energy Holdings Pte Ltd 5. ICC Leasing Pte Ltd
PUA Seck Guan	1. Wilmar International Limited – Chief Operating Officer & Executive Director 2. Perennial Real Estate Holdings Limited – Chief Executive Officer & Executive Director		1. Perennial Real Estate Holdings Limited and its group of companies 2. Wilmar International Limited and its group of companies
Non-Executive Directors			
KUOK Khoon Chen	1. Shangri-La Asia Limited *(Hong Kong Stock Exchange)* – Chairman & Chief Executive Officer 2. China World Trade Center Company Limited *(Shanghai Stock Exchange)* 3. Wilmar International Limited	Kerry Properties Limited – Chairman	1. Kerry Group Limited – Deputy Chairman & Managing Director 2. Kerry Holdings Limited – Chairman 3. Kuok Brothers Sdn Berhad – Chairman 4. China World Trade Center Ltd
KUOK Khoon Ean	1. PACC Offshore Services Holdings Ltd ("POSH") – Chairman & Non-Executive Director 2. IHH Healthcare Berhad *(Bursa Malaysia)* 3. The Bank of East Asia, Limited *(Hong Kong Stock Exchange)* 4. Wilmar International Limited	1. Shangri-La Asia Limited 2. Shangri-La Hotel Public Company Limited	1. Kerry Group Limited 2. Kerry Holdings Limited – Managing Director 3. Kuok (Singapore) Limited – Chairman 4. POSH – Chairman & Non-Executive Director

Name of Director	Present Directorships in Listed Companies	Past Directorships in Listed Companies held over the preceding three years	Principal Commitments#
Non-Executive Directors			
Juan Ricardo LUCIANO	1. Archer Daniels Midland Company 2. Eli Lilly and Company *(Both listed on New York Stock Exchange)* 3. Wilmar International Limited		Archer Daniels Midland Company – Chairman & Chief Executive Officer
George Yong-Boon YEO	1. Kerry Logistics Network Limited – Chairman & Executive Director 2. AIA Group Limited *(Both listed on Hong Kong Stock Exchange)* 3. Wilmar International Limited		Kerry Group Limited – Deputy Chairman
Lead Independent Director			
YEO Teng Yang	Wilmar International Limited	United International Securities Limited (dissolved on 4 December 2015)	
Independent Directors			
TAY Kah Chye	1. Asiatic Group (Holdings) Limited – Independent Non-Executive Chairman 2. Chemical Industries (Far East) Ltd 3. Wilmar International Limited		1. CLMV Consult Net Private Limited – Executive Chairman 2. Cam Box Private Limited 3. PATA Consultancy Private Limited – Chief Executive Officer 4. PATA International Enterprise Private Limited – Chief Executive Officer
KWAH Thiam Hock	1. Excelpoint Technology Ltd 2. IFS Capital Limited 3. Select Group Limited 4. Teho International Inc Ltd 5. Wilmar International Limited		1. ECICS Limited 2. Northern Star Shipping Pte Ltd 3. PM Shipping Pte Ltd
Kishore MAHBUBANI	1. Wilmar International Limited 2. Zurich Insurance Group Ltd *(SIX Swiss Exchange)*		Dean, Professor in the Practice of Public Policy – Lee Kuan Yew School of Public Policy, National University of Singapore

\# 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 organizations. 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 Pua Seck Guan
Executive Director &
Chief Operating Officer
(Appointed on 1 January 2016)

Mr Teo Kim Yong
Executive Director &
Chief Operating Officer
(Retired on 31 December 2015)

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
Vice Chairman & Chief
Operating Officer, 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
Group Head of Edible Oils

CORPORATE INFORMATION

BOARD OF DIRECTORS
KUOK Khoon Hong (Chairman)
Martua SITORUS
PUA Seck Guan *(Appointed on 1 January 2016)*
KUOK Khoon Chen
KUOK Khoon Ean
Juan Ricardo LUCIANO
George Yong-Boon YEO
YEO Teng Yang
TAY Kah Chye
KWAH Thiam Hock
Professor Kishore MAHBUBANI *(Appointed on 1 January 2016)*

EXECUTIVE COMMITTEE
KUOK Khoon Hong (Chairman)
Martua SITORUS
PUA Seck Guan

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)
YEO Teng Yang
TAY Kah Chye

RISK MANAGEMENT COMMITTEE
YEO Teng Yang (Chairman)
KUOK Khoon Hong
TAY Kah Chye

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

OILSEEDS & GRAINS RESULTS

US$689.8M

TROPICAL OILS RESULTS

US$545.6M

SUGAR RESULTS

US$83.3M

TROPICAL OILS (PLANTATION & MANUFACTURING)

The Tropical Oils (Plantation and Manufacturing) segment comprises the Group's entire value chain of palm oil assets from plantations and palm oil mills to processing, merchandising, branding and distribution of palm oil and laurics-related products including oleochemicals, specialty fats and biodiesel.

PLANTATION

Wilmar is one of world's largest oil palm plantation owners with a total planted area of 240,956 hectares (ha) as at 31 December 2015. The Group has around 69% of its total planted area in Indonesia, 24% in East Malaysia and 7% in Africa. Through joint ventures and associates, the Group owns plantations in West Africa and Uganda of approximately 46,000 ha. Wilmar also directly manages 31,428 ha under the smallholder schemes in Indonesia and Africa, and another 148,000 ha under the smallholder and Outgrower schemes through joint ventures and associates in Africa.

The medium to long-term growth of the Group's plantation operations is supported by the relatively young plantations with an average age of 12 years. Around 61% of the plantations are at the prime production age of seven to 18 years and 20% are at age six years and below.

Sustainability

In December 2013, Wilmar made a commitment to drive sustainable practices and accelerate transformation in the palm oil industry by announcing its "No Deforestation, No Peat and No Exploitation" Policy. This Policy extends across Wilmar's entire supply chain, including its joint ventures and third-party suppliers, differentiating it from commitments that have been made by other companies.

In the last two years, the Group has dedicated significant resources and made much progress towards realising its sustainability goals. It has also faced challenges and confronted its own deficiencies in the process. Forging ahead, Wilmar looks forward to the continued support and cooperation of its various stakeholders.

For more information on the Group's sustainability efforts, please refer to the Sustainability chapter.

MANUFACTURING

Wilmar is the world's largest processor and merchandiser of palm and lauric oils, as well as palm kernel and copra crusher. It processes palm and lauric oils into refined palm oil, specialty fats, oleochemicals and biodiesel. The crude palm and lauric oils are sourced from its own plantations, smallholder schemes and third-party suppliers.

Through economies of scale and commitment to best practices in production, the Group has been able to sustain as one of the most cost efficient producers in the industry. This efficiency is complemented by Wilmar's strategically located facilities in both origin and destination markets, which enables the Group to manage its logistic and operational costs effectively. Together with an extensive distribution network and sales touchpoints spanning more than 50 countries, the Group is well-positioned to capitalise on market intelligence acquired throughout the entire supply chain to meet the ever-changing demands of its customers.

Within the Tropical Oils segment, Wilmar's activities also include processing, merchandising and distribution of consumer pack branded tropical oils. The Group is the leading producer and seller in markets such as India, Indonesia, Vietnam, Bangladesh, Sri Lanka and several African countries. In the key locations of India and Indonesia, the Group has market shares of around 20% and over 30% respectively.

In July 2015, Wilmar and Volac International Limited (Volac) announced the creation of a joint venture group, Volac Wilmar Feed Ingredients, to develop the added value animal feed fat business around the world. Combining the nutritional reputation, global brand and sales network of Volac with the operational raw material logistics and scale of Wilmar, the joint venture aims to become the global leader in animal feed fats by marketing an expanded "MEGA" branded range of feed fat products that are sourced responsibly and operated efficiently.

In December 2015, Wilmar and Archer Daniels Midland Company entered into an agreement in which Olenex, an existing partnership to market oils and fats in Europe, will become a full-function joint venture with its own assets. In addition to processing, the joint venture will also integrate raw materials sourcing, trading and sales and marketing operations.

As at 31 December 2015, the Group has plants located in the following countries:

	Refinery	Oleochemicals	Specialty Fats	Biodiesel
Subsidiaries				
Indonesia	25	4	4	9
Malaysia	14	1	1	2
China	49	10	6	-
Vietnam	2	-	2	-
Europe	4	3	1	1
Africa	2	-	1	-
Others	4	-	1	-
Total no. of plants	**100**	**18**	**16**	**12**
Total capacity (*million MT p.a*)	**29**	**2**	**2**	**3**
Associates				
India	26	1	5	-
China	10	2	3	-
Russia	4	-	1	-
Ukraine	2	-	1	-
Malaysia	3	-	-	-
Africa	10	-	3	-
Bangladesh	2	-	-	-
Total no. of plants	**57**	**3**	**13**	**-**
Total capacity (*million MT p.a*)	**9**	**<1**	**1**	**-**

Note: Refinery capacity includes palm oil and soft oils.

INDUSTRY TREND IN 2015

In 2015, global palm oil production grew 5.4% to 62.8 million MT, with Malaysia's production growing at 2.5% to 20.1 million MT and Indonesia's production growing at 7.3% to 33.6 million MT. Malaysia and Indonesia account for about 86% of global palm oil production. However, oil palms have been stressed by dry conditions in parts of Indonesia and Malaysia in the third quarter of 2015. This is expected to result in lower yields and a slowdown of production in 2016.

Global demand for palm oil grew 3.2% to 61.3 million MT in 2015. Demand from India was strong, growing 18.5% to 9.3 million MT, and making it the world's largest consumer of palm oil. Other key consumption markets, such as Indonesia and China, saw lower demand in 2015.

Going into 2015, palm oil prices remained soft and range-bound. By July 2015, prices started to weaken further due to a combination of factors, including increasing palm oil stocks, seasonal increase in production, lower prices of competing edible oils as well as crude oil. However, prices started to recover in September as a result of increasing indications of a strong El Nino phenomenon as well as developments in Indonesia's biodiesel programme.

Nonetheless, the upside of palm oil prices were capped by favourable soft oil crops. Crude palm oil (CPO) prices closed at RM2,200.00 at the end of 2015, down 3% from RM2,261.50 at the beginning of the year.

OUR PERFORMANCE

In 2015, the Plantation business reported improved production yields but suffered from lower CPO prices. In addition, a challenging macro environment with weak demand and compressed margins resulted in lower profits for the Group's downstream operations. As a result, the segment registered a 44% decline in pre-tax profit to US$545.6 million.

Production yield improved 4% to 21.4 MT per hectare as production of fresh fruit bunches increased 4% to 4,481,022 MT for the year.

Sales volume for the refining and downstream businesses fell 4% to 23.5 million MT. The decrease in sales volume, together with lower CPO prices, led to an overall 23% decrease in revenue to US$15.61 billion.

OUTLOOK AND STRATEGY

Global palm oil production is expected to be flat at approximately 62.7 million MT for the marketing period from October 2015 to September 2016, due to the lagged impact of the dry weather in Indonesia and Malaysia in 2015 on production yields. Wilmar remains positive about the long-term prospects of palm oil with the rise of global demand for its food and non-food applications such as oleochemicals, specialty fats and biodiesel. The key demand drivers for palm oil will continue to come from emerging markets like Indonesia and India.

OILSEEDS AND GRAINS (MANUFACTURING & CONSUMER PRODUCTS)

The Oilseeds and Grains segment consists of the processing, merchandising, branding and distribution of a wide range of agricultural products including non-palm and lauric edible oils, oilseeds, flour and rice milling, corn processing and downstream products such as wheat and rice noodles in consumer pack, medium pack and bulk.

MANUFACTURING

Wilmar is a leading player in oilseed crushing with extensive presence in various parts of the world such as China, India, Vietnam, Malaysia, Russia, Ukraine and South Africa. The Group crushes a wide range of oilseeds including soybean, rapeseed, sunflower seed, corn and groundnut into protein meal and crude vegetable oils. The protein meals produced are mainly sold to the animal feed industry while the oils are largely sold to the Group's Consumer Products and Oleochemicals businesses.

The Group has also expanded its business to include 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 owns flour mills through joint ventures in Malaysia, Indonesia and Vietnam.

As at 31 December 2015, the Group has crushing plants and flour and rice mills located in the following countries:

	Crushing	Flour Milling	Rice Milling
Subsidiaries			
China	52	17	15
Malaysia	1	-	-
Vietnam	3	-	-
Africa	2	-	-
Indonesia	-	2	-
Total no. of plants	**58**	**19**	**15**
Total capacity (*million MT p.a*)	**24**	**6**	**3**
Associates			
China	19	1	1
India	12	1	-
Russia	3	-	-
Ukraine	1	-	-
Malaysia	-	5	-
Indonesia	-	2	-
Others	3	2	-
Total no. of plants	**38**	**11**	**1**
Total capacity (*million MT p.a*)	**12**	**2**	**<1**

CONSUMER PRODUCTS

Wilmar is the largest producer of consumer pack edible oils in the world (including consumer pack tropical oils). The Group also produces and markets rice, flour, grains and noodles under a diverse brand portfolio. The Group's consumer brands, built up over the years, are renowned for their quality having won numerous product awards in their respective markets. In China, Wilmar enjoys a substantial market share of around 45% for edible oils, helmed by its flagship Arawana brand of products.

Leveraging the extensive distribution and brand awareness from the consumer edible oils and food staples, the Group has also diversified into the consumer pack flour and rice businesses in China, rice in India and flour in Vietnam and Indonesia. The acquisition of Goodman Fielder (together with First Pacific Company Limited), has also further broadened the Group's product portfolio and geographic reach.

In October 2015, Wilmar and Saigon Union of Trading Cooperatives (Saigon Co-op) entered into a joint venture to establish Nam Duong International Foodstuff Corporation that will specialise in the manufacture of sauces and condiments. Established since 1951, the Nam Duong brand is amongst the leading brands for sauces and condiments in Vietnam,

which include soy sauce, chilli sauce and tomato sauce. The joint venture aims to introduce international health and production standards and global distribution networks to Nam Duong sauces and condiments products that are well-regarded and rich in traditional taste.

INDUSTRY TREND IN 2015

China continued to be the top importer of soybeans, commanding around 63% of the world's demand in 2015. Demand for soybeans in China grew a strong 14% to 81.2 million in 2015 from 71.4 million in 2014.

Operating conditions in the crushing industry in China continued to improve during the year as the clampdown on shadow financing significantly curtailed the activities of financial traders and has led to more disciplined behaviour amongst existing players.

On the supply side, except for a temporary spike from mid-June to mid-July, international soybean prices were largely on a downward trend in 2015, declining from around US$10 per bushel at the beginning of the year to around US$8.60 per bushel at the close of the year. The lower soybean prices were due to increased supply from key producing markets such as the US, Brazil and Argentina.

In the Consumer Products business, the Group continued to benefit from healthy demand for branded consumer pack food staples across the countries in which it operates.

OUR PERFORMANCE

In 2015, the Oilseeds and Grains segment achieved an exceptional 98% increase in pre-tax profit to US$689.8 million. The growth was supported by higher volume of soybean crushed on the back of stable crushing margins, together with higher volume from the Consumer Products businesses.

Sales volume for Oilseeds and Grains (Manufacturing) grew 19% to 23.6 million MT while sales volume for Consumer Products increased 12% to 5.1 million MT during the year.

OUTLOOK AND STRATEGY

With the more disciplined operating environment for the crushing industry in China, the Group remains positive for the outlook in 2016.

In the Consumer Products business, Wilmar will continue to benefit as more consumers shift from oil purchases made in loose form to quality branded consumer pack products. The Group will continue to strengthen its brand reputation and mind share while improving on its distribution networks, research and development as well as expanding its pipeline of products to grow its market presence globally.

SUGAR (MERCHANDISING, MANUFACTURING & CONSUMER PRODUCTS)

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 food-grade products such as white sugar, brown sugar, caster sugar and syrups. From 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 requirements 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 a 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 Europe.

Wilmar is a strategic industrial partner of Shree Renuka Sugars Limited (SRSL), the leading sugar company in India, through its 27.72% stake in the company. SRSL's 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.

Wilmar also entered into a 55:45 joint venture with Myanmar-based 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, a bio-ethanol plant and an organic compound fertiliser plant.

As at 31 December 2015, the Group has sugar mills and refining plants in the following countries:

	Milling	Refining
Subsidiaries		
Australia	8	2
New Zealand	-	1
Indonesia	-	2
Myanmar	2	-
Total no. of mills/plants	**10**	**5**
Total capacity (*million MT p.a.*)	**19**	**2**
Associates		
Brazil	4	-
India	7	2
Morocco	7	1
Total no. of mills/plants	**18**	**3**
Total capacity (*million MT p.a*)	**26**	**3**

SUGAR DEVELOPMENTS

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

In the course of 2015, the Group's merchandising activity became a significant player on the ICE #11 sugar futures contract, taking three consecutive deliveries from the exchange and receiving a total of approximately 3.5 million MT of raw sugar. The expiry of the May futures contract was the largest ever in the history of the ICE #11 futures contract, with Wilmar being the sole receiver of 1.9 million MT of sugar.

INDUSTRY TREND IN 2015

World sugar production reached a fourth consecutive year of production surplus, with about 182.6 million MT produced compared to 178.5 million MT consumed, for the October 2014 to September 2015 marketing period.

For the first eight months of 2015, the depreciation of the Brazilian Real (BRL) versus the US Dollar from BRL 2.7 to BRL 4, coupled with a large crop in Brazil, weighed on the sugar market leading to a six-year historical low price of 10.5 US cents per pound in August 2015. The arrival of a strong El Nino phenomenon and a tightening of the ethanol situation in Brazil then helped the sugar price to rebound, to close at 15.24 US cents per pound at end December 2015.

OUR PERFORMANCE

In 2015, the Sugar division reported a lower pre-tax profit of US$83.3 million compared to US$134.4 million in 2014. This was mainly due to weaker performances from the merchandising and manufacturing businesses as well as lower translated profits from the Group's Australian operations as a result of the weakening Australian Dollar.

Sugar volumes grew 35% to 13.1 million MT from higher merchandising and milling activities and revenue increased 8% to US$4.40 billion. The lower rate of revenue increase against volume improvements was due to lower sugar prices and the depreciation of the Australian Dollar in 2015.

OUTLOOK AND STRATEGY

In 2016, the world is expected to produce less sugar than it consumes for the first time in five years. However, the high inventories sitting in many countries may continue to weigh on the market. 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 reducing the total production and supply cost by improving the operational performance of its factories, automation and streamlining the operational footprint. The Group will also leverage 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, the Group also engages 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 the Group's suppliers of fresh fruit bunches, crude palm oil and palm kernel, enabling it 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, Wilmar's total installed capacity of NPK compound in Indonesia is 1.2 million MT per annum. The Group is also the appointed distributor of Canadian potash, Peruvian rock phosphate, and USA borate in Indonesia.

The Group expanded into the Malaysian market with the acquisition of Wilmar Fertilizer Malaysia Sdn Bhd (WFMSB), formerly known as Taiko Fertiliser Sdn Bhd, in the second half of 2015. WFMSB's activities include the manufacturing, trading and warehousing of fertilisers and other related products. It has a 100,000 MT per annum NPK plant and facility in Sabah, East Malaysia. Similar to its approach in Indonesia, this new venture will complement the Group's activities, particularly in the East Malaysian oil palm market.

INDUSTRY TREND AND OUR PERFORMANCE

Similar to industry conditions seen in 2014, the steady market in the first half of 2015 was short-lived and swiftly turned unfriendly towards the second half of 2015. The continuing depressed market was largely attributed to slumps in global commodity prices and dampening buying sentiments. Market conditions were further exacerbated by regional currency volatilities and unfavourable weather with the occurrence of the haze and dry conditions in the region restraining fertiliser application and delivery.

Notwithstanding the adversities in the second half of 2015, the Group's fertiliser business delivered better profitability overall compared to 2014.

OUTLOOK AND STRATEGY

Given current market challenges and sluggish economic growth, the Group will focus on markets in which it has significant presence to ensure achievable and sustained growth. The Group maintains its positive view on the long-term outlook of the agricultural sector in the region.

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 2015, shipping volumes of vegetable oils and of dry bulk again increased from the previous year. Through prudent management, profit for the shipping unit improved over the previous year.

As the volume of edible oils merchandised by the Group increases, the Group will continue to look out for good opportunities to expand its fleet with larger and more cost effective vessels.

As at 31 December 2015, the Group had 40 liquid bulk vessels and 14 dry bulk vessels under its owned and controlled tonnages.

RESEARCH & DEVELOPMENT

Wilmar's research and development (R&D) activities aim to improve the quality and widen the range of its product offerings and enhance operational efficiency by reducing energy consumption and minimising environmental impact. The R&D work is carried out in various international locations focusing on food technology, oleochemical research and oil palm productivity. By the end of 2015, the Group has been granted a total of 65 patents covering these different areas.

R&D ACTIVITIES IN CHINA

During the year, the Global R&D Centre in Shanghai moved into its new 12-storey facility. The Centre focuses on 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 Centre has made significant progress in developing enzymatic technologies to enhance oil processing efficiency and to reduce waste water and the use of chemicals in the oil refining process. Several enzymatic technological solutions which have been successfully developed for various oils and food fats are now being implemented in the Group's production operations in China and elsewhere.

To ensure product safety, the Centre has also been working on new processing technologies to control substances of potential negative impact on health in edible oils and cereal products. Products developed using these new technologies are able to meet the most stringent specifications, beyond the requirements of official regulations.

Major R&D activities in 2015 included the following:

Arawana Nutrition and Safety Research Fund

The Fund supported five projects including four from top-tier Chinese universities and one by the China National Centre for Food Safety Risk Assessment, the national authority responsible for risk assessment and communication. Through these projects, the Group was able to benefit from increased efficiency in its production processes and effectively control levels of polycyclic aromatic hydrocarbons in edible oils.

Arawana Scholars' Forum

Held annually, the forum 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. Each year, the Group disburses RMB 3 million to fund the scholarships.

International Symposiums and Publications

During the year, researchers from the Centre participated in a number of scientific conferences and contributed to international publications, including:

- The first International Sunflower Oil Symposium and

the establishment of the International Sunflower Oil Association (ISOA) in Shanghai. The objective of the ISOA is to promote collaboration and communication amongst the various stakeholders with interests in the sunflower oil industry. The ISOA has set up a laboratory in Wilmar's R&D Centre.

- A symposium on New Technology and Application of Coarse Grains which focused on developing new processing technologies for buckwheat, oats, barley and low glycemic index foods.
- A symposium on Rice Technology and Application which focused on current technological trends and developments in rice processing and quality control, functional and instant rice products as well as downstream product development.
- "Effects of Germination on the Nutritional Properties, Phenolic Profiles and Antioxidant Activities of Buckwheat", published in the Journal of Food Science. The research provided a method of enhancing the nutrition and antioxidant activity of buckwheat by germination.
- "Antioxidant Activities and Phenolic Compositions of Wheat Germ as Affected by the Roasting Process", published in the Journal of American Oil Chemist Society.

WILMAR INTERNATIONAL CULINARY INSTITUTE (WICI)

The WICI was established by Wilmar and Yangzhou University to study culinary science and to foster culinary skills and talents. Its activities during the year included training courses for chefs of 5-star restaurants, collaborating with the R&D Centre to produce videos on cooking science and participating in international exchange programmes to promote Chinese cooking techniques and cuisine.

R&D ACTIVITIES IN INDONESIA

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

Beneficial Microbes

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

Oil Palm Breeding

In collaboration with Temasek Life Sciences Laboratory, the Group is working to generate specific DNA markers associated with important agronomic traits of oil palm. These markers will be applied in DNA-assisted breeding of oil palm. A reliable rapid diagnosis test to screen for disease (Ganoderma) resistant palms has also been developed.

Oil Palm Microspore Propagation

Together with the Gadjah Mada University, Wilmar has identified some of the critical stages of pollen development in oil palm. This would be the first step in the mass culturing of microspores (young pollen). Further research is being done to study the impact of temperature stress and carbon starvation in inducing microspore embryogenesis.

AWARDS & ACCOLADES

CORPORATE AWARDS

Wilmar International Limited

- Fortune Global 500, ranked 252nd
- World's Most Admired Company, ranked 5th in Food Production Industry
  Fortune Magazine
- Forbes Global 2000 Leading Companies, ranked 369th
- Ranked 29th out of 639 companies on the Governance and Transparency Index
  The Business Times and the Centre for Governance, Institutions and Organisations
- Top 100 Singapore Brands, ranked 3rd
  BrandFinance®
- Singapore International 100 Award – Overseas Turnover Excellence
  DP Information Group with Ernst & Young as Co-Producer, supported by ACRA, IE Singapore, SPRING, IDA and Singapore Business Federation

Africa
Wilmar Africa Limited

- 10th Ghana-Africa Business Awards (Silver award in the category of International Trade)
  Ministry of Foreign Affairs and Regional Integration 2015

Australia
Wilmar Sugar

- Australia's Top 100 Food & Drink Companies (Ranked 14th)
  Food & Drink Business Magazine and IBISWorld
- Employer of the Year Award
  2015 Queensland Training Awards – North Queensland Region Finals
- Finalist, Employer of the Year Award
  2015 Queensland Training Awards – State Finals

China
Yihai Kerry Investments Co., Ltd.

- Top 50 Manufacturing Enterprises in Shanghai (Ranked 4th)
  Shanghai Enterprise Confederation, Shanghai Enterprise Directors Association and Shanghai Federation of Economic Organisations

Ghana
Benso Oil Palm Plantation

- 2014 Ghana Club 100 – Leader in Agribusiness
  Ghana Investment Promotion Centre

Uganda
Bidco Uganda Limited

- Best Innovation Award
  Uganda Business Clinic Initiative

Vietnam
Cai Lan Oils & Fats Industries Company Ltd

- Vietnamese High Quality Goods Award
  Saigon Tiep Thi newspaper
- VNR 500 – Top 500 Biggest Enterprises in Vietnam
  Vietnamnet in collaboration with Vietnam Report

Wilmar Agro

- Trusted Quality Supplier
  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

SUSTAINABILITY AWARDS

Wilmar International Limited

- Special Recognition – Large Organisations Category
  Singapore Apex CSR Awards
- Sustainable Business Award Category
  Singapore Sustainability Awards

Ghana
Benso Palm Oil Plantation

- 2014 Ghana Club 100 – Best Company in Corporate Social Responsibility
  Ghana Investment Promotion Centre

Uganda
Bidco Uganda Limited

- Best Supplier Engagement of Vegetable Oil Products
  East Africa Responsible Business Awards

CONSUMER PRODUCT AWARDS

China

Brand	Award
Arawana	• Consumers' Favourite Food Brand *China National Food Industry Association*
Wonder Farm	• Consumers' Favourite Food Brand *China National Food Industry Association*
Orchid	• Consumers' Favourite Food Brand *China National Food Industry Association*

Bangladesh

Brand	Award
Rupchandra Soybean Oil	• No. 1 Edible Oil Brand in Bangladesh and 2nd Overall Best Brand Award *Bangladesh Brand Forum in association with Millward Brown Bangladesh*

Ghana

Brand	Award
Frytol	• Most Celebrated Ghanaian Brand *Premier Brands Ghana*

India

Brand	Award
Fortune	• Reader's Digest Trusted Brand of the Year *Reader's Digest*
Fortune Cooking Oil	• Superbrand *Superbrands India* • Promising FMCG-Food Producers Brand *The Economic Times*

Indonesia

Brand	Award
Sania Royale	• Superbrand • Outstanding Achievement Award *Superbrands*
Sania	• Top Brand Award (Cooking Oil category) *Frontier Consulting Group and Majalah Marketing* • 2nd winner of Best of the Best Award, People Choice Award and Most Committed Brand Award *Merek Tercinta, MPPA Retail Group* • Great Performing Brand in Social Media *Frontier Consulting Group and Marketing Magazine*

Sri Lanka

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

Uganda

Brand	Award
Fortune Butto	• Best Cooking Oil *People's Choice Quality Awards*
White Star	• Best Laundry Soap *People's Choice Quality Awards*

SUSTAINABILITY

OVER 80%
OF PLANTED AREA IS RSPO-CERTIFIED

830,000 MT
OF CERTIFIED SUSTAINABLE PALM OIL ANNUALLY

FIRST
COMPANY TO PUBLISH LIST OF KNOWN CPO MILL SOURCES

SUSTAINABILITY

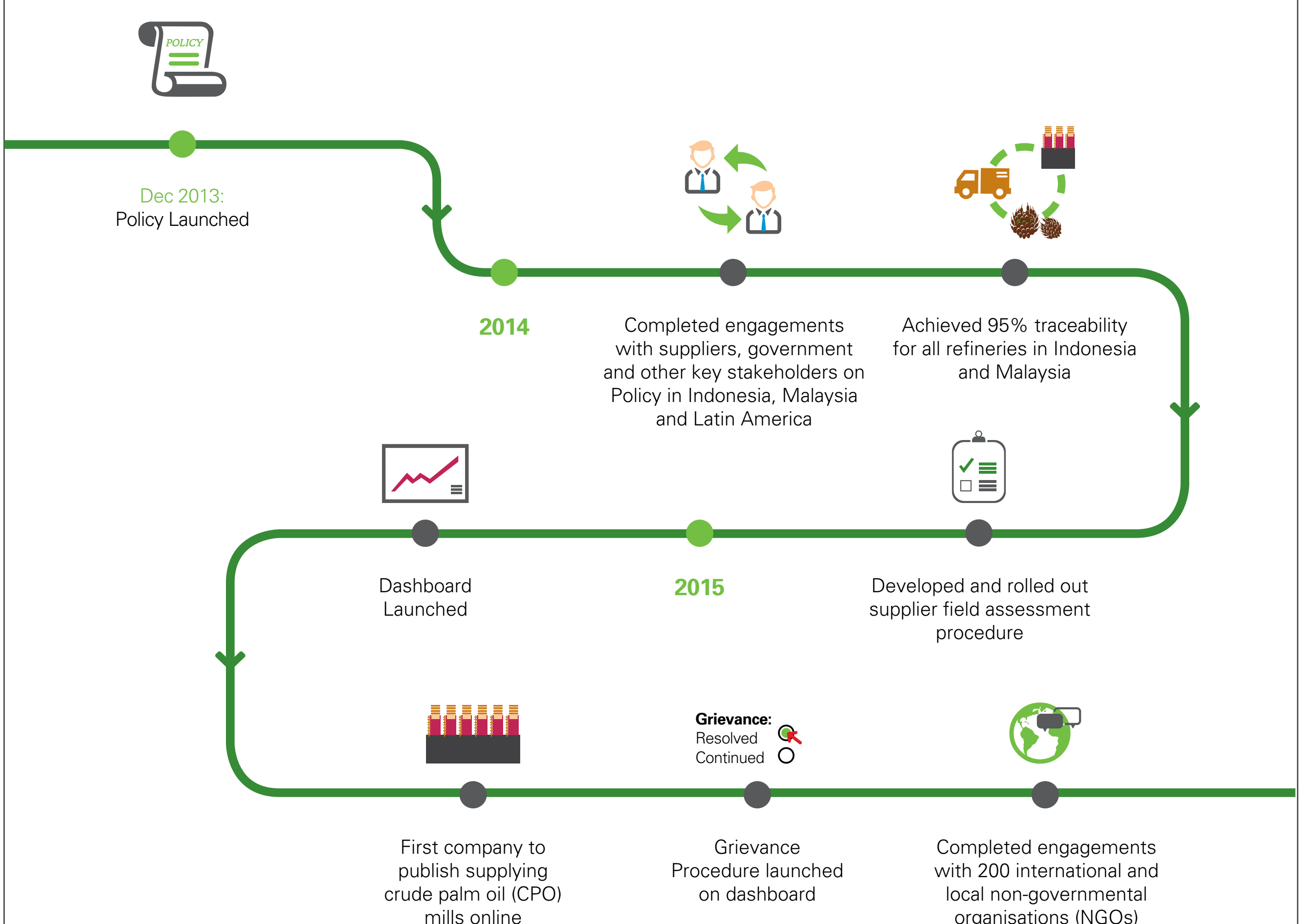
2015 was another fruitful year for Wilmar and the palm oil industry on the sustainability front. Wilmar received the Singapore Apex CSR Awards 2015 (Special Recognition – Large Organisations Category) and the Singapore Sustainability Award 2015 (Sustainable Business) in recognition of its aspiration and efforts in driving transformation in the palm oil industry through the implementation of its No Deforestation, No Peat and No Exploitation Policy (Integrated Policy) launched in December 2013.

Following the launch of this landmark Integrated Policy, Wilmar is encouraged to see there has been a deluge of sustainability pledges by other major palm oil companies.

A Traceable Supply Chain

The Group started tracing its supply flows from ports and refineries back to palm oil mill sources even before the launch of its Integrated Policy. Traceability[1] is useful because the information can be utilised to evaluate suppliers'

WILMAR'S KEY POLICY MILESTONES



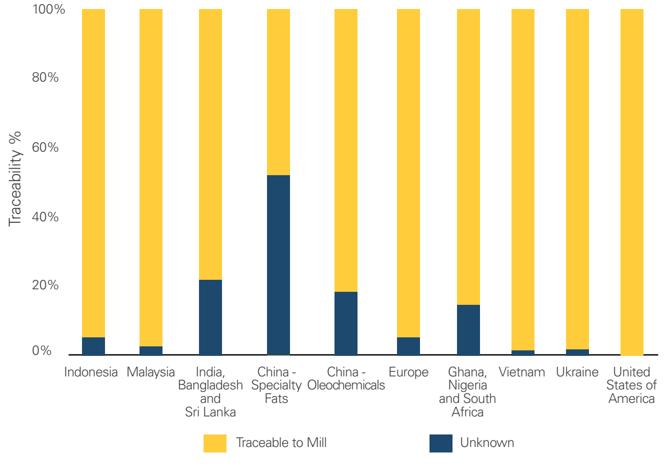
performance against the Policy, and to engage with its supply base to achieve improvements where needed.

In mid-2013, Wilmar worked with its customer Unilever to pilot the development of a standardised reporting platform for palm traceability – KnownSources. Many days were spent pursuing suppliers, collecting data and plotting maps, in order to be able to achieve transparency of the originating crude palm oil (CPO) mill sources. It has not been an easy task as palm oil supply chains are multi-tiered and complex.

In January 2015, Wilmar published the list of known CPO mill sources that supply its refineries[2] – the first company ever to do so. As of mid-2015, the Group has identified all the direct mills supplying each of its operational facilities in Indonesia and Malaysia.

In view of the ongoing challenges of commodity transportation and trading, Wilmar acknowledges that achieving 100% traceability has not been possible. In palm oil procurement and trading, the supply network to refineries is not just limited to direct purchase of CPO and/or palm kernels from mills; refineries may also procure bulk and redistributed oil from third-party refiners or traders. Where these type of purchases are made, the CPO mill origin may not be available.

The graph below illustrates the traceability status of Wilmar's operations globally from October 2014 - September 2015.



In terms of traceability to plantation, Wilmar will publish the fresh fruit bunches (FFB) sourcing of its own mills in phases, starting with the Malaysian maps which are available on the Wilmar sustainability dashboard.

Supplier Compliance

The next step following the supply chain mapping exercise is risk assessment. Wilmar has about 1,000 suppliers; a sampling regime was therefore necessary as it is not possible to conduct field assessments on all supplying mills. The selection of mills for field assessments was conducted with The Forest Trust (TFT) through the Mill Prioritisation Process, which is based on the analysis of spatial and non-spatial data pertaining to potential risks within a 50 km radius. Mill locations identified through verified Global Positioning System (GPS) points were overlaid on a map with information on national parks, forested areas, peatland, biodiversity hotspots and so on to assess and determine if field assessments are required.

By the end of 2015, field assessments had been carried out on 47 mills and a representation of their supply base in Indonesia, Malaysia, Latin America and Ghana.

Sustainability Certification

Certification remains a priority for Wilmar, as part of the Group's commitment to continuous improvement and to provide assurance to stakeholders. The Group benchmarks its processes and products to a diverse set of international and local certification standards, including the Roundtable on Sustainable Palm Oil (RSPO), International Sustainability & Carbon Certification (ISCC), and the Indonesian Sustainable Palm Oil (ISPO).

In particular, as at end 2015, 26 of the Group's mills and more than 80% of its planted area are certified to the standards of RSPO, boosting the Group's annual production capacity of certified sustainable palm oil and certified palm kernels to around 830,000 MT and 175,000 MT respectively.

On the smallholder front, the Group has more than 11,800 MT of RSPO-certified palm oil and 2,800 MT of certified palm kernels from its plasma smallholders as of end 2015.

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[1] *Traceability Definition and Calculation is available on http://www.wilmar-international.com/wp-content/uploads/2016/01/Wilmar-Policy-Progress-Report-Final.pdf*

[2] *Available on the Wilmar dashboard: http://www.wilmar-international.com/sustainability/dashboard/*

For downstream operations, Wilmar has 30 sites certified under the RSPO Supply Chain Certification System, and are able to deliver palm products under the Segregation and Mass Balance supply chain models.

As at end 2015, the Group has 31 sites including mills and plantations, refineries and biodiesel plants certified against the ISCC standards, as well as five mills and their supply bases certified against the ISPO.

Support for Smallholders

Smallholders play a critical role in the palm oil supply chain. An inclusive model that integrates smallholders into the global sustainable supply chain helps to improve smallholder livelihoods. Wilmar is continuously working with its smallholder suppliers to identify better ways of improving agricultural practices that align with global sustainability standards and helping to improve production yield.

In 2015, Wilmar's focus has been to identify incentives for its smallholder suppliers to pursue sustainable practices. In Malaysia, the Group is working with Wild Asia, a Malaysian social enterprise, to help independent smallholder suppliers in Sabah attain RSPO certification. In conjunction with this initiative, Wilmar started a fertiliser scheme[3] to help these smallholder suppliers gain access to fertilisers at wholesale prices, with application advice and monitoring.

As of 31 December 2015, Wilmar has 201 RSPO-certified smallholder suppliers in the Wild Asia Group Certification Scheme, representing about 1,230 ha of planted area supplying about 3,000 MT CPO and 675 MT palm kernels annually.

In Indonesia, the Group has started working directly with independent smallholders to achieve RSPO group certification in South Sumatra, where the eventual RSPO-certified FFB production will be used as an incentive for commencing with a more sustainable replanting programme in 2017. The smallholder group is expected to receive their RSPO certification covering 6,000 ha in 2016.

Sustainable Palm Oil and Traceability with Sabah small producers (SPOTS)
Partners: Wild Asia Group Certification Scheme, L'Oréal, Clariant and Global Amines

Officially launched at the 13th RSPO Roundtable Meeting in November 2015, the SPOTS project is an expansion of an existing collaboration between Wilmar and Wild Asia Group Certification Scheme in the Beluran district of Sabah to certify smallholder farmers. The project now includes off-taker partners which strengthen the demand for certified FFB from smallholders. The project aims to certify, using the RSPO standard, a total of 500 smallholders and the equivalent of 70,000 MT of FFB by 2020.

Fresh fruit bunch grading and quality training with smallholders.

The incentives provided to the smallholders are focussed on a two-pronged approach. Firstly the smallholder receives a direct premium for FFB sales to Wilmar mills and an additional premium of any RSPO CPO volumes purchased by the off-taker partner. The premiums help to encourage smallholders' interest in sustainability efforts and increase the physical flow of RSPO-certified FFB to CPO. The second incentive is the provision of agronomic advice and extension services to committed smallholders to raise productivity. Both incentives create a 'reward loop' for smallholders to continue with sustainable practices.

[3] *http://www.theborneopost.com/2015/12/13/fertilizer-credit-scheme-to-benefit-oil-palm-planters/*

Transparency and Accountability

Sustainability Dashboard

Wilmar's sustainability dashboard was launched in January 2015 which aims to provide transparency to the implementation of the Integrated Policy and its progress. Some of the key features of the dashboard include information on certification progress, traceability and supply chain, as well as the Grievance Procedure.

Grievance Procedure

Although field assessments are conducted to ensure supplier compliance, the Group recognises that policy breaches may occasionally be undetected, particularly for supplies that do not feed directly into its supply chain. As part of risk management, Wilmar established a Grievance Procedure in January 2015 which provides stakeholders with an avenue to report suspected sustainability-related breaches and concerns pertaining to its own operations and its suppliers. Stakeholders will also be able to view the full list of grievance cases, and follow the latest developments in the handling of the grievance cases via the dashboard. As at end 2015, there were 19 cases logged.

Total Grievance Cases Investigated	19
Corrective Plan in place	12
Suspended Suppliers	5
Ongoing Engagement	1
Grievance linked to Wilmar operations	1

Surveillance Programme

Wilmar has also enlisted the support of an NGO partner to monitor and proactively identify issues of concern that could be linked to Wilmar's suppliers at Company or Group level. Necessary corrective actions or improvements are then raised directly with the suppliers concerned.

Reducing Greenhouse Gas Emissions

Wilmar monitors its Greenhouse Gas (GHG) emissions, especially for its palm oil operations in Indonesia and Malaysia. The Group constantly strives to adopt best practices to reduce the carbon footprint in its palm oil mill operations. This is demonstrated in its ongoing plans to build methane capture facilities for several palm oil mills.

Wilmar is committed to continually reduce its GHG emissions arising from methane emissions from palm oil mill effluent (POME) in its palm oil mills in Indonesia and Malaysia. As of end 2015, Wilmar has eight operational methane capture facilities, with 14 more currently under construction. An operational methane capture facility can potentially reduce a palm oil mill's GHG emissions by 90%. The recovered biogas will be used mainly for power generation.

In 2015, Wilmar participated in three Carbon Disclosure Project (CDP) programmes: Climate Change, Supply Chain and Forests, with a specific focus on its palm operations in Indonesia and Malaysia. With the support of 822 institutional investors managing US$95 trillion in assets, CDP encourages corporations and cities to measure and disclose their carbon emissions information, thereby providing opportunities for better management of environmental risk.

Wilmar selected 21 sites in Indonesia and Malaysia for the CDP Climate Change/Supply Chain module which includes 15 palm oil mills and their supplying plantations, five refineries and one biodiesel plant.

	Unit emissions per product (tCO_2e/MT)
Plantation	87.1 tCO_2e/MT FFB
Mill	500 tCO_2e/MT CPO
Refinery	58 tCO_2e/MT refined oil (Refined Bleached Deodorised Palm Oil+Palm Fatty-Acid Distillates)
Biodiesel plant	474.5 tCO_2e/MT biodiesel

Of the 15 palm oil mills, there were three operational methane capture facilities which contributed towards a 22% reduction in overall GHG emissions for mills.

Mitigating Fire & Haze

The South East Asian region experienced one of the worst incidents of haze in 2015 caused by the widespread forest fires in Indonesia, which were exacerbated by the El Nino weather phenomenon.

	2014			2015		
	Planted area (ha)	Unplanted area (ha)	Total no. of fires	Planted area (ha)	Unplanted area (ha)	Total no. of fires
Sumatra (Riau)	115.18	2.11	28	428.30	205.10	82
Central Kalimantan	448.81	386.74	126	504.32	1,028.40	153
West Kalimantan	711.93	0	52	9.11	2.00	4

Wilmar has strictly adhered to No Burn practices even prior to the launch of our Integrated Policy, and only employ mechanical methods in land development. All our suppliers have also been notified that any deliberate breach of our No Burn policy will result in an immediate termination of business relations.

Despite Wilmar's best efforts, fires may occasionally occur in its concessions, particularly during the dry season. Most of these fires originate from (i) enclaves, or small patches of land, within the Group's concessions which are controlled by local communities who continue to practice slash-and-burn, and (ii) outside the Group's concession areas, and which then spread to the Group's concessions by topography and wind. In these cases, fire-fighting efforts are quickly mobilised while at the same time, detailed documentations of each fire incident, which include the location and size of the affected area, possible cause, duration of the fire and action taken by the management team are kept. This information is submitted to the police as evidence. More information about the Group's fire and haze mitigation efforts can found on http://www.wilmar-international.com/sustainability/information-resources/.

Recognising that a long-term solution is needed to address the fire and haze dilemma which is often attributed to land-clearing activities of small farmers, Wilmar is looking to adopt the "Fire-Free Village"[4] approach which has proven to be effective in the Riau Province of Indonesia. This is an incentive-based fire prevention scheme aimed at encouraging local communities to steer away from using fires to clear land.

A workshop attended by plantation managers and personnel was conducted on 4 December 2015 to discuss how to adapt and implement the programme in Wilmar's areas of operations in Indonesia.

Plans are already underway to pilot this initiative in three estates each in Central Kalimantan and South Sumatra.

Stakeholder Engagement and Partnerships

Since the launch of its Integrated Policy, Wilmar regularly engages with its key stakeholders to discuss issues pertaining to its own operations as well as linked to its Policy implementation. These dialogues enable the Group to foster understanding, align expectations and share feedback on challenges and concerns as well as culminated in collaborations of a variety of environmental and social initiatives.

Non-Governmental Organisations (NGOs)

Wilmar recognises the important role of NGOs in promoting checks and balances for improving accountability in its supply chain. Over the last two years, the Group has engaged with more than 200 international and local NGOs on a strategic and ongoing basis. This was done through multiple workshops and meetings held in various locations in Malaysia, Indonesia, Australia and Europe.

Multi-stakeholder collaborations

Wilmar is an active participant in a variety of multi-stakeholder partnerships. It is a signatory and founding member of the Indonesian Palm Oil Pledge (IPOP), together with five other palm oil majors and the Indonesian Chamber of Commerce. IPOP seeks to "create an environment in Indonesia which enables and promotes the production of sustainable palm oil that is deforestation free, expands social benefits, and improves Indonesia's market competitiveness". Wilmar is also a partner of the Tropical Forest Alliance 2020 which brings governments, private sector and civil society together to end deforestation in commodity production, and the Banking Environment Initiative's Sustainable Trade Finance Council which seeks to incentivise the trade of sustainably produced commodities at scale.

At the local level, Wilmar has been playing a leading role in bridging partnerships between governments, communities and civil society to bring about optimal environmental and social outcomes.

Collaboration with NGO on Gibbon Rehabilitation

Siamangs are a species of gibbons found mainly in Peninsular Malaysia and the provinces of Sumatra and Kalimantan in Indonesia. They are categorised as vulnerable to extinction under the International Union for Conservation of Nature Red List of Threatened Species.

Wilmar participated in a rehabilitation programme, with the Kelaweit Foundation, for rescued siamangs to be returned to the wild. Since March 2015, six siamangs have been reintroduced into the High Conservation Value (HCV) area within Wilmar's plantation in Sumatra.

After six months, one of the pairs was removed because the female died in an accident with the other gibbon species in the area. The other two pairs have been shown to be adapting well to their habitat with natural behaviour such as mating, feeding and grooming. The Kelawait Foundation will continue to monitor their progress in the field.

Wilmar will continue to work with Kelaweit Foundation to ensure that the integrity of the HCV area is maintained. The Group will also conduct awareness sessions with the local communities on the importance of conserving the HCV area and biodiversity.

[4] *The Fire Free Village approach was pioneered by APRIL Group, a leading producer of pulp and paper.*

Empowering Lives

Wilmar has significant plantation operations in Indonesia, and the Group has committed a proportionate amount of resources to ensure that local communities in and around the areas of its operations share in the benefits of plantation development.

In 2015, Wilmar stepped up its support for improving the accessibility and quality of education for local communities. In Central Kalimantan, approximately US$39,000 was spent on infrastructure, educational activities and teaching support in 22 villages. Wilmar also donated school uniforms to needy students and scholarships to high achievers. Wilmar believes education is key to improving the livelihoods of future generations and will continue its longstanding support in this area.

Healthcare is an equally important area of focus. Wilmar has an ongoing programme to improve the health and well-being of vulnerable communities. This includes providing free medical care and milk supplements to expecting mothers and young children.

Indonesia was affected by one of the worst bouts of forest fires and haze in 2015; this was exacerbated by the El Nino weather phenomenon. Despite having a strict No Burn policy, Wilmar's estate in Central Kalimantan was nevertheless affected by fires and haze. Beyond focusing on fire prevention and suppression efforts, the Wilmar team in Kalimantan also coordinated quickly to put measures in place to provide aid to local communities. Free face masks and food supplements were handed out to almost 13,000 villagers, and shelter and medical assistance were provided to the communities facing the highest risks.

The Group's philanthropic efforts continues in China. A total of US$2.9 million was donated through Wilmar's Arawana Charity Foundation, to extend and broaden its reach in the following focus areas: (i) education & scholarships, (ii) cataract operations for needy communities, (iii) orphanages and nursing homes, and (iv) disaster relief.

On the education & scholarships front, the Group supported the establishment of 30 schools in rural China, ranging from kindergartens to primary and secondary Schools. Over US$427,000 worth of Arawana Scholarships were awarded across 13 universities in China in 2015.

Wilmar continued its efforts to provide access to life-changing cataract surgery to needy communities. To date, over 21,000 patients in 16 provinces and municipalities are leading more fulfilling lives after successful cataract operations sponsored by the Group.

Over US$76,000 was also donated to several orphanages and nursing homes across China in 2015.

Following a series of explosions near a container storage station in the Port of Tianjin which resulted in over 100 fatalities and several hundred more injuries in August, Wilmar donated over US$150,000 to support the recovery and rehabilitation of those affected by this tragic event.

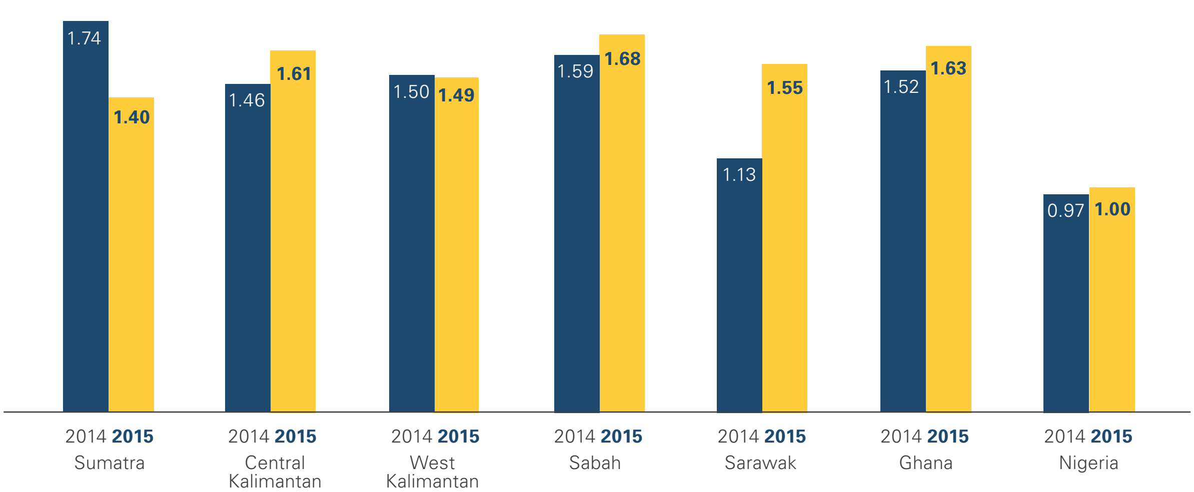
SUSTAINABILITY PERFORMANCE

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)*

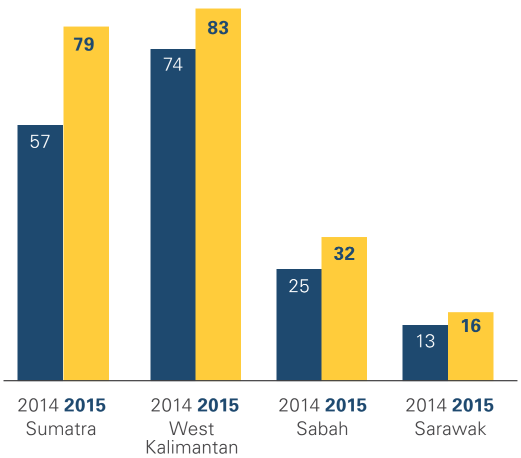


Biological Oxygen Demand (BOD) Levels

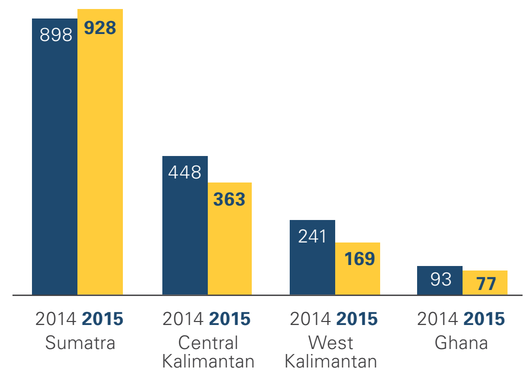
BOD is the amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

BOD Levels by Region and Discharge Destination - Mills *(mg/l)*

River Discharge



Land Application

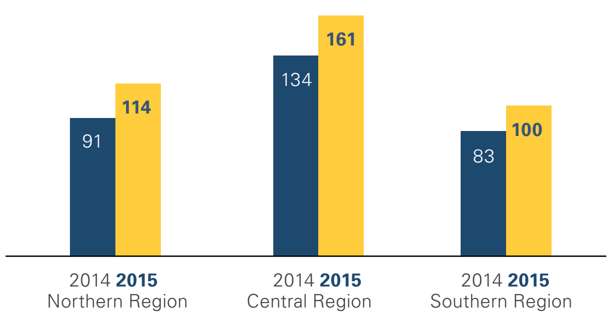


Note: No BOD measurement is made in Nigeria as construction of the effluent plant is in progress. In the interim, ponds have been dug to contain the effluent which is undergoing natural digestion. No effluent is being discharged into natural waterways.

Chemical Oxygen Demand (COD) Levels – China

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)*

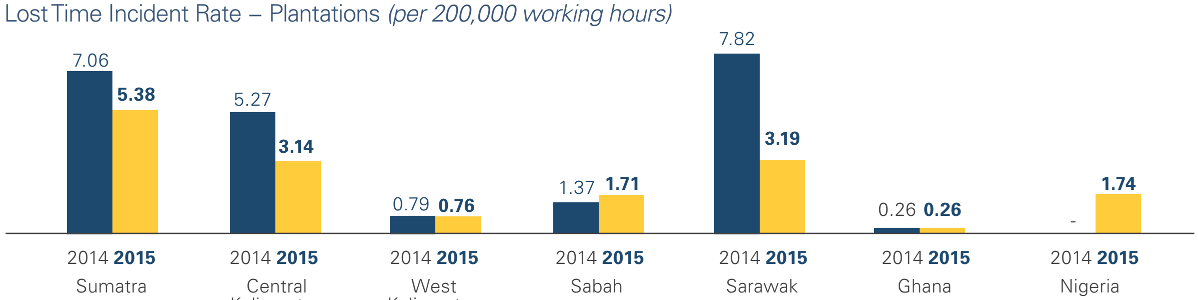


Health & Safety

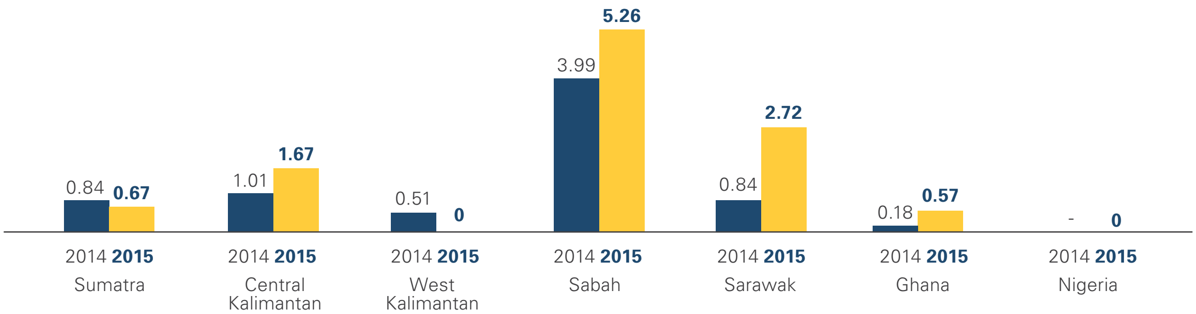
Lost Time Incident Rate

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

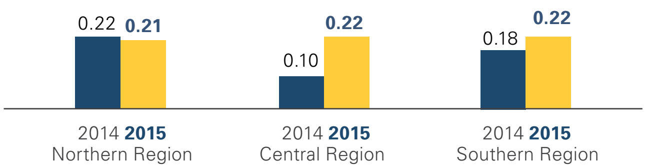
Lost Time Incident Rate – Plantations *(per 200,000 working hours)*



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



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



Fatalities

Wilmar deeply regrets that five workplace deaths had occurred in 2015. Every case of fatality is followed by a thorough review of cause and actions to prevent recurrence. The causes of these unfortunate fatalities are equipment malfunction, non-conformance with safety procedures, electric shock and a traffic accident. 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)*

	2014	2015
Sumatra	0	**0**
Central Kalinmantan	1	**1**
West Kalimantan	0	**0**
Sabah	1	**1**
Sarawak	0	**0**
Ghana	0	**0**
Nigeria	-	**0**

Fatalities – Mills *(Number of work-related deaths)*

	2014	2015
Sumatra	0	**2**
Central Kalinmantan	0	**0**
West Kalimantan	0	**0**
Sabah	0	**0**
Sarawak	0	**0**
Ghana	0	**0**
Nigeria	-	**0**

Fatalities – China *(Number of work-related deaths)*

	2014	2015
Norther Region	0	**1**
Cental Region	0	**0**
Southern Region	0	**0**

ENGAGEMENT & GOVERNANCE

92,000
EMPLOYEES GLOBALLY

ROBUST
RISK MANAGEMENT

TOTAL DIVIDEND OF
S$0.080
PER SHARE

INVESTOR RELATIONS

▲ *The Group's Annual General Meeting (AGM) held on 24 April 2015 was well attended by around 300 shareholders.*

Wilmar is committed to deepening long-term relationships with stakeholders and maintaining open communication and regular engagement with all investors. Wilmar's Investor Relations (IR) team provides consistent and relevant information about the Group's progress, performance and prospects to assist existing and potential investors make informed investment decisions.

ENGAGING STAKEHOLDERS

The IR team's dedication towards open communication is demonstrated through the engagement of over 200 investors during the year via various platforms including one-on-one meetings, group meetings, investor conferences, results briefings and teleconferences. These events provide existing and potential investors access to Senior Management to discuss a wide range of topics including strategic direction, financial performance, industry trends and sustainability issues. The IR team also diligently addresses and responds to immediate concerns raised by shareholders and investors who do not attend these conferences through emails and phone calls.

The Group's Annual General Meeting (AGM) held on 24 April 2015 was well attended by around 300 shareholders. The Chief Financial Officer delivered a presentation to update shareholders on developments across the Group in the past year and the Directors and Senior Management were in attendance to address queries and concerns. The AGM offers a valuable opportunity for the Directors and Senior Management to interact with shareholders and to help investors better understand Wilmar's key business focus and growth plans in the different business segments. The annual Investor Day, first launched in 2014, was held immediately after the AGM to capture maximum participation and to bring convenience to shareholders. The event was led by the Group's Sustainability, Sugar and Oleochemicals/Biofuels Divisions, and included presentations by each division head and an interactive question-and-answer session.

The IR team continues to develop and maintain strong links with the investment community. The Group organises combined results briefing for analysts, media and investors to present timely updates on financial results, business developments and other information relating to the respective business segments.

The IR website is a key resource for corporate information, financial data and significant business developments.

All disclosures submitted to the Singapore Exchange are available in the Investors & Media section of the Group's corporate website (http://ir-media.wilmar-international.com).

At the end of 2013, the Group announced its "No Deforestation, No Peat and No Exploitation Policy". This policy is primed to accelerate the transformation of the oil palm industry into an environmentally and socially responsible one. The progress of policy implementation has generated much interest from existing and potential investors. To ensure that the stakeholders are provided accurate and timely information, the IR team works closely with the Group's Sustainability team to communicate the latest developments to interested parties. Quarterly implementation progress reports, the biennial Sustainability Report as well as other resource materials produced by the Sustainability team are available on the Group's corporate website (www.wilmar-international.com/sustainability).

The Group's resilient business model has proven to be an advantage in overcoming the challenging operating environment in 2015. Moving forward, the Group will continue to invest in key growth areas such as oil palm plantations, consumer products and sugar. Wilmar is proposing a total cash dividend of 8.0 Singapore cents per share for the year, representing more than 30% of the Group's net profit in 2015.

INVESTOR CALENDAR

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
DBS Vickers Pulse of Asia Conference (Singapore)	Annual General Meeting / Investor Day (Singapore)	2QFY2015 Results Briefing (Singapore)	3QFY2015 Analyst Meeting (Singapore)
FY2015 Results Briefing (Singapore)	1QFY2015 Results Briefing (Singapore)	Macquarie ASEAN Conference (Singapore)	Morgan Stanley 14th Annual Asia Pacific Summit 2015 (Singapore)
Credit Suisse 18th Annual Asian Investment Conference (Hong Kong)		CLSA 22nd Investors' Forum 2015 (Hong Kong)	

HUMAN CAPITAL MANAGEMENT

Wilmar's growth is driven by its people. With a global staff strength of about 92,000, the Group is committed to attracting and developing talent. As a global company, having a strong and diverse talent pool based on meritocracy is important to Wilmar.

In April 2015, the inaugural Global Human Resources (HR) meeting was held in Singapore. Global HR Business Partners came together to share local best practices and discuss high-level issues that require global solutions. The two-day session helped build closer links within the global HR community and also laid out the Group's strategic plan for the next few years.

Talent management and employee engagement were strong priorities for the Group in 2015.

ATTRACTING TALENT

Wilmar Singapore organised a well-received regional recruitment networking session at Nanyang Technological University in November 2015. The objective of the session was to raise the profile of Wilmar amongst the ASEAN undergraduates and to create awareness of the Group's presence in emerging ASEAN markets.

Wilmar was also a founding partner of the International Trade Associate Programme (ITAP) launched by International Enterprise (IE) Singapore. The ITAP is a certification programme in which local Polytechnic students from faculties such as Business Studies, Banking & Finance, International Logistics and Supply Chain will participate. The programme entails students taking up internships with companies such as Wilmar for up to six months. Wilmar has several internship programmes both locally and overseas, and returning interns have proven to be a valuable recruitment pool for Wilmar.

Wilmar believes in giving the future generations international exposure. In 2011, Wilmar's Chairman and CEO founded the KKH Opportunity Scholarship Fund. This scholarship provides opportunities for Nanyang Business School undergraduates to do an internship with the Group's global offices including those in emerging countries such as Myanmar and Africa. Similar opportunities are also provided to undergraduates at the Singapore Management University through the SMU Overseas Internship Grant. Each year, Wilmar sends more than 30 undergraduates all over the world on such sponsored internships. Scholarship recipients have found such overseas

The Information Technology department bonds over a cycling trip at Coney Island Park, Singapore.

experience enriching and many have joined Wilmar as full-time employees after their internships. Besides these grants, Wilmar also provides financial assistance to deserving students at the Singapore University of Technology and Design through the International Opportunity Grant. The grant provides funding for overseas internships, exchange programmes and community service.

ENGAGING EMPLOYEES

To ensure a performance-driven working environment that is complemented by a strong corporate culture and teamwork, the Group has stepped up employee engagement efforts in the past year.

In Singapore, departments were encouraged to organise team-bonding activities outside the office. Some of these activities included cycling, prawning and Escape Room, which received an overwhelming response.

In India, employees came together to celebrate festivals and monthly birthday celebrations. There were also events for families such as Family Day, a cooking competition and fitness activities for spouses. A popular programme called 'Challo Papas Office' was organised where employees' children could go to work together with their parents and learn about their jobs. To recognise outstanding performances, staff were accorded awards such as PRIDE – Employee of the Quarter, STAR Performer of the Year and Best Plant.

▲ *Wilmar Family Day in India – a day of outdoor fun for parents and their children.*

▲ *Medical facilities at Benso Oil Palm Plantation in Ghana are enhanced to better serve the community.*

The Group's employee engagement extends to community development programmes. For example in Ghana, staff are encouraged to participate actively in several community initiatives. In 2015, the medical facilities at Benso Oil Palm Plantation (BOPP) were enhanced. Besides improving the landscape around BOPP's clinic, clinic beds were refurbished and given a fresh coat of paint. A donation drive was also organised to contribute used clothes that were still in good condition to the Essaman Community.

▲ *To promote a culture of teamwork in Australia, colleagues exchange customised thank-you cards to show appreciation and recognition.*

INFORMATION TECHNOLOGY

▲ *In tandem with the changing business landscape, Wilmar IT team has developed mobile applications to support the marketing operations of the Group's consumer products in China.*

The rising consumerism in China and the rapid change in business landscape have made it more important for the Group to leverage technology to continuously deliver innovations that will differentiate it from competition in a hyperconnected world. The Information Technology (IT) division is responsible for meeting the technological needs of the Group by providing computing services and business systems solutions.

TRANSFORMATION THROUGH MOBILITY

The Asian business landscape is changing rapidly as individuals, employees and business partners move at lightning speed to adopt new innovative ways to put more of their professional lives on mobile devices. In tandem with this trend, the IT team has developed several mobile applications to support the marketing operations of the Group's consumer products business in China. The objective is to improve marketing efficiency and effectiveness by integrating the mobile applications securely with business processes. By putting more real-time information and decision-making power in the palms of their hands, these mobile applications have made doing business with Wilmar easy for its business partners and are expected to benefit more than 800,000 users by 2016. The IT team is committed to continue this transformational journey in China by developing additional functionalities and to replicate this success by deploying these applications to other countries within the Group.

AUTOMATING SUPPLY CHAIN

A dynamic warehouse management system is an essential part of any integrated supply chain in supporting consumer demand and expectation of a smooth order fulfilment process in China. The implementation of an integrated platform between warehouse, order management and distribution systems eliminates manual order by automating processes to improve picking and receiving functions, allowing more orders to be processed at a much higher level of accuracy and lower inventory cost. Moving forward, the IT division will enhance the system to include product traceability information as part of food fraud prevention to increase consumer confidence in China.

MOVING TOWARDS GREATER HEIGHTS

IT has been and will remain integral to business innovation and efficiency. Spread over strategic global locations, the IT team brings together expertise and experience from a wide range of industries. To reach greater heights, the IT division believes in forming partnerships with businesses to create innovations that will drive growth and excellence.

RISK MANAGEMENT

OVERVIEW

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

Agricultural commodities prices and the foreign exchange market have been very volatile in the past year. The Group has continued to proactively evaluate its risks and ensure coverage against its exposure. Its strategic and operational decision-making process continues to be strengthened through transparent communication and risk awareness across the organisation, while ongoing compliance with risk management processes is regularly reviewed.

COMMODITY PRICE RISK

Agricultural commodities prices are very volatile, and 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 manages its open commodity positions by using forward physical contracts and/or derivatives.

FOREIGN EXCHANGE RISK

The Group's reporting currency is U.S. Dollars (USD). Wilmar operates in numerous developed and emerging markets, and is exposed to foreign exchange risk in its normal course of business. In its larger markets, exports from Indonesia and Malaysia are mostly denominated in USD while imports into China are denominated in either USD or Renminbi. The majority of the Group's expenses and sales elsewhere are denominated in the respective local currency.

Wilmar manages its foreign currency risk by structuring natural hedges to match flows in the same currency where possible, product pricing and hedging in the over-the-counter foreign exchange market. Hedging in financial instruments help protect 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. The Group also borrows term loans from banks to fund its capital expenditures and working capital requirements. Interest rate risk arising from floating rate exposure is managed through the use of financial instruments with the objective of limiting the adverse impact from a rise 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 documentary credit or advance payments for sales to new customers.

Credit facilities granted to existing customers are also reviewed periodically. A customer's current financial strength, payment history, transaction volume and duration of 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 the Group's Chairman & Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Group Head, Edible Oils. Its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of its risk management system, the review of trade positions and limits to manage overall risk exposure.

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

To achieve effective governance and oversight by ensuring proper segregation of duties, 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 monitoring adherence to limits. The Middle Office circulates a daily risk exposure report, which is reviewed by the Executive Risk Committee for any significant risk issues. The Middle Office also sends out regular risk alerts to the merchandising team and the Executive Risk Committee when risk exposure is seen to be nearing trigger levels.

The documented risk management policy, which is regularly reviewed, clearly defines the procedures for monitoring, controlling and reporting risk in a timely and accurate manner. 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 major products and geographical regions at any given time. The risk tolerance threshold is determined after taking account of the Group's equity strength and profitability as well as 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's Risk Governance Structure

Board-level Risk Management Committee (RMC)

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

Executive Risk Committee (ERC)

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

Operating Units

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

Independent Middle Office

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

CORPORATE GOVERNANCE

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 complied with most of the principles and guidelines set out in the Code and differences in the Company's practice are 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 three Executive Directors namely, Mr Kuok Khoon Hong (Chairman and Chief Executive Officer ("CEO")), Mr Martua Sitorus (Executive Deputy Chairman) and Mr Pua Seck Guan (Chief Operating Officer) ("COO"). Mr Pua joined the Board on 1 January 2016. 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 recognise 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:

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

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

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 Constitution, Directors may also participate in Board meetings by teleconferencing and videoconferencing.

As part of the Company's corporate governance practice, all Directors are invited to attend meetings held by the Audit Committee and the Risk Management Committee. All written resolutions passed and minutes of meetings held by the various 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 within the authority delegated to the respective committees, 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 held during the financial year ended 31 December 2015 ("FY2015") is 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	-	4/4	-	1/1
Martua Sitorus	4/4	-	-	-	-
Teo Kim Yong	4/4	-	-	-	-
Non-Executive Directors					
Kuok Khoon Chen	4/4	-	-	-	-
Kuok Khoon Ean (Notes 1 & 3)	3/4	-	-	1/1	-
Juan Ricardo Luciano (Note 1)	3/4	-	-	-	-
George Yong-Boon Yeo	4/4	-	-	-	-
Independent Non-Executive Directors					
Yeo Teng Yang	4/4	4/4	4/4	1/1	1/1
Dr Leong Horn Kee (Note 2)	4/4	3/4	4/4	1/1	-
Tay Kah Chye (Note 3)	4/4	4/4	-	-	1/1
Kwah Thiam Hock	4/4	4/4	-	1/1	1/1

Note 1 – Mr Kuok Khoon Ean and Mr Juan Ricardo Luciano were absent with apologies from the Board meetings held in February 2015 and May 2015 respectively due to other pressing engagements.

Note 2 - Dr Leong Horn Kee was appointed an Audit Committee member on 5 May 2015 and attended all meetings in his capacity as Audit Committee member since his appointment. Dr Leong stepped down as a director from the Wilmar Board on 31 December 2015.

Note 3 – Mr Tay Kah Chye was appointed a Remuneration Committee member on 11 November 2015 to replace Mr Kuok Khoon Ean who stepped down from the Remuneration Committee on the same day.

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

All newly appointed Directors receive a formal letter setting out the roles and responsibilities of a Director of the Company and a set of guidance notes which explain the duties and obligations of a director under the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Securities & Futures Act ("SFA"). In addition, the Company makes available to newly appointed Directors 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 seminars, conferences and training programmes, which are considered beneficial to performing their roles on the Board and its committees, and funds programmes that it facilitates.

The professional development programmes attended by some Directors for FY2015 include the following:

- Board and Innovations Conference organised by the Singapore Institute of Directors ("SID");
- Launch of Nominating Committee Guide by SID;
- SID Audit Committee Chairmen's Conversation organised by KPMG;
- Seminar on Remuneration Committee Essentials organised by SID;
- Congress on Leadership, Strategy and Business organised by Certified Public Accountants, Australia; and
- Seminar on Key Audit Matters organised by Ernst &Young LLP.

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. From time to time, the Company organises on-site visits of the Group's key operating facilities overseas for Directors to enable them 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, through regular reviews by the Nominating Committee ("NC"), seeks to ensure an appropriate balance of expertise, competencies and attributes among the Directors for providing effective entrepreneurial leadership to the Company. The Board is made up of Directors of different nationalities and races, with a wide range of skills, experience and qualifications, ranging from banking, finance, accounting and risk management expertise to industry knowledge, entrepreneurial and management experience relevant to the Group's business. Reflecting the global focus of the Group's business, most of Wilmar's Directors have extensive experience in jurisdictions outside Singapore. The diverse experiences enable Wilmar to continue to meet the challenges and demands of the global markets in which it operates.

As part of the ongoing renewal of the Board, Mr Pua Seck Guan (COO & Executive Director) and Professor Kishore Mahbubani (Independent Director) were appointed to the Board on 1 January 2016 following the retirement of COO & Executive Director Mr Teo Kim Yong and the resignation of Independent Director Dr Leong Horn Kee on 31 December 2015. The Board size remains unchanged at 11, comprising three Executive Directors and eight Non-Executive Directors, of whom four are Independent Directors. 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.

Key information about current Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2015 ("Annual Report").

The NC recognises that female directors offer fresh perspectives and will enhance diversity on corporate boards. While the NC is supportive of gender diversity on the Board, the NC is of the view that it should not be the main selection criteria and that board appointments, based on a blend of skills, ability to contribute effectively and experience relevant to the Group's business, should remain a priority.

In respect of facilitating Non-Executive Directors' participation in Board discussions and to enable them to make informed decisions, they are well-supported by Management 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 the effective discharge by the Board of its principal functions.

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.

The Board recognises the advantage of having longer-serving Independent Directors, who would have gained significant insights in the Group's business and operations and be able to provide valuable contributions to the Board, vis-à-vis the need to introduce fresh perspectives into discussions through the appointment of new Directors.

In reviewing the independence of Mr Yeo Teng Yang, Mr Tay Kah Chye and Mr Kwah Thiam Hock, all of whom have served for more than nine years since the inception of the Wilmar Board on 14 July 2006, all three Independent Directors were subjected to a particularly rigorous review through separate assessments by each NC member. The Board has collectively taken the view that these three Independent Directors are independent, notwithstanding that they have served more than nine years, as they have demonstrated strong independence in judgment and professionalism, as well as displayed objectivity in their conduct over the years in the discharge of their duties and responsibilities as Independent Directors of the Company.

Taking into account the above and the need to pace the retirement of the longer-serving Independent Directors so that their knowledge and experience can continue to be drawn upon, the Board agreed that all three abovenamed Independent Directors are to be considered as independent, notwithstanding that they have served on the Board for more than nine years from the date of their first appointment.

As the number of Independent Directors of the Company made 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.

The Code, however, 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's composition should be independent, no later than the date of the Company's annual general meeting to be convened in April 2018. The NC will ensure that the Company will comply with Guideline 2.2 of the Code by the deadline. 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 strong 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 and Mr Pua Seck Guan, who was appointed as COO on 1 January 2016 to oversee and manage the business divisions of the Group, assists Mr Kuok in the development of new businesses.

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. 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 has, upon its assessment of the four Independent Directors, namely Mr Yeo Teng Yang, Mr Tay Kah Chye, Mr Kwah Thiam Hock and Professor Kishore Mahbubani, 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

In addition to the need to rejuvenate the Board's composition at the appropriate time, the Company is committed to the training and development of capable staff for key management positions. As part of the process of succession planning, the Company, which is supportive of gender and workforce diversity, has identified successors to fill key positions to bolster the overall strength and depth of the key management team. The Company will continue to review and fine-tune its succession plans.

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 network of contacts and/or may engage external professionals to assist with identifying and short-listing 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 Constitution 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 2016 AGM to re-elect the following Directors, who will be retiring under the respective provisions of the Constitution of the Company and are eligible for re-election:

1. Mr Martua Sitorus (retiring under Article 99);
2. Mr Kuok Khoon Chen (retiring under Article 99);
3. Mr Kuok Khoon Ean (retiring under Article 99);
4. Mr Pua Seck Guan (retiring under Article 100); and
5. Professor Kishore Mahbubani (retiring under Article 100).

Mr Yeo Teng Yang, who was re-appointed as a Director to hold office until the 2016 AGM pursuant to the then Section 153(6) of Singapore Companies Act which has since been repealed, has also been nominated for re-appointment at the 2016 AGM.

Principle 5: Board Performance

The Board strives to ensure that its Directors possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions. The Company has in place a 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 the Board's 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 FY2015, 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 FY2015, 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 results of the assessment of the performance of the Board and Board committees and the contributions of individual Directors for FY2015 were satisfactory 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 direct, 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 Constitution, relevant rules and regulations including requirements of the SFA, 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") assists the Board to ensure competitive compensation policies and packages are put in place. The scope of the RC covers remuneration packages for individual Directors and key management personnel, and also share option plans. The RC is chaired by Mr Kwah Thiam Hock and its members comprise Mr Yeo Teng Yang and Mr Tay Kah Chye (appointed a RC member on 11 November 2015 to replace Mr Kuok Khoon Ean who stepped down on the same day). Dr Leong Horn Kee ceased to be a RC member following his resignation as a Wilmar Director on 31 December 2015. All RC members are Independent Directors and no Director is involved in deciding his own remuneration.

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

1. Review and recommend to the Board, a framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind;

2. Review and determine the specific remuneration packages for each Director as well as for the key management personnel;
3. Implement and administer the Company's share options plan;
4. Review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and
5. Review the development of senior staff and assess their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

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 at attracting, retaining and motivating Executive Directors and key management personnel of the highest calibre through a framework which aligns rewards with the performance and the achievement of strategic objectives.

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

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

These benefits aim to directly align the interests of Directors, 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 Company's AGM.

The structure of Directors' fees for FY2015 is as follows:

Fee Structure for Directors' Fees for FY2015

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

To drive management behavior and performance as well as to reflect the Company's commitment to protecting shareholder value and to ensure accountability for actions, the remuneration of the key management team and selected senior executives was made subject to a clawback scheme which was implemented in May 2014. The clawback scheme allows the Company to reclaim, in exceptional circumstances, the incentive components of the remuneration from these key employees, where negligence, misconduct or fraud has resulted in financial or reputational loss to the Company. The list of key executives subject to the clawback scheme is reviewed 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 FY2015 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	846,375	70,540	814,390	5,000,000	6,731,305
Martua Sitorus	Nil	371,600	1,050	551,540	2,000,000	2,924,190
Teo Kim Yong (Retired: 31 December 2015)	Nil	691,361	53,275	532,160	2,700,000	3,976,796
Non-Executive Directors						
Kuok Khoon Ean	84,375	-	-	232,000	-	316,375
Kuok Khoon Chen	80,000	-	-	232,000	-	312,000
Juan Ricardo Luciano	80,000	-	-	232,000	-	312,000
Yeo Teng Yang	150,000	-	-	290,000	-	440,000
Leong Horn Kee (Resigned: 31 December 2015)	101,670	-	-	232,000	-	333,670
Tay Kah Chye	115,625	-	-	232,000	-	347,625
Kwah Thiam Hock	110,000	-	-	232,000	-	342,000
George Yong-Boon Yeo	80,000	-	-	232,000	-	312,000

Top 5 Key Executives

Name	Salary**	Benefits	Amortisation of Share Option Expenses*	Variable Bonus	Total	Remuneration Band
Rahul Kale	24%	-	14%	62%	100%	S$2,250,000 to S$2,500,000
Matthew John Morgenroth	26%	3%	18%	53%	100%	S$2,250,000 to S$2,500,000
Goh Ing Sing	26%	2%	18%	54%	100%	S$2,000,000 to S$2,250,000
Yee Chek Toong	35%	1%	19%	45%	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$9,712,704. The remuneration of the Company's top five key executives takes into account the pay and employment conditions within the industry and is performance-related. The Company is of the opinion that it is not in the best interest of the Company to disclose the details of their remuneration due to the competitiveness of the industry for key talent.

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.

Relatives of the Directors

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is employed as an Executive in the Finance department. Her remuneration is in the range of S$50,000 to S$100,000 for FY2015.

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$200,000 to S$250,000 for FY2015.

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, so as to enable it 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, in accordance with the requirements 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 Mr Tay Kah Chye, who was appointed as a member of the RMC with effect from 1 January 2016, to replace Dr Leong Horn Kee who resigned on 31 December 2015. 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 operations 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 currently assisted by the Executive Risk Committee ("ERC"). Following the retirement of COO & Executive Director Mr Teo Kim Yong on 31 December 2015, the ERC now comprises the CEO, Mr Kuok Khoon Hong, Chief Financial Officer ("CFO") Mr Ho Kiam Kong and Mr Thomas Lim Kim Guan, who was appointed Group Head, Edible Oils with effect from 1 January 2016. 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 operations 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. The IA Department also monitors interested person transactions.

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 in respect of FY2015 financial statements and records

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 FY2015 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 2015 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 the Company's intranet portal. These procedures will be reviewed and updated 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. Dr Leong Horn Kee was appointed an AC member on 5 May 2015 but has since resigned on 31 December 2015.

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

During FY2015, 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 FY2015 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 or answer queries.

The AC met four times during FY2015 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 and annual results as well as the auditor's report on the annual financial statements. During the process, the AC reviewed, among other things, the key areas of management 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 FY2015, 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, in a free and frank manner.

External audit processes

The AC manages the relationship with the Group's external auditors, on behalf of the Board. During FY2015, 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 the 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 FY2015, 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 FY2015 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 FY2015 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$100,000)
	FY2015 US$'000	FY2015 US$'000
Archer Daniels Midland Group	NIL	2,342,591
Associates of Kuok Khoon Hong & Martua Sitorus	8,356	17,539
Kuok Khoon Ean's Associates#	153,480	6,633
Martua Sitorus' Associates	NIL	206,386
Kuok Khoon Hong's Associates	119,726	1,275
PPB Group Bhd	88,193	NIL
Kuok Brothers Sdn Bhd	27,824	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.

Whistleblowing policy

The Company has in place a Whistleblowing Policy ("Policy") since 2013, which was further enhanced in August 2015 to include the provision of financial rewards or incentives for whistleblowers. 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. Where whistleblowing results in prevention or recovery of what would otherwise have been monetary damage to the Company, the whistleblower may be given a reward.

All whistleblowing cases reported were objectively assessed and investigation and appropriate remedial measures were taken, where warranted. Whistleblowing 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 and a copy of the Policy is posted on the Company's intranet portal. 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 treating 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 Constitution 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 holds an "Investor Day" event after the conclusion of its AGM. The aim of this event is 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.

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 participates in investor seminars and conferences, together with key management personnel to keep the market and investors apprised of the Group's corporate developments and financial performance.

During FY2015, the IR team, together with senior management, engaged with close to 120 Singapore and foreign investors at conferences, as well as one-on-one and group meetings. The aim of such engagements is to:

1. Provide shareholders and investors with relevant information promptly, to enable them to have a better understanding of the Group's businesses and performance; and

2. Solicit feedback from the investment community, including shareholders, on a range of strategic and topical issues. Such engagements provide invaluable insights to the Board and Management on investors' views and concerns. It also helps the Group to identify areas of improvement for investor communication.

Dividend policy

The Company has been declaring dividends twice a year to its shareholders at half-year and final year-end since 2008. In considering the level of dividend payments, the Board takes into account various factors including but not limited to the projected levels of capital expenditure and other investment plans, as well as the Group's working capital requirements and general financial condition. For FY2015, total dividend declared was increased by 7% to S$0.08, representing a dividend payout of more than 30% of its annual profit.

Principle 16: Conduct of shareholders' meetings

The Company's Constitution allows a shareholder to appoint up to two proxies to attend its general meetings and vote on his/her/its behalf. 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.

Pursuant to the amendments to the Singapore Companies Act, a new multiple-proxies regime ("Regime") was introduced on 3 January 2016. This Regime allows specified intermediaries, such as banks and capital markets service licence holders which provide custodial services, to appoint more than two proxies. This will enable indirect investors (including investors who purchased shares under the CPF Investment Scheme ("CPFIS") and the Supplementary Retirement Scheme ("SRS")) to attend and vote at shareholders' meetings. CPFIS Investors and SRS investors are required to contact their CPF Approved Nominees if they wish to cast their votes on resolutions at the shareholders' meetings of the Company but are not able to attend these meetings in person.

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 FY2015, all Directors of the Company, legal advisors and the external auditors were present at the AGM held by the Company to address queries from shareholders who attended the AGM and all resolutions were put to vote by show of hands.

With effect from the 2016 AGM, the Company will put all resolutions to vote by poll. With poll voting, shareholders present in person or represented by proxy at these meetings, will be entitled to vote on a "one share, one vote" basis. The results of all votes cast in respect of each resolution will be announced via the SGXNet after the conclusion of the 2016 AGM and the EGM to be held immediately after the 2016 AGM. 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.

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or a controlling shareholder of the Company except for those IPTs announced via SGXNet from time to time in compliance with the 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 FY2015 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2014.

FINANCIAL STATEMENTS

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FINANCIAL REVIEW

CAPITAL STRUCTURE

As at 31 December 2015, shareholders' funds of the Group decreased by US$368.1 million to US$15.1 billion, mainly due to foreign exchange translation losses arising from weaker regional currencies. Loans and borrowings net of cash, bank deposits and other deposits with financial institutions decreased by US$239.0 million to US$11.8 billion. Net debt to equity ratio remained comparable at 0.78x as at 31 December 2015.

During the year, the Group continued to generate positive cash flows from operating activities. As in previous years, its investments in property, plant and equipment were funded mainly through cash flows generated from operations while subsidiaries, joint ventures and associates investments and working capital requirements were predominately funded through loans and borrowings. Capital expenditures (including advances paid) reduced 20.9% to US$864.8 million in FY2015.

Given the nature of its business, the Group's level of financing for its working capital requirements fluctuates in accordance with prices of agricultural commodities and business volume. As such, a significant proportion of the Group's borrowings was used for working capital financing. Its working capital comprised 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 0.39x.

As at 31 December	**2015** **US$ million**	2014 US$ million
Shareholders' funds	**15,126.8**	15,494.9
Net loans and borrowings	**11,816.6**	12,055.6
Net debt to equity	**0.78x**	0.78x
Liquid working capital:		
Inventories (excluding consumables)	**5,794.0**	6,211.7
Trade receivables	**3,752.7**	4,044.8
Less: Current liabilities (excluding loans and borrowings)	**(3,614.5)**	(3,993.0)
	5,932.2	6,263.5
Net loans and borrowings (excluding liquid working capital)	**5,884.4**	5,792.1
Adjusted net debt to equity	**0.39x**	0.37x

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

The Group's total net debt of US$11.8 billion comprised:

As at 31 December	**2015** **US$ million**	2014 US$ million
Short term	**11,076.3**	15,204.2
Long term	**6,347.5**	7,158.2
	17,423.8	22,362.4
Cash and bank balances	**3,706.6**	7,399.2
Other deposits with financial institutions	**1,900.6**	2,907.6
	5,607.2	10,306.8
Net Debt	**11,816.6**	12,055.6

During the year, the Group's net debt decreased by US$239.0 million, in line with lower commodity prices. More than 75% of short-term loans and borrowings were trade financing lines with minimal refinancing risks as they were backed by trade flows and were self-liquidating. Long-term loans and borrowings comprised of committed loans, due from 2017 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 (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 section 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 financing for the Group's raw material purchases. The Group also aims to maintain 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 and the benefits are lower than the costs of the hedges.

- **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 FY2015 increased to US$2.2 billion compared to US$2.0 billion in FY2014, resulting in a strong free cash flow of US$1.1 billion. The Group's gross borrowings had reduced substantially by US$4.9 billion to US$17.4 billion, in line with the maturity of deposits and financial products placed with financial institutions. Capital expenditures (including advances paid) reduced 20.9% to US$864.8 million. However, overall cash flows decreased by US$674.6 million, due particularly to the repayment of loans and borrowings.

	FY2015 US$ million	FY2014 US$ million
Total cash and bank balances	**3,706.6**	7,399.2
Less: Fixed deposits pledged for bank facilities	**(1,902.8)**	(4,271.7)
Less: Other deposits with maturity of more than 3 months	**(507.5)**	(1,180.4)
Less: Bank overdrafts	**(269.9)**	(246.0)
Cash and cash equivalents	**1,026.4**	1,701.1
Net cash flows generated from operating activities	**2,232.1**	1,973.3
Net cash flows used in investing activities	**(1,313.0)**	(1,228.3)
Net cash flows used in financing activities	**(1,593.7)**	(1,281.2)
Net decrease in cash held	**(674.6)**	(536.2)
Turnover days:		
Inventories	**65**	63
Trade receivables	**34**	33
Trade payables	**14**	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 FY2015 were as follows:

- Approximately US$1.3 billion was used in investing activities, of which US$864.8 million was applied towards plantations development, property, plant and equipment (FY2014: US$1.1 billion) and US$498.7 million was used for the acquisitions of joint ventures and associates, specifically a 50% investment in Goodman Fielder (FY2014: US$143.9 million).

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

- US$1.6 billion was used in financing activities. Included here were net repayment of US$2.8 billion (net of decrease in fixed deposits pledged with financial institutions for bank facilities) of loans and borrowings, US$380.5 million for the payment of dividends, partially offset by a decrease in other deposits placed of US$672.9 million.

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 FY2015, total short-term debt stood at US$11.1 billion. The Group had cash, bank and structured deposits, marketable securities, receivables and inventories amounting to US$11.8 billion, of which cash and cash equivalents totalled at US$1.0 billion. In addition, the Group had committed undrawn credit facilities of US$2.4 billion and approximately US$15.5 billion of uncommitted trade financing and short-term loan facilities available. Therefore the Group does not foresee any problem in meeting its maturing short-term debt obligations.

The Group's capital expenditure for FY2016 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 would 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 FY2015, the Board of Directors has proposed a final dividend of 5.5 Singapore cents per share. Together with the interim dividend of 2.5 Singapore cents per share paid on 26 August 2015, total dividend for FY2015 will amount to 8.0 Singapore cents per share, higher than 7.5 cents Singapore cents per share paid in FY2014, a payout ratio of approximately 34% of net profit (FY2014: 32% of net profit). The Company has been declaring dividends at its half-year and final year-end periods 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.

During the year, the company re-purchased 75.3 million of its ordinary shares for a consideration of US$148.9 million as part of its share buyback programme. Currently, Wilmar has a share buy-back mandate which will be expiring on 28 April 2016, 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 judgements 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 brands 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 property, plant and equipment which is based on management's estimates of their useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and 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.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Wilmar International Limited (the "Company" or "Wilmar") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2015.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

DIRECTORS

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

KUOK Khoon Hong
Martua SITORUS
PUA Seck Guan (appointed on 1 January 2016)
KUOK Khoon Chen
KUOK Khoon Ean
Juan Ricardo LUCIANO
George Yong-Boon YEO
YEO Teng Yang
TAY Kah Chye
KWAH Thiam Hock
Professor Kishore MAHBUBANI (appointed on 1 January 2016)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares 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		
Name of Director	**As at 1.1.15**	**As at 31.12.15**	**As at 21.1.16**	**As at 1.1.15**	**As at 31.12.15**	**As at 21.1.16**
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	590,321,242	505,321,242	505,321,242
Teo Kim Yong	-	-	Note 1	33,852,274	33,852,274	Note 1
Kuok Khoon Chen	-	-	-	33,177,600	33,177,600	33,177,600
Kuok Khoon Ean	-	-	-	33,217,479	33,467,479	33,467,479
George Yong-Boon Yeo	-	200,000	200,000	10,000	10,000	10,000
Yeo Teng Yang	100,000	100,000	100,000	-	-	-
Dr Leong Horn Kee	100,000	100,000	Note 2	-	-	Note 2
Tay Kah Chye	100,000	100,000	100,000	-	-	-
Kwah Thiam Hock	100,000	100,000	100,000	-	-	-

Note 1 – Mr Teo Kim Yong retired as a Director of the Company on 31 December 2015

Note 2 – Dr Leong Horn Kee resigned as a Director of the Company on 31 December 2015

(Share options granted at an exercise price of S$6.68 per share have expired on 10 March 2015)

Teo Kim Yong	500,000	-	-	-	-	-
Kuok Khoon Chen	200,000	-	-	-	-	-
Kuok Khoon Ean	200,000	-	-	-	-	-
Yeo Teng Yang	250,000	-	-	-	-	-
Dr Leong Horn Kee	200,000	-	-	-	-	-
Tay Kah Chye	200,000	-	-	-	-	-
Kwah Thiam Hock	200,000	-	-	-	-	-

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Direct Interest			Deemed Interest		
Name of Director	**As at 1.1.15**	**As at 31.12.15**	**As at 21.1.16**	**As at 1.1.15**	**As at 31.12.15**	**As at 21.1.16**
Wilmar International Limited						
(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	Note 1	-	-	Note 1
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	Note 2	-	-	Note 2
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	Note 1	-	-	Note 1
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	Note 2	-	-	Note 2
Tay Kah Chye	400,000	400,000	400,000	-	-	-
Kwah Thiam Hock	400,000	400,000	400,000	-	-	-
(Share options exercisable at S$3.05 per share)						
Kuok Khoon Hong	-	1,500,000	1,500,000	-	-	-
Martua Sitorus	-	1,000,000	1,000,000	-	-	-
Teo Kim Yong	-	1,000,000	Note 1	-	-	Note 1
Kuok Khoon Chen	-	400,000	400,000	-	-	-
Kuok Khoon Ean	-	400,000	400,000	-	-	-
Juan Ricardo Luciano	-	400,000	400,000	-	-	-
George Yong-Boon Yeo	-	400,000	400,000	-	-	-
Yeo Teng Yang	-	500,000	500,000	-	-	-
Dr Leong Horn Kee	-	400,000	Note 2	-	-	Note 2
Tay Kah Chye	-	400,000	400,000	-	-	-
Kwah Thiam Hock	-	400,000	400,000	-	-	-

Note 1 – Mr Teo Kim Yong retired as a Director of the Company on 31 December 2015
Note 2 – Dr Leong Horn Kee resigned as a Director of the Company on 31 December 2015

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

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

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. Particulars of options granted in 2008 under the Wilmar ESOS 2000 were set out in the Directors' Reports for the financial years ended 31 December 2008 to 2014.

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 ordinary 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 ordinary 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 ordinary shares of the Company on the date immediately preceding the relevant date of grant.

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

The Wilmar ESOS 2009 is administered by the Remuneration Committee ("RC"). Following the resignation of Dr Leong Horn Kee, the members of the RC are Mr Kwah Thiam Hock (RC Chairman), Mr Yeo Teng Yang and Mr Tay Kah Chye (appointed a RC member on 11 November 2015 to replace Mr Kuok Khoon Ean who stepped down on the same day), all of whom are independent directors. The RC is authorised to determine, *inter alia*, the persons to be granted options, the number of options to be granted, whether the options continue to be valid in the event of cessation of employment (as provided under the rules of Wilmar ESOS 2009), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2009 (if deemed appropriate).

SHARE OPTION SCHEMES (CONTINUED)

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

2009 Grant

On 21 May 2009, options for a total of 4,750,000 ordinary 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). Outstanding options which were 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 ordinary 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. Outstanding options which were not exercised have expired on 10 March 2015.

2012 Grant

On 12 July 2012, the Company granted options to subscribe for a total of 26,800,000 ordinary 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 2015 the number of outstanding ordinary shares that were not exercised under this grant was 25,740,000 (including the retention of the outstanding option to subscribe for 500,000 shares granted to retired Executive Director Mr Teo Kim Yong and this option continues to be valid till its expiry date).

2013 Grant

On 13 November 2013, the Company granted options to subscribe for a total of 49,315,000 ordinary 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 2015 the number of outstanding ordinary shares that were not exercised under this grant was 47,765,000 (including the retention of the outstanding option to subscribe for 1,000,000 shares granted to retired Executive Director Mr Teo Kim Yong and this option continues to be valid till its expiry date).

All options granted under the 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:

For Executive Directors and Executives

- 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

For Non-Executive Directors

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

SHARE OPTION SCHEMES (CONTINUED)

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

2015 Grant

On 18 June 2015, the Company granted options to subscribe for a total of 52,400,000 ordinary shares at S$3.05 per share (at a 7.63% discount to the 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 2015 the number of outstanding ordinary shares that were not exercised under this option grant was 51,875,000 (including the retention of the outstanding option to subscribe for 1,000,000 shares granted to retired Executive Director Mr Teo Kim Yong and this option continues to be valid till its expiry date).

All options granted under the 2015 Grant are valid for a term of five years from the date of grant of options and are exercisable in the following manner:

For Executive Directors and Executives

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

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

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 1.1.15	No. of options granted during the year	No. of options cancelled/ lapsed	No. of options exercised	As at 31.12.15	Exercise Price	Exercise Period
Wilmar ESOS 2009							
10.03.10	8,607,700	-	(8,607,700)	-	-	S$6.68	11.3.2011 to 10.3.2015
10.03.10	7,157,700	-	(7,157,700)	-	-	S$6.68	11.3.2012 to 10.3.2015
10.03.10	7,374,600	-	(7,374,600)	-	-	S$6.68	11.3.2013 to 10.3.2015
Sub-total	23,140,000	-	(23,140,000)	-	-		
12.07.12	9,389,450	-	(57,750)	-	9,331,700	S$3.63	13.7.2013 to 12.7.2017
12.07.12	8,139,450	-	(57,750)	-	8,081,700	S$3.63	13.7.2014 to 12.7.2017
12.07.12	8,386,100	-	(59,500)	-	8,326,600	S$3.63	13.7.2015 to 12.7.2017
Sub-total	25,915,000	-	(175,000)	-	25,740,000		
13.11.13	17,928,200	-	(222,750)	-	17,705,450	S$3.44	14.11.2014 to 13.11.2018
13.11.13	15,028,200	-	(222,750)	-	14,805,450	S$3.44	14.11.2015 to 13.11.2018
13.11.13	15,483,600	-	(229,500)	-	15,254,100	S$3.44	14.11.2016 to 13.11.2018
Sub-total	48,440,000	-	(675,000)	-	47,765,000		
18.06.15	-	19,503,000	(173,250)	-	19,329,750	S$3.05	19.06.2017 to 18.06.2020
18.06.15	-	16,203,000	(173,250)	-	16,029,750	S$3.05	19.06.2018 to 18.06.2020
18.06.15	-	16,694,000	(178,500)	-	16,515,500	S$3.05	19.06.2019 to 18.06.2020
	-	52,400,000	(525,000)	-	51,875,000		
Grand Total	97,495,000	52,400,000	(24,515,000)	-	125,380,000		

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 31.12.15	Aggregate options exercised since commencement of the option scheme to 31.12.15	Aggregate options lapsed since commencement of the option scheme to 31.12.15	Aggregate options outstanding as at 31.12.15
Kuok Khoon Hong	1,500,000	5,000,000	500,000	500,000	4,000,000
Martua Sitorus	1,000,000	3,600,000	400,000	400,000	2,800,000
Teo Kim Yong Note 1	1,000,000	3,500,000	250,000	750,000	2,500,000
Kuok Khoon Chen	400,000	1,200,000	-	200,000	1,000,000
Kuok Khoon Ean	400,000	1,400,000	-	400,000	1,000,000
Juan Ricardo Luciano	400,000	800,000	-	-	800,000
George Yong-Boon Yeo	400,000	400,000	-	-	400,000
Yeo Teng Yang	500,000	1,750,000	100,000	400,000	1,250,000
Dr Leong Horn Kee Note 2	400,000	1,400,000	100,000	300,000	1,000,000
Tay Kah Chye	400,000	1,400,000	100,000	300,000	1,000,000
Kwah Thiam Hock	400,000	1,400,000	100,000	300,000	1,000,000
Total	6,800,000	21,850,000	1,550,000	3,550,000	16,750,000

Note 1 – Mr Teo Kim Yong retired as a Director of the Company on 31 December 2015
Note 2 – Dr Leong Horn Kee resigned as a Director of the Company on 31 December 2015

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 except for the options under the 2015 Grant.

^ From 14 July 2006 (completion of reverse takeover)

AUDIT COMMITTEE

The Audit Committee ("AC") members at the date of this statement 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 Board of 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

Martua Sitorus
Director

21 March 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Wilmar International Limited

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 96 to 198, which comprise the balance sheets of the Group and the Company as at 31 December 2015, 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 financial statements 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 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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, 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 subsidiary corporations 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
21 March 2016

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2015

	Note	2015 US$'000	2014 US$'000 Restated*
Revenue	4	**38,776,635**	43,084,875
Cost of sales	5	**(34,819,491)**	(39,267,922)
Gross profit		**3,957,144**	3,816,953
Other items of income			
Net loss arising from changes in fair value of biological assets		**(10,169)**	(7,976)
Finance income	6	**470,527**	600,480
Other operating income	7	**139,396**	169,847
Other items of expense			
Selling and distribution expenses		**(1,677,771)**	(1,668,882)
Administrative expenses		**(696,461)**	(673,816)
Other operating expenses	7	**(315,756)**	(191,770)
Finance costs	8	**(444,176)**	(523,055)
Non-operating items	9	**(94,953)**	(64,900)
Share of results of joint ventures		**(12,472)**	(5,338)
Share of results of associates		**113,392**	86,035
Profit before tax	10	**1,428,701**	1,537,578
Income tax expense	11	**(294,044)**	(313,674)
Profit after tax		**1,134,657**	1,223,904
Attributable to:			
Owners of the Company		**1,056,070**	1,156,180
Non-controlling interests		**78,587**	67,724
		1,134,657	1,223,904
Earnings per share attributable to owners of the Company (US cents per share)			
- Basic	12	**16.6**	18.1
- Diluted	12	**16.6**	18.1

* *Prior year's figures were restated due to the reclassification of "Share of results of joint ventures" from "Share of results of associates".*

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	2015 US$'000	2014 US$'000
Profit after tax	**1,134,657**	1,223,904
Other comprehensive income:		
Items that may be reclassified subsequently to income statement		
Foreign currency translation	**(869,532)**	(498,537)
Fair value adjustment on cash flow hedges	**(111,703)**	156,411
Fair value adjustment on available-for-sale financial assets	**43,647**	58,394
	(937,588)	(283,732)
Item that will not be reclassified subsequently to income statement		
Loss on remeasurement of defined benefit plan	**(9,824)**	(4,467)
	(9,824)	(4,467)
Total other comprehensive income for the year, net of tax	**(947,412)**	(288,199)
Total comprehensive income for the year	**187,245**	935,705
Attributable to:		
Owners of the Company	**157,036**	897,245
Non-controlling interests	**30,209**	38,460
	187,245	935,705

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

BALANCE SHEETS

As at 31 December 2015

	Note	Group 2015 US$'000	Group 2014 US$'000 Restated*	Company 2015 US$'000	Company 2014 US$'000 Restated*
ASSETS					
Non-current assets					
Property, plant and equipment	13	**8,983,482**	9,477,284	**1,485**	1,860
Biological assets	14	**1,794,594**	1,860,821	**-**	-
Plasma investments		**14,721**	12,829	**-**	-
Intangible assets	15	**4,368,860**	4,401,908	**-**	-
Investment in subsidiaries	16	**-**	-	**9,004,098**	9,004,099
Investment in joint ventures	17	**886,088**	368,889	**231,396**	128,674
Investment in associates	17	**1,871,030**	1,784,307	**41,347**	41,347
Available-for-sale financial assets	18	**650,042**	592,245	**-**	-
Deferred tax assets	19	**198,116**	203,808	**-**	-
Derivative financial instruments	20	**2,786**	15,172	**-**	-
Other financial receivables	21	**334,552**	293,974	**351,373**	305,483
Other non-financial assets	21	**33,171**	31,489	**-**	-
		19,137,442	19,042,726	**9,629,699**	9,481,463
Current assets					
Inventories	22	**6,317,534**	6,581,020	**-**	-
Trade receivables	23	**3,752,720**	4,044,799	**-**	-
Other financial receivables	21	**2,898,826**	3,995,132	**3,354,424**	3,045,721
Other non-financial assets	21	**1,253,509**	1,478,001	**1,622**	1,346
Derivative financial instruments	20	**567,221**	755,826	**-**	-
Financial assets held for trading	18	**304,694**	261,470	**-**	-
Other bank deposits	24	**2,410,281**	5,452,091	**-**	-
Cash and bank balances	24	**1,296,316**	1,947,096	**1,374**	503
		18,801,101	24,515,435	**3,357,420**	3,047,570
TOTAL ASSETS		**37,938,543**	43,558,161	**12,987,119**	12,529,033
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	**1,226,854**	1,746,920	**-**	-
Other financial payables	26	**1,260,764**	1,191,558	**1,602,231**	1,250,932
Other non-financial liabilities	26	**546,361**	393,892	**-**	-
Derivative financial instruments	20	**480,775**	538,242	**-**	-
Loans and borrowings	27	**11,076,303**	15,204,154	**-**	-
Tax payables		**99,708**	122,366	**-**	-
		14,690,765	19,197,132	**1,602,231**	1,250,932
NET CURRENT ASSETS		**4,110,336**	5,318,303	**1,755,189**	1,796,638

	Note	Group 2015 US$'000	Group 2014 US$'000 Restated*	Company 2015 US$'000	Company 2014 US$'000 Restated*
Non-current liabilities					
Other financial payables	26	**58,220**	28,282	**-**	-
Other non-financial liabilities	26	**91,743**	92,910	**-**	-
Derivative financial instruments	20	**72,582**	47,491	**-**	-
Loans and borrowings	27	**6,347,547**	7,158,172	**389,449**	420,196
Deferred tax liabilities	19	**598,942**	623,373	**-**	-
		7,169,034	7,950,228	**389,449**	420,196
TOTAL LIABILITIES		**21,859,799**	27,147,360	**1,991,680**	1,671,128
NET ASSETS		**16,078,744**	16,410,801	**10,995,439**	10,857,905
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	**(168,155)**	(19,282)	**(168,155)**	(19,282)
Retained earnings		**9,464,246**	8,767,132	**2,075,667**	1,747,814
Other reserves	29	**(2,628,282)**	(1,711,911)	**192,793**	234,239
		15,126,804	15,494,934	**10,995,439**	10,857,905
Non-controlling interests		**951,940**	915,867	**-**	-
TOTAL EQUITY		**16,078,744**	16,410,801	**10,995,439**	10,857,905
TOTAL EQUITY AND LIABILITIES		**37,938,543**	43,558,161	**12,987,119**	12,529,033

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to owners of the Company						
	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000	Equity attributable to owners of the Company, total US$'000	Non-controlling interests US$'000	Equity total US$'000
2015							
GROUP							
Opening balance at 1 January 2015	8,458,995	(19,282)	8,767,132	(1,711,911)	15,494,934	915,867	16,410,801
Profit for the year	-	-	1,056,070	-	1,056,070	78,587	1,134,657
Other comprehensive income for the year	-	-	-	(899,034)	(899,034)	(48,378)	(947,412)
Total comprehensive income for the year	-	-	1,056,070	(899,034)	157,036	30,209	187,245
Grant of equity-settled share options	-	-	-	8,295	8,295	-	8,295
Share capital contributed by non-controlling shareholders	-	-	-	-	-	46,274	46,274
Acquisition of treasury shares	-	(148,873)	-	-	(148,873)	-	(148,873)
Dividends on ordinary shares	-	-	(380,526)	-	(380,526)	-	(380,526)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(32,171)	(32,171)
Net transfer to retained earnings	-	-	21,570	(21,570)	-	-	-
Total contributions by and distributions to owners	-	(148,873)	(358,956)	(13,275)	(521,104)	14,103	(507,001)
Acquisition of a subsidiary	-	-	-	-	-	113	113
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(7,353)	(7,353)
Premium paid for acquisition of additional interest in subsidiaries	-	-	-	(3,975)	(3,975)	-	(3,975)
Disposal of subsidiaries	-	-	-	-	-	(2,099)	(2,099)
Dilution of interest in a subsidiary	-	-	-	-	-	1,100	1,100
Loss on dilution of interest in a subsidiary	-	-	-	(87)	(87)	-	(87)
Total changes in ownership interests in subsidiaries	-	-	-	(4,062)	(4,062)	(8,239)	(12,301)
Closing balance at 31 December 2015	**8,458,995**	**(168,155)**	**9,464,246**	**(2,628,282)**	**15,126,804**	**951,940**	**16,078,744**

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to owners of the Company				
	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000	Equity attributable to owners of the Company, total US$'000
2015					
COMPANY					
Opening balance at 1 January 2015	8,895,134	(19,282)	1,747,814	234,239	10,857,905
Profit for the year	-	-	658,638	-	658,638
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	658,638	-	658,638
Grant of equity-settled share options	-	-	-	8,295	8,295
Acquisition of treasury shares	-	(148,873)	-	-	(148,873)
Dividends on ordinary shares	-	-	(380,526)	-	(380,526)
Transfer to retained earnings	-	-	49,741	(49,741)	-
Total transactions with owners in their capacity as owners	-	(148,873)	(330,785)	(41,446)	(521,104)
Closing balance at 31 December 2015	**8,895,134**	**(168,155)**	**2,075,667**	**192,793**	**10,995,439**
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	-	-	-	15,165	15,165
Acquisition of treasury shares	-	(8,895)	-	-	(8,895)
Dividends on ordinary shares	-	-	(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

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2015

	2015 US$'000	2014 US$'000 Restated*
Cash flows from operating activities		
Profit before tax	**1,428,701**	1,537,578
Adjustments for:		
Net loss arising from changes in fair value of biological assets	**10,169**	7,976
Depreciation of property, plant and equipment	**676,398**	659,863
Impairment on available-for-sale financial assets	**802**	-
Loss/(gain) on liquidation/disposal of associates	**2**	(62)
Amortisation of intangible assets	**763**	553
Gain on bargain purchase on business combination	**-**	(1,057)
Impairment on shareholders' loan to associates	**4,674**	-
Gain on disposal of property, plant and equipment	**(907)**	(3,151)
Loss/(gain) on liquidation/disposal of subsidiaries	**1,351**	(3,422)
Gain on disposal of available-for-sale financial assets	**(850)**	-
(Gain)/loss on disposal of financial assets held for trading	**(9,267)**	1,214
Grant of share options to employees	**8,295**	15,165
Net fair value loss/(gain) on derivative financial instruments	**135,477**	(326,845)
Net fair value loss on financial assets held for trading	**59,873**	13,050
Foreign exchange differences arising from translation	**(169,345)**	73,277
Interest expense	**466,836**	550,857
Interest income	**(470,527)**	(600,480)
Share of results of joint ventures	**12,472**	5,338
Share of results of associates	**(113,392)**	(86,035)
Operating cash flows before working capital changes	**2,041,525**	1,843,819
Changes in working capital:		
Decrease in inventories	**240,267**	619,136
Decrease/(increase) in receivables and other assets	**501,197**	(398,493)
(Decrease)/increase in payables	**(343,348)**	202,750
Cash flows generated from operations	**2,439,641**	2,267,212
Interest paid	**(464,818)**	(558,460)
Interest received	**577,264**	583,027
Income taxes paid	**(319,961)**	(318,436)
Net cash flows generated from operating activities	**2,232,126**	1,973,343

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2015

	2015 US$'000	2014 US$'000 Restated*
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	**(1,250)**	(56,964)
Increase in plasma investments	**(2,373)**	(522)
(Increase)/decrease in financial assets held for trading	**(14,243)**	9,734
Increase in other non-financial assets	**(1,534)**	-
Payments for property, plant and equipment	**(816,969)**	(1,042,953)
Payments for biological assets	**(47,835)**	(50,217)
Increase in available-for-sale financial assets	**(157,288)**	(114,353)
Payments for investment in joint ventures	**(454,799)**	(39,989)
Payments for investment in associates	**(43,901)**	(103,928)
Dividends received from joint ventures	**8,325**	3,500
Dividends received from associates	**46,016**	39,340
Proceeds from disposal of property, plant and equipment	**170,326**	87,804
Proceeds from disposal of biological assets	**424**	1,577
Proceeds from disposal of associates	**-**	1,226
Net cash flow from disposal of subsidiaries	**2,102**	37,466
Net cash flows used in investing activities	**(1,312,999)**	(1,228,279)
Cash flows from financing activities		
Increase in net amount due from related parties	**(144,851)**	(3,368)
Decrease in net amount due from joint ventures	**55,770**	3,534
Decrease/(increase) in net amount due from associates	**2,894**	(26,911)
Decrease in advances from non-controlling shareholders	**(8,209)**	(1,079)
Repayments of loans and borrowings	**(7,989,359)**	(908,643)
Decrease in fixed deposits pledged with financial institutions for bank facilities	**5,205,868**	136,068
Decrease in other financial receivables	**1,166,788**	329,900
Decrease/(increase) in other deposits with maturity more than 3 months	**672,886**	(338,347)
Interest paid	**(29,920)**	(37,789)
Payments for acquisition of additional interest in subsidiaries	**(11,328)**	(18,915)
Shares buy-back held as treasury shares	**(148,873)**	(8,895)
Dividends paid by the Company	**(380,526)**	(382,898)
Dividends paid to non-controlling shareholders by subsidiaries	**(32,171)**	(31,005)
Proceeds from dilution of interest in a subsidiary	**1,013**	-
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	**46,274**	7,100
Net cash flows used in financing activities	**(1,593,744)**	(1,281,248)
Net decrease in cash and cash equivalents	**(674,617)**	(536,184)
Cash and cash equivalents at the beginning of the financial year	**1,701,048**	2,237,232
Cash and cash equivalents at the end of the financial year	**1,026,431**	1,701,048

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

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, joint ventures and associates. The principal activities of the significant subsidiaries are disclosed in Note 39 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("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 2015. 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
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
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
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
Amendments to FRS 7 Disclosure initiatives	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018

Except for Amendments to FRS 16 and FRS 41, FRS 115 and FRS 109, the Directors expect that the adoption of the other standards 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 and FRS 41, FRS 115 and FRS 109 are described below:

Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

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

Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants (continued)

The Group's bearer plants mainly include oil palm plantations. Upon adoption of the amendments, the Group expects to measure bearer plants at cost less accumulated depreciation and impairment instead of fair value less costs to sell. The Group expects that adoption of the amendments will result in a decrease in the carrying value of the bearer plants (including produce that grows on bearer plants) by approximately US$986,826,000 and corresponding decreases in both deferred tax liabilities and retained earnings of approximately US$234,873,000 and US$751,694,000 respectively. The Group plans to adopt the amendments on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a 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 when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

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. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation and business combinations (continued)

(a) Basis of consolidation (continued)

Basis of consolidation from 1 January 2010 (continued)

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.

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.

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)

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 2.12(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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

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

2.6 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Joint arrangements

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

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

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

a) Joint operations

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

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

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

b) Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2.8 Associates and joint ventures

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

The Group's investment in associates and joint ventures is accounted for using the equity method. Under the equity method, the investment in associates or joint ventures are measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Goodwill relating to acquisition of an associate or joint venture is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's or joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate or joint venture in the period in which the investment is acquired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Associates and joint ventures (continued)

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

The Group's profit or loss reflects its share of the associates' or joint ventures' profit or loss after tax and non-controlling interests in the subsidiaries of associates or joint ventures. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

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

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

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

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

2.9 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Property, plant and equipment (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 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.

2.11 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.

2.12 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets (continued)

(b) Other intangible assets

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

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

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

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

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

(i) *Brands*

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

(ii) *Trademarks & licenses and others*

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

2.13 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

(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.

(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.

2.14 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of non-financial asset

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

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

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

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

2.16 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 2.13(b), under loans and receivables.

2.17 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories (continued)

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

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

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

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

(b) Other inventories

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

2.18 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Financial liabilities (continued)

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.

2.19 Borrowings

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

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

2.20 Borrowing costs

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying 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.

2.21 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.

2.22 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee benefits (continued)

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the income statement upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(c) Provision for employee service entitlements

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

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in the income statement. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee benefits (continued)

(c) Provision for employee service entitlements (continued)

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.

2.23 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.

2.24 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue (continued)

(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.

(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.

2.25 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, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Income taxes (continued)

(b) Deferred tax (continued)

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rates swaps, forward freight agreements and various commodities futures, options and swap contracts to hedge its risks associated with interest rates, foreign currency, freight charges and commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward contracts is determined by reference to current forward prices for contracts with similar maturity profiles. The fair value of forward freight agreements, futures, options and swap contracts is determined by reference to available market information and option valuation methodology. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedged item or transaction, the hedging instrument, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's (or transaction's) cash flows attributable to or fair values of the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows or fair value, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they are designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of the hedging instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the income statement.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Derivative financial instruments and hedging activities (continued)

Cash flow hedges (continued)

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.

2.27 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.

2.28 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.

2.29 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 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.

2.31 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 2015 were approximately US$3,265,346,000 (2014: US$3,295,975,000) and US$1,098,164,000 (2014: US$1,099,235,000) respectively.

(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 2015 was approximately US$4,254,898,000 (2014: US$4,420,361,000).

(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 2015 were approximately US$99,708,000 (2014: US$122,366,000), US$198,116,000 (2014: US$203,808,000) and US$598,942,000 (2014: US$623,373,000) 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 2015 was approximately US$1,794,594,000 (2014: US$1,860,821,000).

4. REVENUE

	Group	
	2015	2014
	US$'000	US$'000
Sales of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities	**38,468,057**	42,759,741
Ship charter income	**244,413**	260,098
Others	**64,165**	65,036
	38,776,635	43,084,875

5. COST OF SALES

	Group	
	2015	2014
	US$'000	US$'000
Cost of inventories recognised as expense - physical deliveries	**30,842,388**	35,250,069
Labour and other overhead expenses	**4,351,323**	4,562,733
Net gain on fair value of derivative financial instruments	**(374,220)**	(544,880)
	34,819,491	39,267,922

6. FINANCE INCOME

	Group	
	2015	2014
	US$'000	US$'000
		Restated*
Finance income:		
- From associates	**5,100**	8,606
- From bank balances	**13,754**	9,118
- From fixed deposits	**205,115**	337,263
- From joint ventures	**7,485**	7,497
- From other deposits with financial institutions	**195,031**	208,580
- From other sources	**29,633**	23,333
- From related parties	**8,862**	386
- Late interest charges pertaining to trade receivables	**5,547**	5,697
	470,527	600,480

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates"*

7. OTHER OPERATING INCOME OTHER OPERATING EXPENSES

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

	Group	
	2015	2014
	US$'000	US$'000
Amortisation of intangible assets	**(763)**	(553)
Allowance for advances to suppliers	**(374)**	(62)
Bad debts written off (non-trade)	**(903)**	(155)
Compensation/penalty income	**12,234**	1,352
Energy/power/steam income	**26,360**	26,087
Fair value loss of derivative financial instruments	**(38,960)**	(6,207)
Foreign exchange loss, excluding net foreign exchange loss on shareholders' loans to subsidiaries	**(210,598)**	(111,930)
Gain on bargain purchase on business combination	**-**	1,057
Gain on disposal of property, plant and equipment	**907**	3,151
(Loss)/gain on liquidation/disposal of associates	**(2)**	62
(Loss)/gain on liquidation/disposal of subsidiaries	**(1,351)**	3,422
Government grants/incentive income	**37,976**	42,958
Grant of share options to employees	**(8,295)**	(15,165)
Income from sales cancellation	**3,935**	9,025
Pre-operating expenses	**(1,265)**	(4,576)
Processing fee income/tolling income	**1,546**	840
Project expenses	**(6,621)**	(5,491)
Rental and storage income	**4,003**	7,142
Scrap sales	**12,004**	17,143
Service fees/management fees/commission income	**8,745**	8,672
Impairment on shareholders' loan to associates	**(4,674)**	-
Impairment on property, plant and equipment	**(4,362)**	(1,379)

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

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

8. FINANCE COSTS

	2015 US$'000	2014 US$'000 Restated*
Interest expense:		
- Loans and borrowings	**437,600**	516,002
- Loans from associates	**1,169**	961
- Loans from joint ventures	**155**	71
- Interest rate swaps	**8,318**	14,958
- Others	**4,194**	1,050
	451,436	533,042
Less: Amount capitalised		
- Biological assets	**(1,070)**	(1,363)
- Property, plant and equipment	**(6,190)**	(8,624)
	444,176	523,055

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates"*

9. NON-OPERATING ITEMS

	Group	
	2015 US$'000	2014 US$'000
Net foreign exchange loss on shareholders' loans to subsidiaries	**(43,135)**	(43,143)
Finance costs on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries	**(22,660)**	(27,802)
Gain on disposal of available-for-sale financial assets	**850**	-
Gain/(loss) on disposal of financial assets held for trading	**9,267**	(1,214)
Investment income from equity instruments	**20,652**	20,137
Net fair value loss on financial assets held for trading	**(59,873)**	(13,050)
Net fair value loss on derivatives financial instruments (equity related)	**(54)**	(828)
Reversal of pre-acquisition hedging loss	**-**	1,000
	(94,953)	(64,900)

10. PROFIT BEFORE TAX

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

	Group	
	2015	2014
	US$'000	US$'000
Audit fees paid to:		
- Auditor of the Company	**631**	648
- Other auditors	**4,538**	4,548
Non-audit fees paid to:		
- Auditor of the Company	**39**	196
- Other auditors	**639**	999
Depreciation of property, plant and equipment:	**673,708**	660,105
Less: Amount capitalised as part of costs of biological assets	**(1,672)**	(1,621)
Add: Impairment loss	**4,362**	1,379
Depreciation of property, plant and equipment - net	**676,398**	659,863
Employee benefits expense	**1,113,816**	1,105,726
Operating lease expense	**38,278**	51,587

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 2015 and 31 December 2014 are:

	Group	
	2015	2014
	US$'000	US$'000
Consolidated Income Statement		
Current income tax		
Current year	**289,117**	288,153
Under provision in respect of previous years	**1,273**	7,285
	290,390	295,438
Deferred income tax		
Origination and reversal of temporary differences	**3,366**	24,424
Under/(over) provision in respect of previous years	**288**	(6,188)
Income tax expense recognised in the income statement	**294,044**	313,674
Deferred income tax related to other comprehensive income:		
Net tax (credit)/charges in fair value of derivative financial instruments designated as cash flow hedges and others	**(5,758)**	25,551

11. INCOME TAX EXPENSE (continued)

(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 2015 and 31 December 2014 are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Accounting profit before income tax	**1,428,701**	1,537,578
Tax calculated at tax rate of 17% (2014: 17%)	**242,879**	261,388
Adjustments:		
Effect of different tax rates in other countries	**79,771**	82,976
Effect of tax incentives	**(42,719)**	(35,130)
Income not subject to taxation	**(20,756)**	(35,679)
Non-deductible expenses	**23,086**	28,550
Deferred tax assets not recognised	**15,786**	31,358
Under provision in respect of previous years	**1,561**	1,097
Share of results of joint ventures and associates	**(14,673)**	(14,097)
Others	**9,109**	(6,789)
Income tax expense recognised in the consolidated income statement	**294,044**	313,674

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	
	2015	2014
Profit for the year attributable to owners of the Company (US$'000)	**1,056,070**	1,156,180
Weighted average number of ordinary shares ('000)	**6,370,293**	6,398,280
Basic earnings per share (US cents per share)	**16.6**	18.1

12. EARNINGS PER SHARE (CONTINUED)

(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	
	2015	2014
Profit for the year attributable to owners of the Company (US$'000)	**1,056,070**	1,156,180
Weighted average number of ordinary shares ('000)	**6,370,293**	6,398,280
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,370,293**	6,398,280
Diluted earnings per share (US cents per share)	**16.6**	18.1

125,380,000 (2014: 97,495,000) 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 2015 and 31 December 2014 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 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 and 1 January 2015	**1,231,141**	**2,991,846**	**6,515,342**	**210,387**	**646,702**	**253,787**	**905,684**	**12,754,889**
Acquisition of subsidiaries	**5,165**	**10,548**	**3,441**	**135**	**-**	**101**	**-**	**19,390**
Disposal of subsidiaries	**(294)**	**(1,414)**	**(1,180)**	**(137)**	**-**	**(51)**	**(251)**	**(3,327)**
Additions	**22,478**	**48,735**	**64,559**	**15,027**	**29,212**	**17,764**	**687,503**	**885,278**
Disposals	**(8,302)**	**(9,103)**	**(28,906)**	**(8,820)**	**(72,933)**	**(6,512)**	**(87,972)**	**(222,548)**
Transfers	**2,337**	**224,569**	**495,558**	**8,863**	**129,168**	**2,361**	**(862,856)**	**-**
Reclassifications	**-**	**(18,465)**	**9,589**	**(2,509)**	**1,500**	**9,106**	**(774)**	**(1,553)**
Currency translation differences	**(92,093)**	**(167,496)**	**(515,166)**	**(12,928)**	**(2)**	**(12,789)**	**(43,883)**	**(844,357)**
At 31 December 2015	**1,160,432**	**3,079,220**	**6,543,237**	**210,018**	**733,647**	**263,767**	**597,451**	**12,587,772**

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 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 and 1 January 2015	**126,303**	**634,463**	**2,157,564**	**147,804**	**71,712**	**139,759**	**-**	**3,277,605**
Disposal of subsidiaries	**(52)**	**(645)**	**(770)**	**(134)**	**-**	**(51)**	**-**	**(1,652)**
Depreciation charge for the year	**20,721**	**122,135**	**440,597**	**25,091**	**41,892**	**23,272**	**-**	**673,708**
Disposals	**(617)**	**(2,349)**	**(16,552)**	**(8,489)**	**(4,212)**	**(5,890)**	**-**	**(38,109)**
Impairment loss	**-**	**373**	**4,021**	**(32)**	**-**	**-**	**-**	**4,362**
Reclassifications	**-**	**(1,592)**	**(1,058)**	**(1,354)**	**1,328**	**2,435**	**-**	**(241)**
Currency translation differences	**(11,234)**	**(44,384)**	**(238,379)**	**(9,952)**	**(2)**	**(7,432)**	**-**	**(311,383)**
At 31 December 2015	**135,121**	**708,001**	**2,345,423**	**152,934**	**110,718**	**152,093**	**-**	**3,604,290**
Net carrying amount								
At 31 December 2014	1,104,838	2,357,383	4,357,778	62,583	574,990	114,028	905,684	9,477,284
At 31 December 2015	**1,025,311**	**2,371,219**	**4,197,814**	**57,084**	**622,929**	**111,674**	**597,451**	**8,983,482**

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 2014	2,158	183	2,341
Additions	1,473	459	1,932
Disposals	(25)	-	(25)
At 31 December 2014 and 1 January 2015	**3,606**	**642**	**4,248**
Additions	**599**	**-**	**599**
Disposals	**(28)**	**-**	**(28)**
At 31 December 2015	**4,177**	**642**	**4,819**
Accumulated depreciation			
At 1 January 2014	1,431	38	1,469
Depreciation charge for the year	880	60	940
Disposals	(21)	-	(21)
At 31 December 2014 and 1 January 2015	**2,290**	**98**	**2,388**
Depreciation charge for the year	**907**	**64**	**971**
Disposals	**(25)**	**-**	**(25)**
At 31 December 2015	**3,172**	**162**	**3,334**
Net carrying amount			
At 31 December 2014	1,316	544	1,860
At 31 December 2015	**1,005**	**480**	**1,485**

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$6,190,000 (2014: US$8,624,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US$64,933,000 (2014: US$50,421,000) are pledged as security for bank borrowings.

14. BIOLOGICAL ASSETS

	Group	
	2015	2014
	US$'000	US$'000
At 1 January	**1,860,821**	1,879,671
Disposal of subsidiaries	**-**	(15,625)
Additions	**44,205**	44,987
Disposals	**(4,826)**	(1,433)
Capitalisation of interest	**1,070**	1,363
Capitalisation of depreciation	**1,672**	1,621
Capitalisation of employee benefits	**3,630**	5,230
Currency translation differences	**(101,809)**	(47,017)
	1,804,763	1,868,797
Decrease in fair value less point-of-sale costs	**(10,169)**	(7,976)
At 31 December	**1,794,594**	1,860,821

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,481,000 tonnes (2014: 4,324,000 tonnes) of FFB, which had a fair value less estimated point-of-sale costs of approximately US$501,192,000 (2014: US$643,135,000). 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	
	2015	2014
Area	Hectares	Hectares
Planted area:		
- Mature	**214,262**[(1)]	215,345[(2)]
- Immature	**31,938**	28,224
	246,200	243,569

	Group	
	2015	2014
Value	US$'000	US$'000
Planted area:		
- Mature	**1,678,342**[(1)]	1,747,908[(2)]
- Immature	**116,252**	112,913
	1,794,594	1,860,821

(1) Mature planted areas include sugar cane plantations.
(2) Mature planted areas include rubber and sugar cane plantations.

14. BIOLOGICAL ASSETS (CONTINUED)

(c) At 31 December 2015, the fair value of biological assets of the Group mortgaged as securities for bank borrowings amounted to approximately US$86,157,000 (2014: US$85,600,000).

(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 (2014: 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 6.8% to 33.9% (2014: 7.5% to 31.3%)	The estimated fair value increases as the estimated discount rate per annum decreases.
FFB average selling price of US$94 to US$121 (2014: US$115 to US$154) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield is 21.4 (2014: 20.6) 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 2014	3,317,904	4,385	1,100,118	4,422,407
Acquisition of subsidiaries	1,682	5,276	-	6,958
Disposal of subsidiaries	(1,609)	-	-	(1,609)
Currency translation differences	(22,002)	(688)	(883)	(23,573)
At 31 December 2014 and 1 January 2015	**3,295,975**	**8,973**	**1,099,235**	**4,404,183**
Acquisition of subsidiaries	**1,040**	**-**	**-**	**1,040**
Currency translation differences	**(31,669)**	**(728)**	**(1,071)**	**(33,468)**
At 31 December 2015	**3,265,346**	**8,245**	**1,098,164**	**4,371,755**
Accumulated amortisation				
At 1 January 2014	-	1,770	-	1,770
Amortisation during the year	-	553	-	553
Currency translation differences	-	(48)	-	(48)
At 31 December 2014 and 1 January 2015	**-**	**2,275**	**-**	**2,275**
Amortisation during the year	**-**	**763**	**-**	**763**
Currency translation differences	**-**	**(143)**	**-**	**(143)**
At 31 December 2015	**-**	**2,895**	**-**	**2,895**
Net carrying amount				
At 31 December 2014	3,295,975	6,698	1,099,235	4,401,908
At 31 December 2015	**3,265,346**	**5,350**	**1,098,164**	**4,368,860**

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 2.12(b)(i), the useful lives of the brands are estimated to be indefinite.

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill and brands

Goodwill arising from business combinations and brands have been allocated to individual cash-generating units ("CGU") which are also the reportable operating segments for impairment testing.

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

	Tropical Oils US$'000	Oilseeds and Grains US$'000	Sugar US$'000	Others US$'000	Total US$'000
2015					
Goodwill	**2,218,183**	**768,012**	**265,449**	**13,702**	**3,265,346**
Brands	**-**	**1,089,247**	**8,917**	**-**	**1,098,164**
2014					
Goodwill	2,226,865	767,711	288,436	12,963	3,295,975
Brands	-	1,089,247	9,988	-	1,099,235

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 or age of plantations for tropical oils, oilseeds and grains and sugar segments. 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:-

	Tropical Oils		Oilseeds and Grains		Sugar	
	%	%	**%**	%	**%**	%
	2015	2014	**2015**	2014	**2015**	2014
Terminal growth rates	**2.0 - 3.0**	2.0 - 3.0	**3.0**	3.0	**2.0 - 2.5**	2.0 - 2.6
Pre-tax discount rates	**12.0 - 14.0**	12.0 - 14.0	**12.0 - 14.0**	12.0 - 14.0	**8.0 - 12.0**	7.9 - 12.0

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted profit margin based on past performance and its expectations of the market development. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments. The forecasted growth rates were based on published industry research and did not exceed the long term average growth rate for the industries relevant to the CGU.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2015	2014
	US$'000	US$'000
Unquoted equity shares, at cost	**9,004,098**	9,004,099

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	
Wilmar Fertilizer Malaysia Sdn. Bhd.	100	2,147	September 2015
Huizhou Altech Packaging Co., Ltd	60	470	September 2015
Wadworth Holdings Limited	94+	70,200	November 2015
		72,817	

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

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

	Fair value recognised on acquisition
	US$'000
Property, plant and equipment	19,390
Investment in associates	70,200
Inventories	3,525
Deferred tax assets	103
Trade receivables and other assets	2,461
Cash and cash equivalents	1,367
	97,046
Trade and other payables	25,156
	25,156
Net identifiable assets	71,890
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(113)
Identifiable net assets acquired	71,777
Positive goodwill arising from acquisition recognised as part of intangible assets	1,040
Total consideration for acquisitions	**72,817**

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	72,817
Less: Payables for acquisition	(70,200)
Consideration for acquisitions - cash paid	**2,617**
The effects of acquisitions on cash flow are as follows:	
Consideration settled in cash	2,617
Less: Cash and cash equivalents of subsidiaries acquired	(1,367)
Net cash outflow on acquisitions	**1,250**

Impact of acquisitions on consolidated income statement

From the respective dates of acquisition, the acquirees have contributed additional revenue and net loss of approximately US$5,992,000 and US$553,000 respectively for the financial year ended 31 December 2015. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US$38,785,886,000 and net profit would have been approximately US$1,055,145,000.

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 US$'000	Book value US$'000	Premium arising from acquisition US$'000	Month of acquisition
Yihai Kerry Investments Co., Ltd. / Wilmar China Investments (Yihai) Pte. Ltd.	Yihai (Lianyungang) Industry Development Co., Ltd	40	100	4,127	2,060	2,067	May 2015
Wilmar China Northeast Investments Pte. Ltd.	Yihai Kerry (Qinhuangdao) Protein Industries Co., Ltd	25	100	3,174	2,729	445	July 2015
Yihai Kerry Investments Co., Ltd. / Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd.	Yihai Kerry (Zhengzhou) Logistics Co., Ltd	16+	77+	2,026	1,582	444	August 2015
Wilmar China Investments (Yihai) Pte. Ltd. / Yihai Kerry Investments Co., Ltd	Yihai (Changji) Oils & Grains Industries Co., Ltd	3+	100	2,001	982	1,019	November 2015

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

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal of interests in subsidiaries without loss of control

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

Immediate holding company	Name of subsidiary	Disposal of interest	Proportion of ownership interest after disposal	Consideration	Book value	Decrease in equity attributable to the owners of the Company	Month of disposal
		%	%	US$'000	US$'000	US$'000	
Wilmar Sugar Holdings Pte. Ltd.	Wilmar Sugar Pte. Ltd.	1+	77 +	1,013	1,100	(87)	July 2015

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

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	1,675
Trade receivables and other assets	6,125
Inventories	1,362
Cash and cash equivalents	59
	9,221
Trade and other payables	4,941
	4,941
Net carrying amounts of assets disposed	4,280
Less: Transfer to investment in a joint venture	(19)
Less: Non-controlling interest	(2,099)
Net assets disposed	2,162
Net assets disposed	2,162
Add: Foreign currency translation reserves realised upon disposal of subsidiaries	1,350
Loss on disposal	(1,351)
Sales proceeds, net	2,161
Less: Cash and cash equivalents of subsidiaries disposed	(59)
Net cash inflow on disposal of subsidiaries	**2,102**

17. INVESTMENT IN JOINT VENTURES INVESTMENT IN ASSOCIATES

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

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
		Restated*		Restated*
FPW Singapore Holdings Pte. Ltd.	**552,579**	-	**102,722**	-
Other joint ventures	**333,509**	368,889	**128,674**	128,674
Investment in joint ventures	**886,088**	368,889	**231,396**	128,674

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates"*

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

The summarised financial information of material joint ventures are as follows:

	FPW Singapore Holdings Pte. Ltd.	
	2015	2014
	US$'000	US$'000
Assets and liabilities:		
Current assets	**290,834**	-
Non-current assets	**1,445,491**	-
Total assets	**1,736,325**	-
Current liabilities	**1,177,475**	-
Non-current liabilities	**357,852**	-
Total liabilities	**1,535,327**	-
Shareholders' equity	**188,384**	-
Proportion of the Group's ownership interest	**50%**	-
Group's share	**94,192**	-
Quasi loan	**458,387**	-
Carrying amount of the investment	**552,579**	-
Revenue	**1,125,948**	-
Profit for the year	**21,937**	-
Other comprehensive income	**(38,259)**	-
Total comprehensive income	**(16,322)**	-

17. INVESTMENT IN JOINT VENTURES INVESTMENT IN ASSOCIATES (CONTINUED)

	FPW Singapore Holdings Pte Ltd	
	2015	2014
	US$'000	US$'000
Cash and cash equivalents	**99,473**	-
Current financial liabilities (excluding trade and other payables and provisions)	**840,551**	-
Depreciation and amortisation	**41,311**	-
Finance income	**531**	-
Finance expense	**23,320**	-
Income tax expense	**9,109**	-

The activities of FPW Singapore Holdings Pte. Ltd. is strategic to the Group's activities. No dividends were received during the financial year ended 31 December 2015.

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

	Group	
	2015	2014
	US$'000	US$'000
		Restated*
Share of the joint ventures' profit for the year	**(23,374)**	**(5,338)**
Share of the joint ventures' total comprehensive income	**(23,374)**	**(5,338)**

The Group's investments in associates are summarised below:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
		Restated*		Restated*
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	**618,120**	623,134	**-**	-
Cosumar S.A.	**291,580**	275,087	**-**	-
Other associates	**961,330**	886,086	**41,347**	41,347
Investment in associates	**1,871,030**	1,784,307	**41,347**	41,347
Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)	**295,553**	317,262	**14,907**	15,831

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates"*

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

17. INVESTMENT IN JOINT VENTURES INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of material associates are as follows:

	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd		Cosumar S.A.	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities:				
Current assets	**764,387**	1,659,454	**544,515**	524,950
Non-current assets	**281,935**	327,038	**421,152**	463,863
Total assets	**1,046,322**	1,986,492	**965,667**	988,813
Current liabilities	**343,409**	1,266,577	**451,727**	399,561
Non-current liabilities	**448**	4,569	**111,404**	187,696
Total liabilities	**343,857**	1,271,146	**563,131**	587,257
Shareholders' equity	**689,376**	700,771	**400,384**	398,438
Proportion of the Group's ownership interest	**44%**	44%	**30%+**	28%+
Group's share	**303,325**	308,339	**118,114**	109,571
Goodwill on acquisition	**314,795**	314,795	**173,466**	165,516
Carrying amount of the investment	**618,120**	623,134	**291,580**	275,087
Revenue	**1,952,572**	3,545,049	**519,059**	517,722
Profit for the year	**18,462**	23,932	**62,916**	51,560
Total comprehensive income	**18,462**	23,932	**62,916**	51,560

\+ 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$13,076,000 (2014: US$14,466,000) were received from Cosumar S.A. during the financial year ended 31 December 2015.

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

	Group	
	2015	2014
	US$'000	US$'000 Restated*
Share of the associates' profit for the year	**80,640**	54,525
Share of the associates' total comprehensive income	**80,640**	54,525

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates"*

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

	Group	
	2015	2014
	US$'000	US$'000
Available-for-sale financial assets		
Non-current:		
Quoted equity instruments *	**367,845**	324,288
Unquoted equity instruments, at cost	**59,665**	46,478
Unquoted non-equity instruments	**222,532**	221,479
	650,042	592,245
Financial assets held for trading		
Current:		
Quoted equity instruments	**304,694**	261,470
	304,694	261,470

* Included in the quoted equity instruments is an investment in shares quoted on National Stock Exchange of Australia. As the sale and purchase of this investment is restricted, the valuation is determined using discounted cash flow projections.

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	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Provisions	**59,105**	68,581	**4,668**	5,208
Unutilised tax losses	**65,383**	71,105	**(2,870)**	(1,643)
Differences in depreciation for tax purposes	**10,859**	11,395	**(622)**	(211)
Fair value adjustments on derivatives classified as cash flow hedges	**7,042**	8,623	**-**	-
Other items	**55,727**	44,104	**(16,445)**	(5,481)
	198,116	203,808		
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**179,456**	195,768	**11,649**	16,205
Fair value adjustments on acquisition of subsidiaries	**42,661**	56,577	**(4,629)**	(5,822)
Fair value adjustments on derivatives classified as cash flow hedges	**2,866**	13,896	**-**	-
Fair value adjustments on biological assets	**273,150**	280,619	**(2,542)**	(1,994)
Undistributed earnings	**55,065**	49,129	**3,807**	3,807
Other items	**45,744**	27,384	**10,638**	8,167
	598,942	623,373		
Deferred income tax expense			**3,654**	18,236

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US$550,554,000 (2014: US$487,975,000) 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 (2014: 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$5,043,372,000 (2014: US$4,521,708,000). The deferred tax liability is estimated to be approximately US$527,124,000 (2014: US$484,530,000).

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2015			2014		
	Contract/ Notional amount US$'000	**Assets** US$'000	**Liabilities** US$'000	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000
Forward currency contracts, options and cross currency interest rate swaps	**23,231,594**	**261,847**	**248,442**	24,562,813	219,232	225,880
Futures, options and swap contracts	**4,768,885**	**157,740**	**200,788**	7,440,962	477,710	282,373
Interest rate swap	**506,157**	**-**	**5,346**	925,789	22	6,348
Forward freight agreements	**-**	**-**	**-**	2,694	930	-
Fair value of firm commitment contracts	**1,045,793**	**150,420**	**98,781**	1,056,110	73,104	71,132
Total derivative financial instruments		**570,007**	**553,357**		770,998	585,733
Less: Current portion		**(567,221)**	**(480,775)**		(755,826)	(538,242)
Non-current portion		**2,786**	**72,582**		15,172	47,491

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

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

Cash flow hedges

The Group enters into various commodities futures, options, swap and forward currency contracts in order to hedge the financial risks related to the purchases and sales of commodity products. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value (loss)/gain of approximately US$(16,255,000) (2014: US$95,973,000), with related deferred tax credit/(charges) of approximately US$4,174,000 (2014: US$(5,273,000)), 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$(18,718,000) and US$2,463,000 (2014: US$107,457,000 and US$(11,484,000)).

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 gain/(loss) of approximately US$11,706,000 (2014: US$(18,077,000)) is recognised in the income statement and offset with a similar (loss)/gain on the inventory.

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hedges (continued)

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$6,279,000 (2014: US$5,028,000) 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	
	2015	2014	**2015**	2014
	US$'000	US$'000 Restated*	US$'000	US$'000 Restated*
Non-current:				
Loans to non-controlling shareholders of a subsidiary	**28,400**	27,900	**-**	-
Other non-trade receivables	**5,136**	11,480	**21**	24
Other deposits with financial institutions	**120,773**	58,806	**-**	-
Amounts due from subsidiaries - non-trade	**-**	-	**293,258**	240,122
Amounts due from joint ventures - non-trade	**19,314**	24,882	**-**	1,568
Amounts due from associates - non-trade	**143,246**	151,918	**58,094**	63,769
Amounts due from related parties - non-trade	**17,683**	18,988	**-**	-
Other financial receivables	**334,552**	293,974	**351,373**	305,483
Current:				
Deposits	**40,888**	40,113	**42**	13
Loans to non-controlling shareholders of subsidiaries	**58,592**	72,189	**-**	-
Other non-trade receivables	**381,056**	557,417	**8,607**	8,626
Other deposits with financial institutions	**1,900,618**	2,907,602	**-**	-
Amounts due from subsidiaries - non-trade	**-**	-	**2,948,124**	3,030,460
Amounts due from joint ventures - non-trade	**133,490**	162,826	**396,217**	151
Amounts due from associates - non-trade	**235,175**	246,109	**1,434**	6,471
Amounts due from related parties - non-trade	**149,007**	8,876	**-**	-
Other financial receivables	**2,898,826**	3,995,132	**3,354,424**	3,045,721
Non-current:				
Prepayments	**33,171**	31,489	**-**	-
Other non-financial assets	**33,171**	31,489	**-**	-
Current:				
Prepayments and other non-financial assets	**185,470**	161,266	**652**	267
Tax recoverables	**135,873**	158,794	**-**	-
Advances for property, plant and equipment	**142,899**	182,526	**970**	1,079
Advances for acquisition of a subsidiary	**1,429**	-	**-**	-
Advances to suppliers	**787,838**	975,415	**-**	-
Other non-financial assets	**1,253,509**	1,478,001	**1,622**	1,346

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

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

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

Other than the non-current non-trade receivables from joint ventures, associates and related parties, which bear interest rates from 2.0% to 4.4% (2014: 2.3% to 4.2%), 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$32,526,000 (2014: US$26,200,000).

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

The current non-trade receivables from subsidiaries, joint ventures, associates and related parties are unsecured, non-interest bearing and repayable on demand except for amounts due from joint ventures, associates and related parties of approximately US$81,336,000 (2014: US$116,538,000), US$50,977,000 (2014: US$51,167,000) and US$140,222,000 (2014: US$3,034,000) respectively, which bear interest ranging from 2.0% to 8.0% (2014: 2.8% to 10.0%) per annum. These are expected to be settled in cash.

The Company has provided impairment for amounts due from subsidiaries amounting to approximately US$7,496,000 (2014: US$17,360,000).

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$57,377,000 (2014: US$71,514,000), which bear interest ranging from 5.6% to 7.5% (2014: 6.0% to 7.5%) 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. 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 (2014: 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 1.9% to 5.7% (2014: 2.0% to 6.6%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US$691,150,000 (2014: US$1,221,000,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2015	2014
	US$'000	US$'000
Balance Sheet		
At cost:		
Raw materials	**2,290,566**	2,558,803
Consumables	**513,100**	364,235
Finished goods	**2,330,708**	2,005,190
Stock in transit	**366,345**	277,364
	5,500,719	5,205,592
At net realisable value:		
Raw materials	**262,363**	545,933
Consumables	**10,457**	5,095
Finished goods	**543,995**	824,400
	816,815	1,375,428
	6,317,534	6,581,020
Income Statement		
Inventories recognised as an expense in cost of sales	**30,842,388**	35,250,069
Inclusive of the following charge:		
- (Write back)/addition of provision for net realisable value	**(33,986)**	15,395

23. TRADE RECEIVABLES

	Group	
	2015	2014
	US$'000	US$'000
		Restated*
Trade receivables	**2,658,986**	2,746,049
Notes receivables	**116,915**	178,923
Value added tax recoverable	**698,951**	644,353
Amounts due from joint ventures - trade	**32,092**	31,688
Amounts due from associates - trade	**244,536**	429,184
Amounts due from related parties - trade	**7,051**	20,877
	3,758,531	4,051,074
Less: Allowance for doubtful receivables	**(5,811)**	(6,275)
	3,752,720	4,044,799

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

Trade receivables, including amounts due from joint ventures, associates and related parties, are non-interest bearing and the average turnover is 34 days (2014: 33 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 2015 and 31 December 2014.

The Group has pledged trade receivables amounting to approximately US$138,272,000 (2014: US$185,100,000) 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$387,291,000 (2014: US$533,415,000) 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	
	2015	2014
	US$'000	US$'000
Trade receivables past due but not impaired:		
Less than 30 days	**203,679**	316,470
30 - 60 days	**49,677**	100,048
61 - 90 days	**36,491**	26,172
91 - 120 days	**21,367**	17,221
More than 120 days	**76,077**	73,504
	387,291	533,415

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	
	2015	2014
Individually impaired	US$'000	US$'000
At 1 January	**(6,275)**	(5,438)
Additional allowance during the year	**(1,188)**	(1,400)
Bad debts written off against allowance	**1,274**	359
Currency translation differences	**378**	204
At 31 December	**(5,811)**	(6,275)

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.

23. TRADE RECEIVABLES (CONTINUED)

Loans and receivables

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Trade receivables	**3,752,720**	4,044,799	**-**	-
Other financial receivables - current	**2,898,826**	3,995,132	**3,354,424**	3,045,721
Other financial receivables - non-current	**334,552**	293,974	**351,373**	305,483
Total cash and bank balances	**3,706,597**	7,399,187	**1,374**	503
Loans and receivables	**10,692,695**	15,733,092	**3,707,171**	3,351,707

24. OTHER BANK DEPOSITS CASH AND BANK BALANCES

	Group	
	2015	2014
	US$'000	US$'000
Fixed deposits pledged with financial institutions for bank facilities	**1,902,774**	4,271,699
Other deposits with maturity more than 3 months	**507,507**	1,180,392
Other bank deposits	**2,410,281**	5,452,091

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Cash at banks and on hand	**1,183,840**	1,392,794	**1,374**	503
Short term and other deposits	**112,476**	554,302	**-**	-
Cash and bank balances	**1,296,316**	1,947,096	**1,374**	503

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the Group is 2.7% (2014: 3.3%) per annum.

24. OTHER BANK DEPOSITS CASH AND BANK BALANCES (CONTINUED)

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Other bank deposits	**2,410,281**	5,452,091	**-**	-
Cash and bank balances	**1,296,316**	1,947,096	**1,374**	503
Total cash and bank balances	**3,706,597**	7,399,187	**1,374**	503

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

	Group	
	2015	2014
	US$'000	US$'000
Cash and bank balances	**1,296,316**	1,947,096
Bank overdrafts	**(269,885)**	(246,048)
Cash and cash equivalents	**1,026,431**	1,701,048

25. TRADE PAYABLES

	Group	
	2015	2014
	US$'000	US$'000
		Restated*
Trade payables	**1,105,785**	1,414,072
Value added tax payable	**9,808**	30,346
Amounts due to joint ventures - trade	**16,982**	32,610
Amounts due to associates - trade	**66,927**	117,271
Amounts due to related parties - trade	**27,352**	152,621
	1,226,854	1,746,920

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

Trade payables, including amounts due to joint ventures, associates and related parties, are non-interest bearing and the average turnover is 14 days (2014: 12 days).

Total financial liabilities

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Trade payables	**1,226,854**	1,746,920	**-**	-
Other financial payables - current	**1,260,764**	1,191,558	**1,602,231**	1,250,932
Other financial payables - non-current	**58,220**	28,282	**-**	-
Loans and borrowings	**17,423,850**	22,362,326	**389,449**	420,196
Total financial liabilities carried at amortised cost	**19,969,688**	25,329,086	**1,991,680**	1,671,128

26. OTHER FINANCIAL PAYABLES OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2015 US$'000	2014 US$'000 Restated*	**2015** US$'000	2014 US$'000 Restated*
Other Financial Payables				
Current:				
Advances from non-controlling shareholders of subsidiaries	**35,428**	59,944	**-**	-
Accrued operating expenses	**632,165**	607,837	**12,466**	10,355
Amounts due to subsidiaries - non-trade	**-**	-	**1,562,106**	1,225,475
Amounts due to joint ventures - non-trade	**38,648**	17,782	**26,657**	14,262
Amounts due to associates - non-trade	**65,119**	85,214	**108**	98
Amounts due to related parties - non-trade	**8,195**	8,230	**89**	89
Deposits from third parties	**102,445**	124,100	**-**	-
Payable for property, plant and equipment	**70,807**	67,619	**-**	-
Other tax payables	**13,066**	12,581	**-**	-
Other payables	**294,891**	208,251	**805**	653
Other financial payables	**1,260,764**	1,191,558	**1,602,231**	1,250,932
Non-current:				
Advances from non-controlling shareholders of subsidiaries	**58,037**	27,627	**-**	-
Other payables	**183**	655	**-**	-
Other financial payables	**58,220**	28,282	**-**	-
Other Non-Financial Liabilities				
Current:				
Advances from customers and others	**546,361**	393,892	**-**	-
Other non-financial liabilities	**546,361**	393,892	**-**	-
Non-current:				
Provision for employee gratuity	**63,573**	58,204	**-**	-
Deferred income - government grants	**28,170**	34,706	**-**	-
Other non-financial liabilities	**91,743**	92,910	**-**	-

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "Investment in associates".*

The current amounts due to subsidiaries by the Company and the current amounts due to associates, joint ventures and related parties by the Group are unsecured, non-interest bearing and repayable on demand except for amounts due to associates of approximately US$22,889,000 (2014: US$24,219,000) and amounts due to joint ventures of approximately US$10,964,000 (2014: Nil), which bear interest ranging from 3.7% to 10.0% (2014: 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 approximately US$1,386,000 (2014: US$23,415,000), which bear interest rate at 3.5% (2014: 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 2015 %	2014 %	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Current:								
Bank term loans	(a)	**2016**	**2**	2	**2,425,069**	2,699,781	**-**	-
Short term/pre-shipment loans	(a)	**2016**	**3**	3	**4,271,573**	6,089,449	**-**	-
Trust receipts/bill discounts	(a)	**2016**	**1**	2	**4,109,776**	6,168,876	**-**	-
Bank overdrafts	(b)	**2016**	**4**	3	**269,885**	246,048	**-**	-
					11,076,303	15,204,154	**-**	-
Non-current:								
Bank term loans	(a)	**2017-2023**	**3**	3	**5,958,098**	6,737,976	**-**	-
Medium term notes	(c)	**2017-2021**	**4**	4	**389,449**	420,196	**389,449**	420,196
					6,347,547	7,158,172	**389,449**	420,196
Total loans and borrowings					**17,423,850**	22,362,326	**389,449**	420,196

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$11,562,037,000 (2014:US$11,292,036,000), are guaranteed by the Company and certain subsidiaries.

(e) The Group has bank loans and other bank deposits amounting to approximately US$4,470,301,000 (2014: US$7,497,348,000), disclosed off-balance sheet for the financial year ended 31 December 2015 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 2014, 31 December 2014, 1 January 2015 and 31 December 2015	**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 2014	(4,324)	(10,387)
Acquired during the financial year	(3,779)	(8,895)
At 31 December 2014 and 1 January 2015	**(8,103)**	**(19,282)**
Acquired during the financial year	**(75,311)**	**(148,873)**
At 31 December 2015	**(83,414)**	**(168,155)**

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

The Company acquired approximately 75,311,000 (2014: 3,779,000) 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$148,873,000 (2014: US$8,895,000) and this was presented as a component within shareholders' equity.

29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2015	2014	**2015**	2014
	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	**(1,049,332)**	(228,373)	**-**	-
General reserve	**260,816**	242,139	**1,989**	1,989
Equity transaction reserve	**(180,891)**	(176,829)	**-**	-
Hedging reserve	**(16,255)**	95,973	**-**	-
Employee share option reserve	**45,425**	86,871	**45,425**	86,871
Fair value reserve	**95,886**	52,239	**-**	-
Total other reserves	**(2,628,282)**	(1,711,911)	**192,793**	234,239

(b) Movements:

(i) Capital reserve

	Group		Company	
	2015	2014	**2015**	2014
	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	
	2015	2014
	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	
	2015	2014
	US$'000	US$'000
At 1 January	**(228,373)**	241,745
Currency translation differences of foreign operations	**(822,309)**	(470,005)
Disposal of subsidiaries	**1,350**	(113)
At 31 December	**(1,049,332)**	(228,373)

(iv) General reserve

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
At 1 January	**242,139**	236,493	**1,989**	1,989
Transferred from retained earnings	**28,171**	10,148	**-**	-
Loss on remeasurement of defined benefit plan	**(9,494)**	(4,502)	**-**	-
At 31 December	**260,816**	242,139	**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) Loss 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	
	2015	2014
	US$'000	US$'000
At 1 January	**(176,829)**	(146,320)
Acquisition of additional interest in subsidiaries	**(3,975)**	(12,572)
Dilution of interest in subsidiaries	**(87)**	(17,937)
At 31 December	**(180,891)**	(176,829)

(vi) Hedging reserve

	Group	
	2015	2014
	US$'000	US$'000
At 1 January	**95,973**	(61,196)
Fair value adjustment on cash flow hedges	**(197,393)**	128,672
Recognised in the income statement on derivatives contracts realised	**85,165**	28,497
At 31 December	**(16,255)**	95,973

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	
	2015	2014
	US$'000	US$'000
At 1 January	**86,871**	75,695
Grant of equity-settled share options	**8,295**	15,165
Expiry of employee share options transferred to retained earnings	**(49,741)**	(3,989)
At 31 December	**45,425**	86,871

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	
	2015	2014
	US$'000	US$'000
At 1 January	**52,239**	(6,155)
Fair value adjustment on available-for-sale financial assets	**44,497**	58,394
Recognised in the income statement on disposal of available-for-sale financial assets	**(850)**	-
At 31 December	**95,886**	52,239

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	
	2015	2014
Discount rate	**9.5 % per annum**	8.5 % per annum
Wages and salaries increase	**10% per annum**	8% per annum
Retirement age	**56 years of age in 2015**	55 years of age
	57 years of age in 2019	
	and increase by 1 year for each 3 year thereafter until reach 65 year of age	
Mortality rate	**TMI 2011**	TMI 2011
Method	**Projected unit credit**	Projected unit credit

30. PROVISION FOR EMPLOYEE GRATUITY (CONTINUED)

The details of the employee gratuity expense (written back)/recognised in the income statement are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Current service costs	**6,911**	6,235
Adjustment of new entrant employees/transfers	**1,333**	2,744
Interest costs	**4,273**	3,924
Curtailment loss	**(284)**	(955)
Past service cost	**(12,504)**	-
Others	**(239)**	19
	(510)	11,967

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

	Group	
	2015	2014
	US$'000	US$'000
Present value of benefit obligation	**63,744**	58,985
Immediate recognition on effect of changes in actuarial assumption	**(170)**	(937)
Others	**(1)**	156
Provision for employee gratuity	**63,573**	58,204

Movement in provision for employee gratuity is as follows:

	Group	
	2015	2014
	US$'000	US$'000
At 1 January	**58,204**	45,239
(Write back)/provision made for the year	**(510)**	11,967
Payments during the year	**(2,164)**	(2,172)
Currency translation differences	**(5,695)**	(447)
Disposal of subsidiaries	**-**	(1,726)
Remeasurements of defined benefit plan during the year	**12,886**	5,748
Others	**852**	(405)
At 31 December	**63,573**	58,204

31. EMPLOYEE BENEFITS

	Group	
	2015	2014
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**919,826**	907,070
Defined contribution plans	**102,241**	92,181
Share-based payments	**8,295**	15,165
Other short term benefits	**87,538**	84,565
Other long term benefits	**(454)**	11,975
	1,117,446	1,110,956
Less: Amount capitalised as biological assets	**(3,630)**	(5,230)
	1,113,816	1,105,726

Share option schemes

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 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 ordinary shares available under the Wilmar ESOS 2009, provided that the number of ordinary 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 ordinary 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). Outstanding options which were not exercised have expired on 21 May 2014.

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 ordinary 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. Outstanding options which were not exercised have expired on 10 March 2015.

2012 Grant

On 12 July 2012, the Company granted options to subscribe for a total of 26,800,000 ordinary 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 2015 the number of outstanding option shares that were not exercised under this grant was 25,740,000 (including the retention of the outstanding option to subscribe for 500,000 shares granted to retired Executive Director Mr Teo Kim Yong and this option continues to be valid till its expiry date).

2013 Grant

On 13 November 2013, the Company granted options to subscribe for a total of 49,315,000 ordinary 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 2015 the number of outstanding option shares that were not exercised under this grant was 47,765,000 (including the retention of the outstanding option to subscribe for 1,000,000 shares granted to retired Executive Director Mr Teo Kim Yong and the option continues to be valid till its expiry date).

All options granted under the 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.

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

2015 Grant

On 18 June 2015, the Company granted options to subscribe for a total of 52,400,000 ordinary shares at S$3.05 per share (at a 7.63% discount to the 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 2015 the number of outstanding ordinary shares that were not exercised under this option grant was 51,875,000 (including the retention of an outstanding option to subscribe for 1,000,000 shares granted to retired Executive Director Mr Teo Kim Yong and the option continues to be valid till its expiry date).

All options granted under the 2015 Grant are valid for a term of five years from the date of grant of options and are exercisable in the following manner:

For Executive Directors and Executives

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

For Non-Executive Directors

All options are exercisable after 2nd anniversary of the date of grant.

As at 31 December 2015, the total number of shares exercisable under the options granted pursuant to the Wilmar ESOS 2009 was 125,380,000 shares (2014: 97,495,000 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
2015							
Wilmar ESOS 2009							
10.03.2010	8,607,700	-	(8,607,700)	-	-	S$6.68	11.03.2011 to 10.03.2015
10.03.2010	7,157,700	-	(7,157,700)	-	-	S$6.68	11.03.2012 to 10.03.2015
10.03.2010	7,374,600	-	(7,374,600)	-	-	S$6.68	11.03.2013 to 10.03.2015
	23,140,000	-	(23,140,000)	-	-		
12.07.2012	9,389,450	-	(57,750)	-	9,331,700	S$3.63	13.07.2013 to 12.07.2017
12.07.2012	8,139,450	-	(57,750)	-	8,081,700	S$3.63	13.07.2014 to 12.07.2017
12.07.2012	8,386,100	-	(59,500)	-	8,326,600	S$3.63	13.07.2015 to 12.07.2017
	25,915,000	-	(175,000)	-	25,740,000		
13.11.2013	17,928,200	-	(222,750)	-	17,705,450	S$3.44	14.11.2014 to 13.11.2018
13.11.2013	15,028,200	-	(222,750)	-	14,805,450	S$3.44	14.11.2015 to 13.11.2018
13.11.2013	15,483,600	-	(229,500)	-	15,254,100	S$3.44	14.11.2016 to 13.11.2018
	48,440,000	-	(675,000)	-	47,765,000		
18.06.2015	-	19,503,000	(173,250)	-	19,329,750	S$3.05	19.06.2017 to 18.06.2020
18.06.2015	-	16,203,000	(173,250)	-	16,029,750	S$3.05	19.06.2018 to 18.06.2020
18.06.2015	-	16,694,000	(178,500)	-	16,515,500	S$3.05	19.06.2019 to 18.06.2020
	-	52,400,000	(525,000)	-	51,875,000		
Total	97,495,000	52,400,000	(24,515,000)	-	125,380,000		

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
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		

The weighted average fair value of options granted during the financial year was S$0.58 (2014: Nil).

No options were exercised during the financial year ended 31 December 2015 and 31 December 2014.

The range of exercise prices for options outstanding at the end of the year was from S$3.05 to S$3.63 (2014: S$3.44 to S$6.68). The weighted average contractual life for these options was 3.3 years (2014: 2.6 years).

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg 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	**2015**	2014
Dividend (S$ per share)	**0.06**	No issuance
Expected volatility	**0.21**	No issuance
Risk-free interest rate (% p.a.)	**0.98 to 1.48**	No issuance
Expected life of option (years)	**3.00 to 4.00**	No issuance
Weighted average share price at date of grant (S$)	**3.26**	No issuance

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	
	2015	2014
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**408,676**	439,048

(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	
	2015	2014
	US$'000	US$'000
Not later than one year	**22,063**	21,227
Later than one year but not later than five years	**31,410**	34,660
Later than five years	**20,247**	25,481
	73,720	81,368

32. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Operating lease commitments – as lessee (continued)

The Groups's material joint venture's future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	FPW Singapore Holdings Pte. Ltd.	
	2015	2014
	US$'000	US$'000
Not later than one year	**18,943**	-
Later than one year but not later than five years	**36,932**	-
Later than five years	**47,082**	-
	102,957	-

(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:

	2015	2014
	US$'000	US$'000
Committed contracts		
Purchases	**2,976,739**	2,647,285
Sales	**4,630,116**	4,713,710

(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$34,380,000 (2014: US$22,599,000).

(e) Corporate guarantees

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

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Subsidiaries	**-**	-	**10,568,592**	10,462,288
Associates	**376,079**	476,927	**376,079**	460,176
	376,079	476,927	**10,944,671**	10,922,464

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	
	2015	2014
	US$'000	US$'000
		Restated*
Related Parties		
Dividend income	**421**	360
Freight charges	**8,249**	3,182
Interest income	**8,862**	386
Other income	**319**	256
Other expense	**483**	646
Purchase of goods	**2,183,862**	2,344,408
Sales of goods	**361,209**	1,039,972
Ship charter income	**23,164**	35,230
Joint ventures		
Dividend income	**8,325**	3,500
Freight charges	**129,670**	178,984
Interest expense	**155**	71
Interest income	**7,485**	7,497
Other income	**10,478**	7,525
Other expense	**6**	324
Purchase of goods	**514,202**	707,421
Sales of goods	**177,307**	188,630
Ship charter income	**27,679**	31,260
Associates		
Dividend income	**46,016**	41,311
Freight charges	**788**	519
Interest expense	**1,169**	961
Interest income	**5,100**	8,606
Other income	**16,447**	8,925
Other expense	**20,730**	14,186
Purchase of goods	**735,895**	956,791
Sales of goods	**1,203,459**	1,581,339
Ship charter income	**36,036**	42,943

* *Prior year's figures were restated due to the reclassification of "Investment in joint ventures" from "investments in associates"*

33. RELATED PARTY DISCLOSURES (CONTINUED)

B. Compensation of key management personnel

	Group	
	2015	2014
	US$'000	US$'000
Defined contribution plans	**230**	191
Salaries and bonuses	**29,456**	19,854
Short term employee benefits (including grant of share options)	**5,136**	4,805
	34,822	24,850
Comprise amounts paid to:		
Directors of the Company	**11,615**	10,784
Other key management personnel	**23,207**	14,066
	34,822	24,850

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 2015 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	**332,337**	**222,532**	**35,508**	**590,377**
Financial assets held for trading	**304,694**	**-**	**-**	**304,694**
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	**-**	**261,847**	**-**	**261,847**
- Futures, options, swap contracts, forward freight agreements and firm commitment contracts	**112,514**	**195,646**	**-**	**308,160**
At 31 December 2015	**749,545**	**680,025**	**35,508**	**1,465,078**
Non-financial assets:				
Biological assets	**-**	**-**	**1,794,594**	**1,794,594**
At 31 December 2015	**-**	**-**	**1,794,594**	**1,794,594**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives				
- Forward currency contracts, options and cross currency interest rate swaps	**-**	**248,442**	**-**	**248,442**
- Futures, options, swap contracts and firm commitment contracts	**150,135**	**154,780**	**-**	**304,915**
At 31 December 2015	**150,135**	**403,222**	**-**	**553,357**

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

	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, forward freight agreements 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)

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 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 the 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 and 1 January 2015	**39,770**	**1,860,821**	**1,900,591**
Total loss recognised in the income statement			
- Net loss arising from changes in fair value of biological assets	**-**	**(10,169)**	**(10,169)**
Total loss recognised in the other comprehensive income			
- Foreign currency translation	**(4,262)**	**(101,809)**	**(106,071)**
Movement in biological assets (Note 14)	**-**	**45,751**	**45,751**
At 31 December 2015	**35,508**	**1,794,594**	**1,830,102**

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2015 and 31 December 2014.

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			
	2015 US$'000		2014 US$'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	**35,508**	**-**	39,770	-

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 rates, 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			
	2015 US$'000		2014 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**334,552**	**#**	293,974	#
Equity instruments, at cost	**59,665**	*****	46,478	*
Financial liabilities:				
Other financial payables	**58,220**	**#**	28,282	#

	Company			
	2015 US$'000		2014 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**351,373**	**#**	305,483	#

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 2015 and 31 December 2014.

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 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			
	2015		2014	
	US$'000	%	US$'000	%
By country:				
South East Asia	**1,752,109**	**47**	1,229,474	30
People's Republic of China	**743,631**	**20**	1,298,700	32
India	**117,802**	**3**	210,793	5
Europe	**202,778**	**5**	336,861	8
Australia/New Zealand	**304,866**	**8**	305,480	8
Africa	**218,415**	**6**	195,752	5
Others	**413,119**	**11**	467,739	12
	3,752,720	**100**	4,044,799	100

	Group			
	2015		2014	
	US$'000	%	US$'000	%
By segment:				
Tropical Oils	**2,042,316**	**54**	1,962,233	49
Oilseeds and Grains	**658,686**	**18**	1,140,249	28
Sugar	**748,447**	**20**	561,385	14
Others	**303,271**	**8**	380,932	9
	3,752,720	**100**	4,044,799	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.

	2015 US$'000				2014 US$'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	**-**	**650,042**	**-**	**650,042**	-	592,245	-	592,245
Financial assets held for trading	**304,694**	**-**	**-**	**304,694**	261,470	-	-	261,470
Trade and other financial receivables	**6,680,271**	**350,493**	**-**	**7,030,764**	8,116,910	308,415	-	8,425,325
Derivative financial instruments	**567,221**	**2,786**	**-**	**570,007**	755,826	15,172	-	770,998
Total cash and bank balances	**3,766,761**	**-**	**-**	**3,766,761**	7,517,493	-	-	7,517,493
Total undiscounted financial assets	**11,318,947**	**1,003,321**	**-**	**12,322,268**	16,651,699	915,832	-	17,567,531

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2015 US$'000				2014 US$'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	**2,489,351**	**58,220**	**-**	**2,547,571**	2,940,349	28,282	-	2,968,631
Derivative financial instruments	**480,775**	**72,582**	**-**	**553,357**	538,242	47,491	-	585,733
Loans and borrowings	**11,204,209**	**6,431,284**	**160,821**	**17,796,314**	15,298,074	7,328,995	163,026	22,790,095
Total undiscounted financial liabilities	**14,174,335**	**6,562,086**	**160,821**	**20,897,242**	18,776,665	7,404,768	163,026	26,344,459
Total net undiscounted financial liabilities	**(2,855,388)**	**(5,558,765)**	**(160,821)**	**(8,574,974)**	(2,124,966)	(6,488,936)	(163,026)	(8,776,928)

	2015 US$'000				2014 US$'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	**3,354,482**	**351,373**	**-**	**3,705,855**	3,046,548	305,483	-	3,352,031
Total cash and bank balances	**1,374**	**-**	**-**	**1,374**	503	-	-	503
Total undiscounted financial assets	**3,355,856**	**351,373**	**-**	**3,707,229**	3,047,051	305,483	-	3,352,534
Financial liabilities:								
Trade and other financial payables	**1,602,231**	**-**	**-**	**1,602,231**	1,250,932	-	-	1,250,932
Loans and borrowings	**-**	**238,523**	**150,926**	**389,449**	-	257,170	163,026	420,196
Total undiscounted financial liabilities	**1,602,231**	**238,523**	**150,926**	**1,991,680**	1,250,932	257,170	163,026	1,671,128
Total net undiscounted financial assets/ (liabilities)	**1,753,625**	**112,850**	**(150,926)**	**1,715,549**	1,796,119	48,313	(163,026)	1,681,406

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Group's and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2015 US$'000				2014 US$'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	**180,519**	**195,560**	**-**	**376,079**	199,251	277,676	-	476,927
Company								
Financial guarantees	**2,989,741**	**7,916,220**	**38,710**	**10,944,671**	2,232,609	8,651,172	38,683	10,922,464

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings, interest-bearing loans given to joint ventures, associates, related parties and non-controlling shareholders of subsidiaries and fixed deposits with financial institutions.

At the balance sheet date, if the interest rates had been 50 (2014: 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$63,065,000 (2014: US$85,596,000), 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).

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Currency risk arises when transactions are denominated in foreign currencies. The Group seeks to manage its foreign currency exposure by constructing natural hedges when it matches sales and purchases in any single currency or through financial instruments, such as foreign currency forward exchange contracts. To manage the currency risk, individual entities within the Group consult with Group Treasury to enter into currency forwards, either in their respective countries or with Group Treasury itself. Group Treasury in turn manages the overall currency exposure mainly through currency forwards.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Indonesia, People's Republic of China, Australia, Europe, Ghana, Nigeria, Vietnam and others. The Group's net investments in these countries are not hedged as currency positions in these foreign currencies are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

A 5% (2014: 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.

	Group			
	Profit before tax		**Equity (Hedging Reserve)**	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
Chinese Renminbi	**7,202**	(30,567)	**26,333**	63,808
Malaysian Ringgit	**(711)**	(6,815)	**(16,750)**	(12,559)
Indonesian Rupiah	**(29,645)**	(12,612)	**(1,750)**	(6,798)
Others	**27,835**	8,472	**(4,797)**	(3,698)

(e) Commodity price risk

The prices of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subjected to price fluctuations in the commodities market.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise its risks arising from such fluctuations by hedging its sales either through direct purchases of a similar commodity or through futures contracts on the commodity exchanges. The prices on the commodity exchanges are generally quoted up to twelve months forward.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Commodity price risk (continued)

In the course of hedging its sales either through direct purchases or through futures, options and swap contracts, the Group may also be exposed to the inherent risk associated with trading activities conducted by its personnel. The Group has in place a risk management system to manage such risk exposure.

At the balance sheet date, a 5% (2014: 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	
	2015	2014
	US$'000	US$'000
Effect of increase in commodities price indices on		
Profit before tax	**(100,802)**	(91,137)
Equity (hedging reserve)	**(29,241)**	(61,869)
Effect of decrease in commodities price indices on		
Profit before tax	**100,802**	91,137
Equity (hedging reserve)	**29,241**	61,869

(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.

Sensitivity analysis for equity price risk

At the balance sheet date, if the market price had been 5% (2014: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US$15,235,000 (2014: US$13,073,000) 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$16,617,000 (2014: US$14,229,000) 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 2015 and 31 December 2014.

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	
	2015	2014
	US$'000	US$'000
Shareholders' funds	**15,126,804**	15,494,934
Loans and borrowings	**17,423,850**	22,362,326
Less: Cash and bank balances	**(3,706,597)**	(7,399,187)
Less: Other deposits with financial institutions - current	**(1,900,618)**	(2,907,602)
Net debt	**11,816,635**	12,055,537
Net gearing ratio (times)	**0.78**	0.78

(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	
	2015	2014
	US$'000	US$'000
Shareholders' funds	**15,126,804**	15,494,934
Liquid working capital:		
Inventories (excluding consumables)	**5,793,977**	6,211,690
Trade receivables	**3,752,720**	4,044,799
Less: Current liabilities (excluding loans and borrowings)	**(3,614,462)**	(3,992,978)
Total liquid working capital	**5,932,235**	6,263,511
Adjusted net debt	**5,884,400**	5,792,026
Adjusted net gearing ratio (times)	**0.39**	0.37

37. SEGMENT INFORMATION

Reporting format

The Group has adopted the new segment reporting of revenue and profitability beginning in 2015. The four reporting segments are now based on the agriculture products, namely Tropical Oils (Plantation and Manufacturing), Oilseeds and Grains (Manufacturing and Consumer Products), Sugar (Merchandising, Manufacturing and Consumer Products) and Others.

Tropical Oils (Plantation and Manufacturing)

This segment comprises the Palm Plantation and Palm Oil Mill, processing, merchandising, branding and distribution of palm oil and laurics related products including oleochemical and biodiesel.

Oilseeds and Grains (Manufacturing and Consumer Products)

This segment comprises the processing, merchandising, branding and distribution of a wide range of agricultural products including non palm and lauric edible oils, oilseeds, flour and rice milling, corn processing and downstream products like wheat and rice noodles in consumer pack, medium pack and in bulk.

Sugar (Merchandising, Manufacturing and Consumer Products)

This segment comprises sugar milling, refining, merchandising, branding and distribution of sugar and related products.

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.

Inter-segment sales took place on terms agreed between the various business segments. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

37. SEGMENT INFORMATION (CONTINUED)

2015

	Tropical Oils	Oilseeds and Grains	Sugar	Others	Eliminations	Per Consolidated Financial Statements
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue:						
Sales to external customers	15,523,546	17,702,131	4,404,352	1,146,606	-	38,776,635
Inter-segment	83,732	2,940	-	1,105,735	(1,192,407)	-
Total revenue	15,607,278	17,705,071	4,404,352	2,252,341	(1,192,407)	38,776,635
Results:						
Segment results	545,586	689,815	83,254	17,421	-	1,336,076
Share of results of joint ventures	(4,890)	(3,870)	-	(3,712)	-	(12,472)
Share of results of associates	31,743	97,214	(20,082)	4,517	-	113,392
Unallocated expenses						(8,295)
Profit before tax						1,428,701
Income tax expense						(294,044)
Profit after tax						1,134,657
Assets and Liabilities:						
Segment assets	14,919,038	14,944,884	3,281,445	5,738,606	(4,036,537)	34,847,436
Investment in joint ventures	231,868	619,715	-	34,505	-	886,088
Investment in associates	214,995	1,139,441	309,247	207,347	-	1,871,030
Unallocated assets						333,989
Total assets						37,938,543
Segment liabilities	7,960,049	8,863,837	3,017,151	4,967,200	(4,036,537)	20,771,700
Unallocated liabilities						1,088,099
Total liabilities						21,859,799
Other segment information						
Additions to non-current assets	336,167	302,571	120,605	190,570	-	949,913
Depreciation, impairment and amortisation	254,990	223,691	115,697	82,783	-	677,161
Finance income	228,724	377,629	7,513	140,072	(283,411)	470,527
Finance cost	(247,294)	(290,846)	(43,737)	(168,370)	283,411	(466,836)#

Including non-operating finance costs amounting to approximately US$22,660,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

37. SEGMENT INFORMATION (CONTINUED)

2014

	Tropical Oils	Oilseeds and Grains	Sugar	Others	Eliminations	Per Consolidated Financial Statements
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue:						
Sales to external customers	19,856,451	17,984,746	4,060,318	1,183,360	-	43,084,875
Inter-segment	482,762	1,695	55	1,193,721	(1,678,233)	-
Total revenue	20,339,213	17,986,441	4,060,373	2,377,081	(1,678,233)	43,084,875
Results:						
Segment results	969,212	348,455	134,386	19,993	-	1,472,046
Share of results of joint ventures	(3,406)	(860)	-	(1,072)	-	(5,338)
Share of results of associates	13,533	66,406	(78)	6,174	-	86,035
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	17,642,961	18,651,880	3,759,588	6,412,468	(5,424,534)	41,042,363
Investment in joint ventures	240,396	80,510	-	47,983	-	368,889
Investment in associates	236,274	1,089,655	337,404	120,974	-	1,784,307
Unallocated assets						362,602
Total assets						43,558,161
Segment liabilities	11,295,332	12,287,286	3,388,720	4,434,621	(5,424,534)	25,981,425
Unallocated liabilities						1,165,935
Total liabilities						27,147,360
Other segment information						
Additions to non-current assets	465,429	309,984	211,979	378,096	-	1,365,488
Depreciation, impairment and amortisation	260,365	205,462	127,806	66,783	-	660,416
Finance income	326,777	471,121	5,161	154,722	(357,301)	600,480
Finance cost	(324,078)	(368,480)	(39,524)	(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)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following item is deducted from segment results to arrive at "Profit before tax" presented in the consolidated income statement:

	2015 US$'000	2014 US$'000
Share-based payments (executive share options)	**(8,295)**	(15,165)
	(8,295)	(15,165)

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:

	2015 US$'000	2014 US$'000
Deferred tax assets	**198,116**	203,808
Tax recoverable	**135,873**	158,794
	333,989	362,602

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

	2015 US$'000	2014 US$'000
Deferred tax liabilities	**598,942**	623,373
Tax payable	**99,708**	122,366
Medium term notes	**389,449**	420,196
	1,088,099	1,165,935

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	
	2015	2014	**2015**	2014
	US$'000	US$'000	US$'000	US$'000
South East Asia	**7,660,567**	10,024,158	**8,110,664**	8,329,102
People's Republic of China	**19,370,506**	19,621,981	**6,951,732**	7,012,578
India	**1,337,842**	1,462,619	**103,416**	133,153
Europe	**2,484,891**	3,390,131	**272,847**	308,316
Australia / New Zealand	**1,410,687**	1,723,797	**2,036,096**	1,705,404
Africa	**2,023,884**	2,036,050	**708,866**	637,146
Others	**4,488,258**	4,826,139	**102,877**	105,802
	38,776,635	43,084,875	**18,286,498**	18,231,501

Non-current assets information presented above consists of property, plant and equipment, investment in joint ventures and associates, plasma investments, biological assets, intangible assets and other receivables as presented in the consolidated balance sheet.

38. DIVIDENDS

	Group and Company	
	2015	2014
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final tax-exempt (one-tier) dividend for 2014: S$0.055 (2013: S$ 0.055) per share	**265,966**	280,143
- Interim tax-exempt (one-tier) dividend for 2015: S$0.025 (2014: S$0.02) per share	**114,560**	102,755
	380,526	382,898
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 2015: S$0.055 (2014: S$0.055) per share	**246,088**	266,309

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 2015 %	2014 %
Cai Lan Oils & Fats Industries Company Ltd [3]	Vietnam	Manufacture and sale of vegetable oils and related products	**76**	76
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+**	67+
Wilmar Sugar Australia Limited [2] & its subsidiaries	Australia	Investment holding, processing and merchandising of sugar products, molasses and packaged oils, electricity co-generation, distilling ethanol and distribution of it, its by-products and oleochemicals	**100**	100
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. JOINT VENTURES AND ASSOCIATES OF THE GROUP

The following is the list of the significant joint ventures of the Group.

Name of joint ventures	Place of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Dongguan Yihai Kerry Syral Starch Technology Co., Ltd[3]	People's Republic of China	Natural food additives (glucose syrup iso-glucose & starch derivatives) processing	**51**	51
FPW Singapore Holdings Pte. Ltd. (Formerly known as W Singapore Holdings Pte. Ltd.)[1]	Singapore	Investment holding	**50**	100
Global Amines Company Pte. Ltd.[1]	Singapore	Investment holding and sale of fatty amines and selected amine derivatives	**50**	50
Nauvu Investments Pte. Ltd.[1]	Singapore	Investment holding	**50**	50
PT Usaha Inti Padang[2]	Indonesia	Palm kernel crushing	**50**	50
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

(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

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP (CONTINUED)

The following is the list of the significant associates of the Group.

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
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	**29+**	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
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	Palm oil refining, crushing of palm kernel and marketing of palm oil and palm kernel products	**45**	45
Laiyang Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Murzah Wilmar East Africa Limited[3]	Tanzania	Manufacturers and traders of cooking oil, cooking fat, soaps & detergents, plastic containers and furnitures	**45+**	-

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP (CONTINUED)

The following is the list of the significant associates of the Group (continued).

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Sethal Holdings Limited[3]	Cyprus	Investment holding	**48**	48
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 and ethanol derived from sugar cane, sale, distribution, trading and/or branding of sugar and ethanol and generation, distribution, sale and trading of electricity/power	**28+**	28+
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
+ The effective interest of the Group has been rounded to the nearest whole % as indicated

41. COMPARATIVE FIGURES

Financial information and disclosures relating to joint ventures are reclassified and separately presented from associates. Accordingly, the comparatives figures relating to joint ventures and associates have been restated and reclassified to conform with current year's presentation as below:

	Group		Company	
	Previously reported US$'000	**As restated** US$'000	**Previously reported** US$'000	**As restated** US$'000
Consolidated income statement				
Share of results of joint ventures	-	(5,338)	N.A.	N.A.
Share of results of associates	80,697	86,035	N.A.	N.A.
Balance Sheets				
Investment in joint ventures	-	368,889	-	128,674
Investment in associates	2,153,196	1,784,307	170,021	41,347
Consolidated Cash Flows				
Decrease in net amount due from joint ventures	-	3,534	N.A.	N.A.
Increase in net amount due from associates	(23,377)	(26,911)	N.A.	N.A.
Payments for investment in joint ventures	-	(39,989)	N.A.	N.A.
Payments for investment in associates	(143,917)	(103,928)	N.A.	N.A.
Dividends received from joint ventures	-	3,500	N.A.	N.A.
Dividends received from associates	42,840	39,340	N.A.	N.A.
Note 6 Finance Income				
- From joint ventures	-	7,497	N.A.	N.A.
- From associates	16,103	8,606	N.A.	N.A.
Note 8 Finance Costs				
- Loans from joint ventures	-	71	N.A.	N.A.
- Loans from associates	1,032	961	N.A.	N.A.
Note 21 Other Financial Receivables				
- Non-current				
Amounts due from joint ventures - non-trade	-	24,882	-	1,568
Amounts due from associates - non-trade	176,800	151,918	65,337	63,769
- Current				
Amounts due from joint ventures - non-trade	-	162,826	-	151
Amounts due from associates - non-trade	408,935	246,109	6,622	6,471
Note 26 Other Financial Payables				
- Current				
Amounts due to joint ventures - non-trade	-	17,782	-	14,262
Amounts due to associates - non-trade	102,996	85,214	14,360	98

42. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 21 March 2016.

STATISTICS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 9 MARCH 2016

Number of Shares (excluding treasury shares)	: 6,319,987,406
Number of Shareholders	: 25,490
Number of Treasury Shares Held	: 83,413,700
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	60	0.24	1,186	0.00
100 to 1,000	4,545	17.83	3,973,482	0.06
1,001 to 10,000	16,277	63.86	72,839,289	1.15
10,001 to 1,000,000	4,541	17.81	204,494,661	3.24
1,000,001 and above	67	0.26	6,038,678,788	95.55
Total	**25,490**	**100.00**	**6,319,987,406**	**100.00**

SUBSTANTIAL SHAREHOLDERS

As at 9 March 2016

(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	12.13
Martua Sitorus(2)	4,988,000	441,321,242	446,309,242	7.06
Longhlin Asia Limited(3)	109,009,921	406,204,971	515,214,892	8.15
Golden Parklane Limited(4)	-	431,870,365	431,870,365	6.83
Archer Daniels Midland Company(5)	-	1,264,967,850	1,264,967,850	20.02
Archer Daniels Midland Asia-Pacific Limited(6)	533,606,280	374,961,795	908,568,075	14.38
ADM Ag Holding Limited	374,961,795	-	374,961,795	5.93
Global Cocoa Holdings Ltd	356,399,775	-	356,399,775	5.64
Kuok Brothers Sdn Berhad(7)	230,000	1,174,011,955	1,174,241,955	18.58
PPB Group Berhad	1,172,614,755	-	1,172,614,755	18.55
Kerry Group Limited (8)	-	639,958,201	639,958,201	10.13
Kerry Holdings Limited(9)	-	323,813,248	323,813,248	5.12

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, 34,068,886 Shares held by Bonoto Investments Limited, 153,000,000 Shares held by Bolney Enterprises Limited, 244,801,479 Shares held by Firefly Limited and 9,000,000 Shares held by Burlingham International Ltd.

3. Longhlin Asia Limited is deemed to be interested in 179,204,971 Shares held by Hong Lee Holdings (Pte) Ltd and 227,000,000 Shares held in the names of nominee companies.

4. Golden Parklane Limited is deemed to be interested in 34,068,886 Shares held by Bonoto Investments Limited, 153,000,000 Shares held by Bolney Enterprises Limited and 244,801,479 Shares held by Firefly Limited.
5. Archer Daniels Midland Company is deemed to be interested in 533,606,280 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 9 March 2016

(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	18.55
2.	Citibank Nominees Singapore Pte Ltd	543,850,935	8.61
3.	Archer Daniels Midland Asia-Pacific Limited	533,606,280	8.44
4.	Raffles Nominees (Pte) Ltd	416,075,539	6.58
5.	ADM Ag Holding Limited	374,961,795	5.93
6.	Global Cocoa Holdings Ltd	356,399,775	5.64
7.	DBS Nominees Pte Ltd	342,776,591	5.42
8.	HSBC (Singapore) Nominees Pte Ltd	331,202,036	5.24
9.	Kuok (Singapore) Limited	256,951,112	4.07
10.	Harpole Resources Limited	256,211,778	4.05
11.	Noblespirit Corporation	242,600,000	3.84
12.	DB Nominees (Singapore) Pte Ltd	213,192,764	3.37
13.	DBSN Services Pte Ltd	197,137,302	3.12
14.	Longhlin Asia Limited	109,009,921	1.72
15.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	81,122,840	1.28
16.	OCBC Securities Private Ltd	77,128,869	1.22
17.	United Overseas Bank Nominees Pte Ltd	64,435,193	1.02
18.	Bank of Singapore Nominees Pte Ltd	38,456,799	0.61
19.	Hong Lee Holdings (Pte) Ltd	36,204,971	0.57
20.	HL Bank Nominees (Singapore) Pte Ltd	35,613,000	0.56
	Total	**5,679,552,255**	**89.84**

* Based on 6,319,987,406 Shares (excluding Shares held as treasury shares) as at 9 March 2016.

Shareholding Held By The Public

Based on the information available to the Company as at 9 March 2016, 27.31% 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.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Tower Ballroom, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on Thursday, 28 April 2016 at 10.00 a.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 Directors' Statement and audited financial statements for the financial year ended 31 December 2015 and the Auditor's Report 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 financial year ended 31 December 2015. (Resolution 2)

3. To approve the payment of Directors' fees of S$801,670 for the financial year ended 31 December 2015 (2014: S$728,350).

   (*See Explanatory Note 1*) (Resolution 3)

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

   (See Explanatory Note 2)

   (i) Mr Martua Sitorus (Retiring by rotation under Article 99) (Resolution 4)

   (ii) Mr Kuok Khoon Chen (Retiring by rotation under Article 99) (Resolution 5)

   (iii) Mr Kuok Khoon Ean (Retiring by rotation under Article 99) (Resolution 6)

   (iv) Mr Pua Seck Guan (Retiring under Article 100) (Resolution 7)

   (v) Professor Kishore Mahbubani (Retiring under Article 100) (Resolution 8)

   (b) To re-appoint Mr Yeo Teng Yang, who was re-appointed as Director at the last Annual General Meeting to hold office until the forthcoming Annual General Meeting pursuant to the then Section 153(6) of the Companies Act, Chapter 50 of Singapore.

   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 Chairman of the Risk Management Committee and a member of the Nominating Committee and Remuneration Committee upon his re-appointment. (Resolution 9)

5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 10)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. **Authority to issue and allot shares in the capital of the Company**

That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies 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 ("**AGM**") or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(*See Explanatory Note 3*) (Resolution 11)

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 Companies 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 AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(*See Explanatory Note 4*) (Resolution 12)

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 5 April 2016 to the Company's Annual Report 2015 (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 AGM 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 13)

9. **Proposed Renewal of Share Purchase Mandate**

That:

(a) For the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Share Purchase Committee of 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 Companies 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 AGM of the Company is held; or

(ii) the date by which the next AGM 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 5 April 2016 to the Company's Annual Report 2015.

(*See Explanatory Note 6)* (Resolution 14)

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 10 May 2016, 5.00 p.m. to 11 May 2016, 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 2015 (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 10 May 2016 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 28 April 2016, will be paid on 18 May 2016.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 10 May 2016 will be entitled to the Proposed Final Dividend.

By Order of the Board
Teo La-Mei
Company Secretary

Singapore
5 April 2016

Explanatory Notes:

1. The Ordinary Resolution 3 proposed in item no. 3 above is to approve the payment of Directors' fees of S$801,670 (2014: S$728,350) for the financial year ended 31 December 2015 for services rendered by Non-Executive Directors. 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, as Member: S$10,000;
   (b) Risk Management Committee - as Chairman: S$30,000, as Member: S$10,000;
   (c) Remuneration Committee - as Chairman: S$10,000, as Member: S$5,000; and
   (d) Nominating Committee - as Chairman: S$10,000, as Member: S$5,000.

2. The Ordinary Resolutions proposed in items nos. 4 (a)(i), (ii), (iii), (iv) and (v) above are to approve the re-election of the respective Directors retiring and seeking re-election at the forthcoming Annual General Meeting in 2016 ("2016 AGM"). The Ordinary Resolution proposed in item no. 4(b) above is to approve the re-appointment of Mr Yeo Teng Yang who holds office as Director until the 2016 AGM pursuant to the then Section 153 of the Companies Act which has since

been repealed. 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 and "Corporate Information" section in the Company's Annual Report 2015. In addition, Non-Executive Directors Mr Kuok Khoon Chen and Mr Kuok Khoon Ean are brothers and they are cousins of Mr Kuok Khoon Hong, the Chairman and Chief Executive Officer and a substantial shareholder of the Company.

3. The Ordinary Resolution 11 proposed in item no. 6 above, if passed, will authorise the Directors of the Company from the date of the 2016 AGM until the next AGM 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 11 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 11 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 AGM of the Company.

4. The Ordinary Resolution 12 proposed in item no. 7 above, if passed, will empower the Directors of the Company from the date of the 2016 AGM until the next AGM 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 AGM of the Company.

5. The Ordinary Resolution 13 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 the 2016 AGM until the next AGM (unless revoked or varied by the Company in general meeting). The IPT Mandate, the renewal of which was approved by shareholders at the last AGM of the Company held on 24 April 2015, will be expiring at the 2016 AGM. Information relating to the renewal of the IPT Mandate can be found in the Addendum dated 5 April 2016 accompanying the Notice of the 2016 AGM.

6. The Ordinary Resolution 14 proposed in item 9 above, if passed, will empower the Directors from the date of the 2016 AGM until the date of the next AGM of the Company, or the date by which the next AGM 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 5 April 2016 accompanying the Notice of the 2016 AGM.

Notes:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the 2016 AGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the 2016 AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 #11-02, Singapore 068898** not less than 48 hours before the time appointed for the holding of the 2016 AGM in order for the proxy to be entitled to attend and vote at the 2016 AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2016 AGM 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 or its service providers) for the purpose of the processing and administration by the Company (or its agents or its service providers) of proxies and representatives appointed for the 2016 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2016 AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, 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 or service providers), 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 or service providers) 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. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy Wilmar International Limited shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their CPF Approved Nominees if they have any queries regarding their appointment as proxies (Please see Note 3).
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2016.

I / We ______________________ (Name), NRIC/Passport No./Co Reg Number ______________

of ____ (Address)

being a member/members of Wilmar International Limited (the "**Company**"), hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%

and/or (please delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting of the Company ("**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at Tower Ballroom, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on Thursday, 28 April 2016 at 10.00 a.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 AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion.

No.	Ordinary Resolutions	Number of votes For*	Number of votes Against*
1	To receive and adopt the Directors' Statement and audited financial statements for the financial year ended 31 December 2015 and the Auditor's Report thereon.		
2	To approve the payment of Proposed Final Dividend.		
3	To approve the payment of Directors' Fees.		
4	To re-elect Mr Martua Sitorus as a Director.		
5	To re-elect Mr Kuok Khoon Chen as a Director.		
6	To re-elect Mr Kuok Khoon Ean as a Director.		
7	To re-elect Mr Pua Seck Guan as a Director.		
8	To re-elect Professor Kishore Mahbubani as a Director.		
9	To re-appoint Mr Yeo Teng Yang as a Director.		
10	To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration.		
11	To authorise Directors to issue and allot shares in the Company.		
12	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.		
13	To approve the proposed renewal of Shareholders' Mandate for Interested Person Transactions.		
14	To approve the proposed renewal of Share Purchase Mandate.		

* 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 ________________ 2016

Total Number of Shares Held (see Note 1)

____

Signature(s) of Member(s) or Common Seal

IMPORTANT – Please read notes overleaf

NOTES TO PROXY FORM:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf 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, 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.

2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. CPF/SRS investors whose names have been given by their CPF Approved Nominees to the Company or the Company's share registrar, as the case may be, pursuant to a blanket proxy form may attend and vote in person at the AGM. In the event that such CPF/SRS investors are unable to attend the AGM but would like to vote, they should inform their CPF Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case they shall be precluded from attending the AGM.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be **deposited** at the office of the Company's registrar, **Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898** not less than 48 hours before the time appointed for holding the AGM.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of 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 its attorney or a duly authorised officer.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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WILMAR INTERNATIONAL LIMITED
c/o Tricor Barbinder Share Registration Services

80 Robinson Road #11-02
Singapore 068898

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